Journal of the House

FORTY-NINTH DAY

HALL OF THE HOUSE OF REPRESENTATIVES, TOPEKA, KS, Monday, March 22, 2004, 10:30 a.m.

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

The roll was called with 124 members present.

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

Prayer by guest chaplain, the Rev. John Austin, pastor, Peace United Church of Christ, Alma, and guest of Rep. Burgess:

Holy, Just, and Compassionate God,

We praise you for this new day, and for the honor entrusted to the people gathered in this chamber to establish laws and justice in our state. We turn to you this morning to pray for both blessing and guidance. We pray for ears to hear and eyes to see, and for insights that might surprise us. We pray for the courage to value truth and integrity above partisanship and accolades. We ask for help to follow your command to be quick to hear, slow to speak, and slow to become angry. As many of us have prayed many times before we say again this morning and for this day: grant to each one of us the grace to accept with serenity the things we cannot change, courage to change the things we can, and the wisdom to separate the one from the other. Amen.

The Pledge of Allegiance was led by Rep. Mason.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were referred to committees as indicated:

Appropriations: SB 557. Commerce and Labor: SB 534. Federal and State Affairs: HB 2942.

CONSENT CALENDAR

No objection was made to **SB 416** appearing on the Consent Calendar for the first day. No objection was made to **HB 2895** appearing on the Consent Calendar for the third day. The bill was advanced to Final Action on Bills and Concurrent Resolutions.

FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

HB 2895, An act concerning the Kansas apprenticeship council; amending K.S.A. 44-661 and repealing the existing section, was considered on final action.

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

Yeas: Aurand, Ballard, Ballou, Barbieri-Lightner, Beggs, Bethell, Boyer, Brunk, Burgess, Burroughs, Campbell, Carlin, Carter, Compton, Cox, Craft, Crow, Dahl, Davis, DeCastro, Decker, Dillmore, Dreher, Edmonds, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Freeborn, Gatewood, Gilbert, Goering, Goico, Gordon, Grant, Hayzlett, Henderson, Henry, Hill, Holland, Holmes, Horst, Howell, Huff, Humerickhouse, Huntington, Hutchins, Huy, Jack, D. Johnson, E. Johnson, Kassebaum, Kauffman, Kirk, Klein, Krehbiel, Kuether,

Landwehr, Lane, Larkin, Light, Loganbill, M. Long, Long-Mast, Loyd, Mason, Mays, McCreary, McKinney, McLeland, Merrick, F. Miller, J. Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neighbor, Neufeld, Newton, O'Malley, O'Neal, Osborne, Ostmeyer, Owens, Patterson, Pauls, Phelps, Pottorff, Powell, Powers, Reardon, Rehorn, Reitz, Ruff, Sawyer, Schwab, Schwartz, Scoggins-Waite, B. Sharp, S. Sharp, Showalter, Shriver, Shultz, Siegfreid, Sloan, Storm, Svaty, Swenson, Tafanelli, Thimesch, Thull, Toelkes, Vickrey, Ward, Wilk, D. Williams, J. Williams, Wilson, Winn, Yoder, Yonally.

Nays: None.

Present but not voting: None.

Absent or not voting: Huebert, Novascone.

The bill passed.

H. Sub. for SB 166, An act concerning elections; relating to compliance with the help America vote act of 2002; relating to disabled voters; amending K.S.A. 25-1122d, 25-1123, 25-2710, 25-2909 and K.S.A. 2003 Supp. 25-1122, 25-2309, 25-2908 and 25-3002 and repealing the existing sections, was considered on final action.

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

Yeas: Aurand, Ballard, Ballou, Barbieri-Lightner, Beggs, Bethell, Boyer, Brunk, Burgess, Burroughs, Campbell, Carlin, Carter, Compton, Cox, Craft, Crow, Dahl, Davis, DeCastro, Decker, Dillmore, Dreher, Edmonds, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Freeborn, Gatewood, Gilbert, Goering, Goico, Gordon, Grant, Hayzlett, Henderson, Henry, Hill, Holland, Holmes, Horst, Howell, Huff, Humerickhouse, Huntington, Hutchins, Huy, Jack, D. Johnson, E. Johnson, Kassebaum, Kauffman, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Larkin, Light, Loganbill, M. Long, Long-Mast, Loyd, Mason, Mays, McCreary, McKinney, McLeland, Merrick, F. Miller, J. Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neighbor, Neufeld, Newton, O'Malley, O'Neal, Osborne, Ostmeyer, Owens, Patterson, Pauls, Phelps, Pottorff, Powell, Powers, Reardon, Rehorn, Reitz, Ruff, Sawyer, Schwab, Schwartz, Scoggins-Waite, B. Sharp, S. Sharp, Showalter, Shriver, Shultz, Siegfreid, Sloan, Storm, Svaty, Swenson, Tafanelli, Thimesch, Thull, Toelkes, Vickrey, Ward, Wilk, D. Williams, J. Williams, Wilson, Winn, Yoder, Yonally.

Nays: None.

Present but not voting: None.

Absent or not voting: Huebert, Novascone.

The substitute bill passed.

SB 197, An act concerning alcoholic beverages; concerning minors; relating to certain retailer's licenses; amending K.S.A. 41-303 and K.S.A. 2003 Supp. 21-3610 and 41-727 and repealing the existing sections, was considered on final action.

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

Yeas: Aurand, Ballard, Barbieri-Lightner, Beggs, Bethell, Boyer, Brunk, Burgess, Burroughs, Campbell, Carlin, Carter, Compton, Cox, Craft, Crow, Dahl, Davis, DeCastro, Decker, Dillmore, Dreher, Edmonds, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Freeborn, Gatewood, Gilbert, Goering, Goico, Gordon, Grant, Hayzlett, Henderson, Henry, Hill, Holland, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Huntington, Hutchins, Huy, Jack, D. Johnson, E. Johnson, Kassebaum, Kauffman, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Larkin, Light, Loganbill, M. Long, Long-Mast, Loyd, Mason, Mays, McCreary, McKinney, McLeland, Merrick, F. Miller, J. Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neighbor, Neufeld, Newton, O'Malley, O'Neal, Osborne, Ostmeyer, Owens, Patterson, Pauls, Phelps, Pottorff, Powell, Powers, Reardon, Reitz, Ruff, Sawyer, Schwah, Schwartz, Scoggins-Waite, B. Sharp, S. Sharp, Showalter, Shriver, Shultz, Siegfreid, Sloan, Storm, Svaty, Swenson, Tafanelli, Thimesch, Thull, Toelkes, Vickrey, Ward, Wilk, D. Williams, J. Williams, Wilson, Winn, Yoder, Yonally.

Nays: Ballou, Rehorn.

Present but not voting: None.

Absent or not voting: Novascone.

The bill passed, as amended.

 $\bf SB~479, \rm An~act~concerning~elections;$ relating to conformity with the help America vote act of 2002; amending K.S.A. 25-216, 25-414, 25-1122d, 25-1123, 25-1216, 25-1223, 25-2507 and 25-2806 and K.S.A. 2003 Supp. 25-409, 25-1122, 25-2309, 25-2706, 25-2908, 25-3002 and 25-3008 and repealing the existing sections, was considered on final action.

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

Yeas: Aurand, Ballard, Barbieri-Lightner, Beggs, Bethell, Boyer, Brunk, Burgess, Burroughs, Campbell, Carlin, Carter, Compton, Cox, Craft, Crow, Dahl, Davis, DeCastro, Decker, Dillmore, Dreher, Edmonds, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Freeborn, Gatewood, Gilbert, Goering, Goico, Gordon, Grant, Hayzlett, Henderson, Henry, Hill, Holland, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Huntington, Hutchins, Huy, Jack, D. Johnson, E. Johnson, Kassebaum, Kauffman, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Light, Loganbill, M. Long, Long-Mast, Loyd, Mason, Mays, McCreary, McKinney, McLeland, Merrick, F. Miller, J. Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neighbor, Neufeld, Newton, O'Malley, O'Neal, Osborne, Ostmeyer, Owens, Patterson, Pauls, Phelps, Pottorff, Powell, Powers, Reardon, Rehorn, Reitz, Ruff, Sawyer, Schwab, Schwartz, Scoggins-Waite, B. Sharp, S. Sharp, Showalter, Shriver, Shultz, Siegfreid, Sloan, Storm, Svaty, Swenson, Tafanelli, Thimesch, Thull, Toelkes, Vickrey, Ward, Wilk, D. Williams, J. Williams, Wilson, Winn, Yoder, Yonally.

Nays: Ballou, Larkin.

Present but not voting: None.

Absent or not voting: Novascone.

The bill passed.

MOTIONS TO CONCUR AND NONCONCUR

On motion of Rep. Loyd, the House nonconcurred in Senate amendments to ${\bf HB~2312}$ and asked for a conference.

Speaker Mays thereupon appointed Reps. Loyd, Owens and Ward as conferees on the part of the House.

On motion of Rep. O'Neal, the House nonconcurred in Senate amendments to **HB 2617** and asked for a conference.

Speaker Mays thereupon appointed Reps. O'Neal, Patterson and Pauls as conferees on the part of the House.

On motion of Rep. Loyd, the House nonconcurred in Senate amendments to **HB 2621** and asked for a conference.

Speaker Mays thereupon appointed Reps. Loyd, Owens and Ward as conferees on the part of the House.

On motion of Rep. Neufeld, the House nonconcurred in Senate amendments to ${\bf HB}$ 2669 and asked for a conference.

Speaker Mays thereupon appointed Reps. Neufeld, Shultz and Feuerborn as conferees on the part of the House.

On motion of Rep. Hutchins, the House nonconcurred in Senate amendments to ${\bf HB}$ 2731 and asked for a conference.

Speaker Mays thereupon appointed Reps. Hutchins, Judy Morrison and Flaharty as conferees on the part of the House.

On motion of Rep. Jim Morrison, the House concurred in Senate amendments to $HB\ 2737$, An act concerning the state board of healing arts; relating to licensure of athletic trainers; amending K.S.A. 65-6901, 65-6902, 65-6903, 65-6904, 65-6905, 65-6906, 65-6907, 65-6909, 65-6910 and 65-6911 and K.S.A. 2003 Supp. 65-2891, 65-2913 and 65-5418 and repealing the existing sections.

On roll call, the vote was: Yeas 99; Nays 25; Present but not voting: 0; Absent or not voting: 1.

Yeas: Ballard, Beggs, Bethell, Boyer, Brunk, Burgess, Burroughs, Campbell, Carlin, Compton, Cox, Craft, Crow, Dahl, Davis, DeCastro, Decker, Dillmore, Dreher, Faust-Goudeau, Feuerborn, Flaharty, Flora, Gatewood, Gilbert, Goering, Goico, Gordon, Grant, Henderson, Henry, Hill, Holland, Holmes, Horst, Huff, Humerickhouse, Huntington,

Hutchins, Jack, D. Johnson, E. Johnson, Kassebaum, Kirk, Krehbiel, Kuether, Lane, Larkin, Light, Loganbill, M. Long, Loyd, Mason, McCreary, McKinney, McLeland, J. Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neighbor, Newton, O'Malley, O'Neal, Osborne, Ostmeyer, Owens, Patterson, Pauls, Phelps, Pottorff, Powell, Reardon, Reitz, Ruff, Sawyer, Scoggins-Waite, B. Sharp, S. Sharp, Showalter, Shriver, Shultz, Siegfreid, Sloan, Storm, Svaty, Swenson, Thimesch, Thull, Toelkes, Ward, Wilk, D. Williams, J. Williams, Wilson, Winn, Yoder, Yonally.

Nays: Aurand, Ballou, Barbieri-Lightner, Carter, Edmonds, Faber, Freeborn, Hayzlett, Howell, Huebert, Huy, Kauffman, Klein, Landwehr, Long-Mast, Mays, Merrick, F. Miller, Neufeld, Powers, Rehorn, Schwab, Schwartz, Tafanelli, Vickrey.

Present but not voting: None.

Absent or not voting: Novascone.

On motion of Rep. Aurand, the House went into Committee of the Whole, with Rep. Mason in the chair.

COMMITTEE OF THE WHOLE

On motion of Rep. Mason, Committee of the Whole report, as follows, was adopted: Committee report to **HB 2918** be adopted; also, on motion of Rep. Hayzlett be amended on page 5, following line 38, by inserting the following:

"(d) In addition to the bonds authorized under subsection (a), if the incremental increases in the amount of federal funds estimated to be available to fund the comprehensive transportation program projects for state fiscal years 2005 through 2009 by the congressional reauthorization of the federal highway program are less than the anticipated federal receipts, the Kansas development finance authority is authorized to issue one or more series of revenue bonds pursuant to the Kansas development finance authority act, K.S.A. 74-8901 et seq., and amendments thereto. Such bonds shall be in an amount necessary to provide a deposit or deposits in a total amount not to exceed the lesser of the federal shortfall or \$90,000,000 to the state highway fund. The purpose of such bonds shall be to off-set shortfalls in anticipated federal receipts. The issuance of such bonds shall be approved by resolution of the state finance council and shall be issued in accordance with the provisions of this section.

No bonds shall be issued pursuant to this subsection prior to the review and recommendation to the state finance council of such issuance by the legislative budget committee.";

Also on page 5, in line 39, by striking "(d)" and inserting "(e)"; in line 40, by striking "and (c)" and inserting ", (c) and (d)";

On page 6, in line 2, by striking "(e) No" and inserting "(f) Except for bonds authorized under subsection (d), no"; and **HB 2918** be passed as amended.

Committee report to **SB 384** be adopted; and the bill be passed as amended.

On motion of Rep. Landwehr, **HCR 5034** be amended on page 2, in line 21, by striking "and"; in line 26, by striking the period and inserting a semicolon; in line 32, by striking the period and inserting "; and"; in line 43, after the comma by inserting "except as otherwise provided by this section,";

On page 3, in line 11, after the period by inserting "The provisions of this section shall not require the approval of the electors in advance of any extension of any expiring state ad valorem property tax levied for support of local public schools that is in effect prior to July 1, 2005, at a rate that is equal to or lower than the rate of the state ad valorem property tax being extended.";

On page 5, in line 41, by striking "10%" and inserting "7%";

On page 6, in line 3, by striking "10%" and inserting "7%"; in line 21, by striking ", sales or other"; in line 22, by striking "excise taxes for or during" and inserting "taxes, or both, for"; in line 24, before the period by inserting "for such fiscal year";

On page 8, in line 1, after "tax" by inserting ", other than extension of current state ad valorem taxes for local public schools,";

Also, on further motion of Rep. Landwehr, **HCR 5034** be amended on page 2, in line 21, by striking "and"; in line 26, by striking the period and inserting a semicolon; in line 32, by striking the period and inserting "; and";

Also, on motion of Rep. Newton, **HCR 5034** be amended on page 2, in line 9, before "(A)" by inserting "(A) expenditures for elementary or secondary education provided by public schools.":

And by redesignating clauses in the paragraph accordingly;

Also, on motion of Rep. Shriver, **HCR 5034** be amended on page 2, in line 37, by striking "and"; in line 40, by striking the period and inserting "; and

(4) moneys received from employers under the employment security law of Kansas.";

Also, roll call was demanded on further motion of Rep. Shriver to amend **HCR 5034** on page 7, in line 36, by striking all after "article"; by striking all in lines 37 and 38; in line 39, by striking all before the period;

On roll call, the vote was: Yeas 73; Nays 49; Present but not voting: 0; Absent or not voting: 3.

Yeas: Ballard, Beggs, Bethell, Boyer, Burroughs, Campbell, Carlin, Cox, Crow, Davis, Dillmore, Dreher, Faust-Goudeau, Feuerborn, Flaharty, Flora, Freeborn, Gatewood, Gilbert, Grant, Henderson, Henry, Hill, Holland, Huff, Huntington, Jack, D. Johnson, Kassebaum, Kirk, Klein, Kuether, Lane, Larkin, Loganbill, M. Long, Loyd, McKinney, J. Miller, Minor, Neighbor, Newton, O'Malley, O'Neal, Owens, Patterson, Pauls, Phelps, Pottorff, Powers, Reardon, Rehorn, Reitz, Ruff, Sawyer, Scoggins-Waite, B. Sharp, S. Sharp, Showalter, Shriver, Sloan, Storm, Svaty, Swenson, Thimesch, Thull, Toelkes, Ward, J. Williams, Wilson, Winn, Yoder, Yonallv.

Nays: Aurand, Ballou, Barbieri-Lightner, Brunk, Burgess, Carter, Compton, Craft, Dahl, DeCastro, Decker, Edmonds, Faber, Goering, Goico, Gordon, Hayzlett, Holmes, Horst, Howell, Huebert, Humerickhouse, Hutchins, Huy, E. Johnson, Kauffman, Krehbiel, Landwehr, Long-Mast, Mason, Mays, McCreary, McLeland, Merrick, F. Miller, Jim Morrison, Judy Morrison, Myers, Neufeld, Osborne, Ostmeyer, Powell, Schwab, Schwartz, Siegfreid, Tafanelli, Vickrey, Wilk, D. Williams.

Present but not voting: None.

Absent or not voting: Light, Novascone, Shultz.

The motion of Rep. Shriver prevailed.

Also, on motion of Rep. Hill, **HCR 5034** be amended on page 2, in line 9, before "(A)" by inserting "(A) expenditures for state institutions of higher education under the control and supervision of the state board of regents,";

And by redesignating clauses in the paragraph accordingly;

Also, rose and reported progress.

REPORTS OF STANDING COMMITTEES

Committee on **Environment** recommends **SB 396** be amended on page 4, in line 2, after "generally" by inserting "licensed"; in line 33, by striking all after "facility"; by striking all in line 34; in line 35, by striking "amendment" and inserting "annual"; in line 36, by striking "1" and inserting "i"; in line 39, by striking "2" and inserting "ii";

On page 5, in line 4, after "Maximum" by inserting "annual";

On page 6, in line 43, by striking "annual fee" and inserting "hourly rate";

On page 7, in line 11, after "fee" by inserting "per x-ray tube"; and the bill be passed as amended.

Committee on Taxation recommends HB 2559, HB 2910 be passed.

Committee on Taxation recommends HCR 5031 be adopted.

Select Committee on Kansas Security recommends $S\hat{B}$ 387 be amended on page 3, following line 1, by inserting:

"Sec. 2. K.S.A. 2003 Supp. 75-3717 is hereby amended to read as follows: 75-3717. (a) As provided in this section, each state agency, not later than October 1 of each year, shall file with the division of the budget its budget estimates for the next fiscal year, and all amendments and revisions thereof, except that, in lieu of such annual filing, each agency listed in subsection (f), not later than October 1, 2000, and every two years thereafter, shall file budget estimates for the next fiscal year and for the ensuing fiscal year thereafter. Each

agency listed in subsection (f) may file adjustments to such agency's budget that was approved by the legislature during a prior fiscal year. All such budget estimates shall be in the form provided by the director of the budget. Each agency's budget estimates shall include:

(1) A full explanation of the agency's request for any appropriations for the expansion of present services or the addition of new activities, including an estimate of the anticipated expenditures for the next fiscal year and for each of the three ensuing fiscal years which would be required to support each expansion of present services or addition of new services as requested by the state agency; and

(2) a listing of all programs of the agency that provide services for children and their families and the following information regarding each such program: Of the amount of the agency's request for appropriations to fund the program, that amount which will be spent on services for children or families with children and the number of children or families with children who are served by the program; and

(3) a listing of the sources and amounts of all federal funds received or budgeted for by a state agency for the purpose of homeland security or for the purpose of sustaining, enhancing or improving the safety and security of the state, the amount of such funds budgeted for expenditure on administrative cost and the amount of such funds budgeted for expenditure on aid to each unit of local government.

(b) At the same time as each state agency submits to the division of the budget a copy of its budget estimate, and all amendments and revisions thereof, each such state agency shall submit a copy of such estimate, and all amendments and revisions thereof, directly to the legislative research department for legislative use.

(c) The director of the budget shall require the agencies to submit a sufficient number of copies of their budget estimates, and all amendments and revisions thereof, to the director's office to satisfy the requirements of such office and one additional copy for legislative use which shall be retained in the division of the budget until the budget of the governor is submitted to the legislature. On or before the day that such budget is submitted to the legislature such legislative use copy, posted to reflect the governor's budget recommendations, shall be submitted to the legislative research department for use by the ways and means committee of the senate and the committee on appropriations of the house of representatives. Following presentation of the governor's budget report to the legislature, the legislative research department may request and shall receive detailed information from the division of the budget on the governor's budget recommendations.

(d) The director of the budget may prepare budget estimates for any state agency failing to file a request.

(e) As used in this section, "services for children and their families" includes but is not limited to any of the following services, whether provided directly or made accessible through subsidies or other payments:

(1) Financial support for children and families with children or enforcement of the obligation to support a child or a family with one or more children;

(2) prenatal care, health care for children or immunizations for children;

(3) mental health or retardation services for children;

(4) nutrition for children or families with children or nutritional counseling or supplements for pregnant or nursing women;

 $(\tilde{\mathbf{5}})$ child care, early childhood education or parenting education;

(6) licensure or regulation of child care or early childhood education programs;

(7) treatment, counseling or other services to preserve families;

(8) care, treatment, placement or adoption of children without functioning families;

(9) services to prevent child abuse and to treat and protect child abuse victims;

- (10) services for children who are pregnant, substance abusers or otherwise involved in high risk behavior;
 - (11) services related to court proceedings involving children; and

(12) youth employment services.

(f) On a biennial basis, the following state agencies shall file budget estimates under the provisions of subsection (a): Abstracters' board of examiners, behavioral sciences regulatory board, board of accountancy, board of examiners in optometry, board of nursing, consumer

credit commissioner, Kansas board of barbering, Kansas board of examiners in fitting and dispensing of hearing aids, Kansas dental board, Kansas real estate commission, Kansas state board of cosmetology, office of the securities commissioner of Kansas, real estate appraisal board, state bank commissioner, state board of healing arts, state board of mortuary arts, state board of pharmacy, state board of technical professions, state board of veterinary examiners, governmental ethics commission and state department of credit unions.

- Sec. 3. K.S.A. 2003 Supp. 75-3721 is hereby amended to read as follows: 75-3721. (a) On or before the eighth calendar day of each regular legislative session, the governor shall submit the budget report to the legislature, except that in the case of the regular legislative session immediately following the election of a governor who was elected to the office of governor for the first time, that governor shall submit the budget report to the legislature on or before the 21st calendar day of that regular legislative session.
- (b) The budget report of the governor shall be set up in three parts, the nature and contents of which shall include the following:
- (1) Part one shall consist of a budget message by such governor, including the governor's recommendations with reference to the fiscal policy of the state government for the current fiscal year and the ensuing fiscal year, describing the important features of the budget plan for each of the fiscal years included, embracing a general budget summary setting forth the aggregate figures of the budget so as to show the balanced relation between the total proposed expenditures and the total anticipated income for the current fiscal year and the ensuing fiscal year, with the basis and factors upon which the estimates were made, and the means of financing the budget plan for the each of the fiscal years included, compared with the corresponding figures for at least the last completed fiscal year, and the director of the budget shall prepare the figures for the governor for such comparisons.
- (A) The budget plan shall not include (i) any proposed expenditures of anticipated income attributable to proposed legislation that would provide additional revenues from either current or new sources of revenue, or (ii) any proposed expenditures of moneys in the ending balance in the state general fund required by K.S.A. 75-6702, and amendments thereto.
- (B) The general budget summary may be supported by explanatory schedules or statements, classifying the expenditures contained therein by state agencies, objects, and funds, and the income by state agencies, funds, sources and types. The general budget summary shall include all special or fee funds as well as the state general fund, and shall include the estimated amounts of federal aids, for whatever purpose provided, together with estimated expenditures therefrom.
- (2) Part two shall embrace the detailed budget estimates for each of the fiscal years included, both of expenditures and revenues, showing the requests of the state agencies, if any, and the incoming governor's recommendations thereon. It shall also include statements of the bonded indebtedness of the state, showing the actual amount of the debt service for at least the last completed fiscal year, and the estimated amount for the current fiscal year and for each of the ensuing fiscal years included, the debt authorized and unissued, and the condition of the sinking funds.
- (3) Part three shall consist of a draft of a legislative measure or measures reflecting the incoming governor's budget for all of the fiscal years included in the budget report.
- (c) The division of the budget shall compile a children's budget document consisting of the information contained in agency budget estimates regarding programs that provide services for children and their families. Such document shall be provided to the Kansas commission on children, youth and families, established by the governor's executive order number 91-145 Kansas children's cabinet established by K.S.A. 38-1901, and amendments thereto, and other persons or entities on request.
- (d) The division of the budget, upon request, shall furnish the governor or the legislature with any further information required concerning the budget.
- (e) Nothing in this section shall be construed to restrict or limit the privilege of the governor to present supplemental budget messages or amendments to previous budget messages, which may include proposals for expenditure of new or increased sources of revenue derived from proposed legislation.

(f) The budget estimate for the judicial branch of state government as submitted to the director of the budget pursuant to K.S.A. 20-158, and amendments thereto, shall be included in the governor's budget report.

(g) The division of the budget shall compile a Kansas homeland security budget document consisting of the information contained in agency budget estimates under subsection (a)(3) of K.S.A. 75-3717, and amendments thereto. Such document shall be provided to the house of representatives committee on appropriations, the senate committee on ways and means and such other committees upon request.";

By renumbering sections accordingly;

Also on page 3, in line 2, by striking "is" and inserting ", 75-3717 and 75-3721 are";

In the title, in line 10, following "ACT" by inserting "relating to public security;"; also in line 10, by striking "relating to the powers"; in line 11, by striking all preceding the semicolon and inserting "requiring certain information for homeland security as part of budget estimates"; also in line 11, following "12-2904" by inserting ", 75-3717 and 75-3721"; in line 12, by striking "section" and inserting "sections"; and the bill be passed as amended.

On motion of Rep. Aurand, the House recessed until 5:00 p.m.

EARLY EVENING SESSION

The House met pursuant to recess with Speaker Mays in the chair.

On motion of Rep. Aurand, the House went into Committee of the Whole, with Rep. Mason in the chair.

COMMITTEE OF THE WHOLE

On motion of Rep. Mason, Committee of the Whole report, as follows, was adopted: Recommended that discussion resume on **HCR 5034** (see Committee of the Whole, Morning Session). Also, on motion of Rep. Loyd be amended on page 2, in line 9, before "(A)" by inserting "(A) expenditures for the following state agencies and institutions established to provide for the safety of the public: The judicial branch, the state department of corrections and state correctional institutions and facilities, the juvenile justice authority and state juvenile correctional institutions and facilities, the adjutant general, the state fire marshal, the Kansas parole board, the Kansas highway patrol, the Kansas bureau of investigation, the emergency medical services board, the Kansas sentencing commission and the successor state agencies or institutions thereof,":

And by redesignating clauses in the paragraph accordingly;

Also, roll call was demanded on motion of Rep. Davis to amend **HCR 5034** on page 2, in line 9, before "(A)" by inserting "(A) expenditures for the state department of transportation and any successor state agency thereof,";

And by redesignating clauses in the paragraph accordingly;

On roll call, the vote was: Yeas 76; Nays 43; Present but not voting: 0; Absent or not voting: 6.

Yeas: Ballard, Beggs, Bethell, Boyer, Burroughs, Campbell, Carlin, Cox, Craft, Crow, Davis, Dillmore, Dreher, Edmonds, Faust-Goudeau, Feuerborn, Flaharty, Flora, Gatewood, Gilbert, Grant, Henry, Hill, Holland, Horst, Howell, Huff, Huntington, Jack, D. Johnson, Kassebaum, Kirk, Klein, Krehbiel, Kuether, Lane, Larkin, Light, Loganbill, M. Long, Loyd, McKinney, J. Miller, Minor, Neighbor, Newton, O'Malley, O'Neal, Owens, Patterson, Pauls, Phelps, Reardon, Rehorn, Reitz, Ruff, Sawyer, Scoggins-Waite, B. Sharp, S. Sharp, Showalter, Shriver, Sloan, Storm, Svaty, Thimesch, Thull, Toelkes, Vickrey, Ward, Wilk, J. Williams, Wilson, Winn, Yoder, Yonally.

Nays: Aurand, Ballou, Brunk, Burgess, Carter, Compton, Dahl, DeCastro, Decker, Faber, Freeborn, Goering, Goico, Gordon, Hayzlett, Holmes, Huebert, Humerickhouse, Hutchins, Huy, E. Johnson, Kauffman, Landwehr, Long-Mast, Mason, Mays, McCreary, McLeland, Merrick, F. Miller, Jim Morrison, Myers, Neufeld, Osborne, Ostmeyer, Pottorff, Powell, Powers, Schwab, Schwartz, Siegfreid, Tafanelli, D. Williams.

Present but not voting: None.

Absent or not voting: Barbieri-Lightner, Henderson, Judy Morrison, Novascone, Shultz, Swenson.

The motion of Rep. Davis prevailed.

Also, on motion of Rep. Jack, **HCR 5034** be amended on page 2, in line 9, before "(A)" by inserting "(A) expenditures for the following state agencies and institutions established to provide for the public health and welfare: The state department of social and rehabilitation services, state institutions for the benefit of persons with mental or physical illness or disabilities, developmental disabilities or other state benevolent institutions, the state department on aging, the Kansas commission on veterans affairs, Kansas soldiers home and Kansas veterans home, the Kansas guardianship program, the division of health of the department of health and environment, the state department of human resources and any successor state agencies or institutions thereof,";

And by redesignating clauses in the paragraph accordingly;

Also, on motion of Rep. Kirk, **HCR 5034** be amended on page 2, in line 9, before "(A)" by inserting "(A) expenditures for direct or indirect salaries, compensation and benefits of state officers and employees, including any paid holiday or other leave benefits, health care or insurance benefits and any retirement or other benefits or annuities, or assistance in the acquisition thereof, provided by the state, including those benefits provided through the Kansas public employees retirement system, or any retirement system thereunder, or any successor system or agency thereof,";

And by redesignating clauses in the paragraph accordingly;

Also, roll call was demanded on motion of Rep. Reardon to amend **HCR 5034** on page 1, by striking all in lines 22 through 43;

By striking all on pages 2 through 7;

On page 8, by striking all in lines 1 through 28 and by inserting the following:

"Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state of Kansas for their approval or rejection: Section 1 of article 11 of the constitution of the state of Kansas is hereby amended to read as follows:

§ 1. System of taxation; classification; exemption. (a) The provisions of this subsection shall govern the assessment and taxation of property on and after January 1, 1993 2005, and each year thereafter. Except as otherwise hereinafter specifically provided, the legislature shall provide for a uniform and equal basis of valuation and rate of taxation of all property subject to taxation. The legislature may provide for the classification and the taxation uniformly as to class of recreational vehicles, as defined by the legislature, or may exempt such class from property taxation and impose taxes upon another basis in lieu thereof. The provisions of this subsection shall not be applicable to the taxation of motor vehicles, except as otherwise hereinafter specifically provided, mineral products, money, mortgages, notes and other evidence of debt and grain. Property shall be classified into the following classes for the purpose of assessment and assessed at the percentage of value prescribed therefor:

Class 1 shall consist of real property. Real property shall be further classified into seven subclasses. Such property shall be defined by law for the purpose of subclassification and assessed uniformly as to subclass at the following percentages of value:

(1)	Real property used for residential purposes including multi-tamily resi-	
	dential real property and real property necessary to accommodate a res-	
	idential community of mobile or manufactured homes including the real	
	property upon which such homes are located	11 %
(2)	Land devoted to agricultural use which shall be valued upon the basis of	
	its agricultural income or agricultural productivity pursuant to section 12	
	of article 11 of the constitution	30%
(3)	Vacant lots	12%
(4)	Real property which is owned and operated by a not-for-profit organiza-	
	tion not subject to federal income taxation pursuant to section 501 of the	
	federal internal revenue code, and which is included in this subclass by	
	law	12%

(5) Public utility real property, except railroad real property which	
assessed at the average rate that all other commercial and induserty is assessed	33%
 (6) Real property used for commercial and industrial purposes and and other improvements located upon land devoted to agric (7) All other urban and rural real property not otherwise specification. 	ultural use 25%
classified	
Class 2 shall consist of tangible personal property. Such tangible per further classified into six subclasses, shall be defined by law for the sification and assessed uniformly as to subclass at the following percentage of the control of the cont	e purpose of subclas-
 (1) Mobile homes used for residential purposes	erage daily s leasehold
shall be assessed at 25%	30%
(3) Public utility tangible personal property including inventories t cept railroad personal property including inventories thereof, v be assessed at the average rate all other commercial and indus	which shall
erty is assessed	33%
(4) All categories of motor vehicles not defined and specifically v	
taxed pursuant to law enacted prior to January 1, 1985 (5) Commercial and industrial machinery and equipment which, nomic life is seven years or more, shall be valued at its retail new less seven-year straight-line depreciation, or which, if its life is less than seven years, shall be valued at its retail cost whe straight-line depreciation over its economic life, except that, the obtained for such property, notwithstanding its economic life as such property is being used, shall not be less than 20% of	if its eco- cost when economic en new less ne value so and as long f the retail
cost when new of such property	
(b) All consists and real circle for state and a sixty little	

(b)All property used exclusively for state, county, municipal, literary, educational, scientific, religious, benevolent and charitable purposes, farm machinery and equipment, merchants' and manufacturers' inventories, other than public utility inventories included in subclass (3) of class 2, livestock, and all household goods and personal effects not used for the production of income, shall be exempted from property taxation.

(c) All property used for residential purposes to the extent of \$20,000 of its appraised valuation, shall be exempt from property taxation. The legislature may provide for an increase in the amount of such exemption.

Sec. 2. The following statement shall be printed on the ballot with the amendment as a whole:

"Explanatory statement. This amendment would provide in the constitution that \$20,000 of appraised valuation of residential property is exempt from property taxation and allow the legislature to increase such exemption.

"A vote for this proposition would provide, as of January 1, 2005, in the constitution in addition to Kansas statutory law that \$20,000 of appraised valuation of residential property is exempt from property taxation. The legislature may increase but shall not decrease or repeal such exemption.

"A vote against this proposition would maintain the current law for the statutory residential property exemption subject to the exercise of legislative power to amend or repeal such exemption"."

On page 1, in the title, in line 14, by striking all after "amend"; by striking all in line 15; in line 16, by striking all before the period and inserting "section 1 of article 11 of the constitution of the state of Kansas, relating to taxation of property";

On roll call, the vote was: Yeas 91; Nays 30; Present but not voting: 0; Absent or not voting: 4.

Yeas: Ballard, Brunk, Burgess, Burroughs, Campbell, Carlin, Crow, Dahl, Davis, De-Castro, Decker, Dillmore, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Gatewood, Gilbert, Goering, Goico, Gordon, Grant, Hayzlett, Henry, Hill, Holland, Holmes, Horst, Howell, Huebert, Huntington, Hutchins, Huy, Jack, Kauffman, Kirk, Klein, Kuether, Landwehr, Lane, Larkin, Light, Loganbill, M. Long, Long-Mast, Mays, McCreary, McKinney, McLeland, Merrick, F. Miller, J. Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neighbor, Newton, O'Malley, O'Neal, Osborne, Ostmeyer, Owens, Pauls, Phelps, Powell, Powers, Reardon, Rehorn, Ruff, Sawyer, Scoggins-Waite, B. Sharp, S. Sharp, Showalter, Shriver, Sloan, Storm, Svaty, Swenson, Tafanelli, Thimesch, Thull, Toelkes, Vickrey, Ward, J. Williams, Wilson, Winn, Yoder.

Nays: Aurand, Ballou, Beggs, Bethell, Boyer, Carter, Compton, Cox, Craft, Dreher, Edmonds, Freeborn, Huff, Humerickhouse, D. Johnson, E. Johnson, Kassebaum, Krehbiel, Loyd, Mason, Neufeld, Patterson, Pottorff, Reitz, Schwab, Schwartz, Siegfreid, Wilk, D. Williams, Yonally.

Present but not voting: None.

Absent or not voting: Barbieri-Lightner, Henderson, Novascone, Shultz.

The motion of Rep. Reardon prevailed.

Also, on motion of Rep. Landwehr to amend HCR 5034, the motion was withdrawn.

Also, on further motion of Rep. Landwehr to amend **HCR 5034**, Rep. Swenson requested the question be divided. On Part B of the motion, Rep. Swenson made a motion to refer the resolution to Committee on Commerce and Labor. Roll call was demanded.

On roll call, the vote was: Yeas 37; Nays 80; Present but not voting: 0; Absent or not voting: 8.

Yeas: Ballard, Burroughs, Carlin, Cox, Crow, Davis, Feuerborn, Flaharty, Flora, Gilbert, Henry, Holland, Kassebaum, Kirk, Kuether, Lane, Larkin, McKinney, J. Miller, Minor, Pauls, Phelps, Rehorn, Ruff, Sawyer, Scoggins-Waite, Shriver, Sloan, Svaty, Swenson, Thimesch, Thull, Toelkes, Ward, Wilk, J. Williams, Winn.

Nays: Aurand, Ballou, Beggs, Bethell, Boyer, Brunk, Burgess, Campbell, Carter, Compton, Craft, Dahl, DeCastro, Decker, Dillmore, Dreher, Edmonds, Faber, Freeborn, Gatewood, Goering, Goico, Gordon, Grant, Hayzlett, Hill, Holmes, Horst, Howell, Huebert, Huff, Humerickhouse, Huntington, Hutchins, Huy, Jack, D. Johnson, E. Johnson, Kauffman, Krehbiel, Landwehr, Light, M. Long, Long-Mast, Loyd, Mason, Mays, McCreary, McLeland, Merrick, F. Miller, Jim Morrison, Judy Morrison, Myers, Neighbor, Neufeld, Newton, O'Malley, O'Neal, Osborne, Ostmeyer, Owens, Patterson, Pottorff, Powell, Powers, Reardon, Reitz, Schwab, Schwartz, S. Sharp, Showalter, Siegfreid, Storm, Tafanelli, Vickrey, D. Williams, Wilson, Yoder, Yonally.

Present but not voting: None.

Absent or not voting: Barbieri-Lightner, Faust-Goudeau, Henderson, Klein, Loganbill, Novascone, B. Sharp, Shultz.

The motion of Rep. Swenson to refer **HCR 5034** to Committee on Commerce and Labor did not prevail.

The question then reverted back to Part B of the motion of Rep. Landwehr to amend **HCR 5034** on page 1, by inserting:

"Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state for their approval or rejection: The constitution of the state of Kansas is amended by adding a new article thereto to read as follows:

"Article 16.—TAX, REVENUE AND EXPENDITURE LIMITATIONS ON STATE GOVERNMENT.

"§ 1. Definitions. As used within this article:

(a) "State" means the state government including all branches, state offices, authorities, agencies, boards, commissions, institutions, instrumentalities and any division or unit of state government which are directly supported with tax funds, except that "state" does not include any enterprise;

- (b) "local government" means any county, township, city, education district, other special district and any other taxing district or political subdivision of Kansas which is directly supported by tax funds, except that "local government" does not include any enterprise;
- (c) "enterprise" means a state-owned or local government-owned business authorized to issue its own revenue bonds and receiving less than 10% of annual revenue in grants or other direct cash benefit from the state and local governments combined:
- (d) "bond" means any bond, note, debenture, interim certificate, grant and revenue anticipation note, lease-purchase agreement, lease certificate of participation or other evidence of indebtedness which, in any such case, is entered into or establishes a debt obligation for longer than one fiscal year, whether or not the interest on which is subject to federal income taxation:
 - (e) "fiscal year" means the twelve-month fiscal period prescribed by law for the state;
- (f) "fiscal year spending" means all expenditures and reserve increases except, as to both, (A) expenditures for refunds of any kind, (B) expenditures of moneys received from the federal government, moneys received as grants, gifts or donations which are to be expended for purposes specified by the donor, moneys that are collections for another government, moneys received for pension contributions by employees and pension fund earnings, or (C) emergency reserve fund or budget stabilization reserve fund transfers or expenditures in accordance with this article;
- (g) "inflation" means the change expressed as a percentage in the consumer price index for the Kansas City metropolitan area, all goods, all urban consumers, as officially reported by the bureau of labor statistics of the United States department of labor, or its successor index;
- (h) "population" means the more recent of either the periodic census conducted by the United States department of commerce or its successor agency or the annual update of such census as prescribed by the legislature by law, which shall be adjusted every decade to match the federal decennial census;
- (i) "education district" means each school district, vocational or technical school, community college, technical college, municipal university, and any other public educational entity established as provided by law, except that "education district" does not include any state educational institution under the control and supervision of the state board of regents; and
- (j) "total state revenue" means all moneys received by the state from any source except any of the following:
- (1) Moneys received as grants, gifts or donations which are to be expended for purposes specified by the donor;
 - (2) moneys received from the federal government; and
- (3) moneys which are income earned on moneys in permanent endowment funds, trust funds, deferred compensation funds or pension funds and which are credited to such funds.
- § 2. Prior Elector Approval for Tax Încreases or Issuance of Certain Bonds. (a) For any fiscal year that commences on or after July 1, 2005, the state must have approval of the electors in advance (1) for any new state income, sales or other excise tax rate increase before the state tax rate increase can take effect, (2) for any state mill levy ad valorem property tax rate increase above the state mill levy ad valorem property tax rate for the prior year before the state mill levy ad valorem property tax rate increase can take effect, (3) for any extension of any expiring state income, sales or other excise tax or expiring state ad valorem property tax before the extension can take effect, or (4) for any state tax policy change enacted into law by the state which would directly cause a net tax revenue gain to the state or local government, before such tax policy change can take effect. The provisions of this section shall not require the approval of the electors in advance of any extension of any expiring state ad valorem property tax levied for support of local public schools that is in effect prior to July 1, 2005, at a rate that is equal to or lower than the rate of the state ad valorem property tax being extended.
- (b) For any fiscal year that commences on or after July 1, 2005, the state must have approval of the electors before authorizing any bonds, except for refinancing existing bonded debt at a lower interest rate.

(c) The legislature shall provide by law for the manner of submitting matters subject to approval under this section to the electors.

§ 3. Spending and Revenue Limits. (a) For any fiscal year that commences on or after July 1, 2005, fiscal year spending by the state shall not increase above the fiscal year spending for the preceding fiscal year by more than the maximum percentage increase determined pursuant to this section. The maximum percentage increase in fiscal year spending for a fiscal year shall be equal to the result obtained by adding the rate of inflation for the calendar year ending during the preceding fiscal year, plus the percentage change in state population during the calendar year ending during the preceding fiscal year if a positive number, adjusted for revenue changes approved by electors under section 2 of this article.

(b) If the amount of the total state revenue for the preceding fiscal year exceeds the amount of total state revenue for the second preceding fiscal year, the total state revenue limitation for a fiscal year shall be the result obtained by adding (1) the lesser of (A) the amount of total state revenue for the preceding fiscal year or (B) the amount of the total state revenue limitation for the preceding fiscal year, and (2) the product of (A) the amount determined under clause (1) of this subsection, and (B) the sum of (i) the rate of inflation for the calendar year ending during the preceding fiscal year, plus (ii) the percentage change in state population during the calendar year ending during the preceding fiscal year if a positive number.

(c) If the amount of the total state revenue for the preceding fiscal year is less than the amount of total state revenue for the second preceding fiscal year, the amount of the total state revenue limitation for a fiscal year shall be the lesser of (1) the amount of total state revenue for such fiscal year, or (2) the amount of the total state revenue limitation for the most recent fiscal year for which the amount of total state revenue exceeded the amount of total state revenue for the preceding fiscal year.

(d) The legislature, by law, shall provide a mechanism to adjust the amount of a limitation under this section to reflect any subsequent transfer of all or any part of the cost of providing a governmental function. The mechanism shall adjust the amount of a limitation so that total costs are not increased as a result of the transfer. The adjustment mechanism provided for in this subsection shall be used in determining a limitation under this section beginning with the fiscal year immediately following the transfer.

(e) For the purposes of determining total revenue limitations under this section for the state, the total authorized fiscal year expenditures for the fiscal year ending on June 30, 2004, shall be construed to be the total revenue limitation for that preceding fiscal year and the total authorized fiscal year expenditures for the fiscal year ending on June 30, 2005, shall be construed to be the total revenue limitation for that preceding fiscal year.

§ 4. Emergency Reserve Fund. (a) For any fiscal year that commences on or after July 1, 2005, if revenue from sources not excluded from total state revenue exceeds the total state revenue limitation for that fiscal year and subject to the other provisions of this section, a portion of total state revenue in excess of the total state revenue limitation, determined in accordance with section 3 of this article, shall be transferred in the amount and in the manner prescribed by the legislature by law to the emergency reserve fund, which fund is hereby created in the state treasury, to the extent necessary to ensure that a balance of the emergency reserve fund at the end of the fiscal year is an amount equal to not more than 3% of the total state revenue limitation for the ensuing fiscal year. Any amount required to be maintained in the ending balance of the state general fund as provided by law shall be excluded from the amount available for transfer to the emergency reserve fund by this section. Each transfer to the emergency reserve fund prescribed by this section shall be made before making any transfer to the budget stabilization reserve fund as provided in section 5 of this article or any refunds as required by section 6 of this article. The state shall not be required to transfer any moneys other than any amount of total state revenue in excess of the total state revenue limitation to the emergency reserve fund. The moneys in the emergency reserve fund shall be in addition to, and shall not be used to meet, any other reserve requirement under this constitution or any law. In no case shall additional moneys be transferred to the emergency reserve fund if the balance in the emergency reserve fund is more than 3% of the total state revenue limitation for the ensuing fiscal year.

- (b) Moneys in the emergency reserve fund may be expended only for emergencies declared by law. Two-thirds (%) of the members then elected (or appointed) and qualified in each house, voting in the affirmative, shall be necessary to declare an emergency within the state of Kansas as a whole and to pass any bill making an appropriation of money or transferring any moneys from the emergency reserve fund. Income earned on the emergency reserve fund of the state shall accrue to the fund.
- (c) As used in this section "emergency" means an extraordinary event or occurrence that could not have been reasonably foreseen or prevented and that requires immediate expenditures to preserve the health, safety and general welfare of the people within the state and "emergency" does not mean a revenue shortfall or budget shortfall.
- § 5. Budget Stabilization Reserve Fund. (a) For any fiscal year that commences on or after July 1, 2005, if total state revenue exceeds the total state revenue limitation for that fiscal year, then the remaining excess amount, after making any transfer to the emergency reserve fund as required by section 4 of this article, shall be reserved as prescribed by this section or refunded as prescribed by section 6 of this article, subject to the other provisions of this section. Any amount required to be maintained in the ending balance of the state general fund as provided by law shall be excluded from the amount available for transfer to the budget stabilization reserve fund by this section.
- (b) After any amount required to be transferred to the emergency reserve fund pursuant to section 4 of this article has been transferred, an amount of any remaining excess amount of total state revenue shall be transferred in the amount and in the manner prescribed by the legislature by law to the budget stabilization reserve fund, which fund is hereby created in the state treasury. The amount transferred to the budget stabilization reserve fund in accordance with this subsection shall be equal to the lesser of (1) the amount necessary to ensure that the balance in the budget stabilization reserve fund at the end of the fiscal year is an amount equal to 7% of the total state revenue limitation for the ensuing fiscal year, or (2) the amount equal to 50% of any such remaining excess amount of total state revenue. Income earned on the budget stabilization reserve fund shall accrue to the fund. In no case shall additional moneys be transferred into the budget stabilization reserve fund if the balance in the fund is equal to or more than 7% of the total state revenue limitation for the ensuing fiscal year.
- (c) For any fiscal year that commences on or after July 1, 2005, if the amount of the total state revenue is less than the amount of total state revenue for the prior fiscal year, the legislature shall provide by law for the transfer of moneys from the budget stabilization fund to the state general fund in an amount equal to not more than the difference between the amount of total state revenue for the prior fiscal year and the amount of total state revenue for the current fiscal year. Under no other circumstances shall moneys be transferred or expended from the budget stabilization fund of the state.
- § 6. Disposition of Excess Revenues. (a) Any excess amount of total state revenues for a fiscal year that remains after the transfers to the emergency reserve fund and budget stabilization reserve fund pursuant to section 4 or section 5 of this article, if any, shall be reserved in the current fiscal year and shall be refunded as provided by law during the next ensuing fiscal year to the taxpayers who paid the state ad valorem property taxes or state income taxes, or both, for the preceding fiscal year, in a manner that is proportional, on a pro rata basis, to the manner in which such taxes were collected from such taxpayers for such fiscal year. Any amount required to be maintained in the ending balance of the state general fund as provided by law shall be excluded from the amount available to be reserved and refunded by the state as prescribed by this section.
- (b) In a case of any amount that is received pursuant to any tax and required to be reserved and refunded to taxpayers by the state pursuant to this section and that is determined by the state in the manner prescribed by law to be insufficient for refunds to be made during the ensuing fiscal year, such amount shall be reserved for refunds to be made thereafter when the amount reserved is sufficient therefor.
- \S 7. Temporary Borrowing. On or after July 1, 2005, during any fiscal year, transfers which are temporary and are to be repaid, or any other temporary borrowing, through certificates of indebtedness or any other device or manner, of any moneys in the state

treasury to be credited to the state general fund, are prohibited unless the moneys so transferred or otherwise borrowed are restored or repaid to the original funds or accounts of the state treasury from the state general fund within the same fiscal year. The provisions of this section do not apply to transfers from the emergency reserve fund or the budget stabilization reserve fund to the state general fund in accordance with this article.

§ 8. General Revenue Supplanting. On or after July 1, 2005, any appropriation of moneys in the state treasury that either supplants any appropriation from the state general fund, or that, if not made, would require an appropriation from the state general fund is prohibited. For purposes of this section, any appropriation of moneys in the state treasury that is funded by user charges or fees imposed on goods or services that do not exceed the cost of the goods or services provided shall not be deemed to be an appropriation that supplants any appropriation from the state general fund.

§ 9. State Mandates on Local Governments. A local government may not be required to fulfill any mandate imposed by the state unless and until, and may be required to fulfill that mandate only to the extent that, funds are provided to the local government by the state for that purpose. The legislature is not required to appropriate funds for mandates if more than two years have passed since the effective date of the mandate and no claim for funding has been made by the local government during that period.

§ 10. Construction and Enforcement. (a) The provisions of this article shall be liberally construed for the purpose of effectuating the purposes thereof, except that nothing in this article shall be construed to authorize any new or increased tax of any kind other than as provided or authorized by law enacted by the legislature in accordance with and subject to the other provisions of this constitution.

(b) In any case of a conflict between any provision of this article and any other provision contained in the constitution, the provisions of this article shall control.

(c) All laws in force at the time of the adoption of this amendment and consistent therewith shall remain in full force and effect until amended or repealed by the legislature. The legislature shall repeal or amend all laws inconsistent with the provisions of this article to conform with the provisions of this article.

(d) Any individual or class of individuals shall have standing to bring a suit to enforce this article. A court of record shall award a successful plaintiff costs and reasonable attorney fees in the suit, but may not allow the state to recover costs and reasonable attorney fees unless a suit against it is ruled frivolous."

Sec. 2. The following statement shall be printed on the ballot with the amendment as a whole:

"Explanatory statement. This amendment (1) would require the state to have prior voter approval for any new tax or tax increase or extension of an existing tax, other than extension of current state ad valorem taxes for local public schools, and for any bonded debt other than refinancing bonds, (2) would impose spending and revenue limits on the state based on increases in the consumer price index and population, with provisions to adjust for economic downturns or transferred functions, (3) would provide for emergency reserves to be used only for emergencies that are declared by law passed by %3 of all members of the House and Senate, and not to be used for any revenue shortfall, (4) would limit state temporary borrowing to that repaid within the same year and would prohibit the state from replacing general revenues with excessive fees and charges for goods and services, (5) would provide that local governments could not be required to fulfill unfunded state mandates, and (6) would govern in case of conflicts with statutes or other state constitutional provisions and would permit individual or class action enforcement actions.

"A vote for the proposition would limit state legislative authority and would require voter approval for state tax increases or extensions and certain bonded debt, would impose state spending and revenue limits, would require excess state revenues to be reserved for emergencies and economic downturns, with limits, or to be refunded to taxpayers, would limit state temporary borrowing, would prohibit unfunded mandates on local governments and would permit enforcement actions.

"A vote against the proposition would continue the present constitutional and statutory authority for state government taxing and spending by law, for disposition of tax revenues and for other related matters in the exercise of the legislative power of this state."

Sec. 3. This resolution, if approved by two-thirds of the members elected (or appointed) and qualified to the House of Representatives, and two-thirds of the members elected (or appointed) and qualified to the Senate shall be entered on the journals, together with the yeas and nays. The secretary of state shall cause this resolution to be published as provided by law and shall cause the proposed amendment to be submitted to the electors of the state at the general election to be held on November 2, 2004, unless a special election is called at a sooner date by concurrent resolution of the legislature, in which case it shall be submitted to the electors of the state at the special election.";

On page 1, in the title, by striking all in lines 14, 15 and 16, and inserting: "A PROPO-SITION to amend the constitution of the state of Kansas by adding a new article thereto, prescribing certain limits upon taxes, revenues and expenditures by the state.";

Roll call was demanded.

On roll call, the vote was: Yeas 107; Nays 12; Present but not voting: 0; Absent or not voting: 6.

Yeas: Aurand, Ballard, Ballou, Bethell, Boyer, Brunk, Burgess, Burroughs, Campbell, Carlin, Carter, Compton, Cox, Crow, Dahl, Davis, DeCastro, Decker, Dillmore, Edmonds, Faber, Faust-Goudeau, Feuerborn, Gatewood, Goering, Goico, Gordon, Grant, Hayzlett, Henry, Hill, Holland, Holmes, Horst, Howell, Huebert, Humerickhouse, Huntington, Hutchins, Huy, D. Johnson, E. Johnson, Kauffman, Kirk, Klein, Krehbiel, Kuether, Landwehr, Lane, Larkin, Light, Loganbill, M. Long, Long-Mast, Loyd, Mason, Mays, McCreary, McKinney, McLeland, Merrick, F. Miller, J. Miller, Minor, Jim Morrison, Judy Morrison, Myers, Neighbor, Neufeld, Newton, O'Neal, Osborne, Ostmeyer, Patterson, Pauls, Phelps, Pottorff, Powell, Powers, Reardon, Rehorn, Reitz, Ruff, Sawyer, Schwab, Schwartz, Scoggins-Waite, B. Sharp, S. Sharp, Showalter, Shriver, Siegfreid, Sloan, Storm, Tafanelli, Thimesch, Thull, Toelkes, Vickrey, Ward, Wilk, D. Williams, J. Williams, Wilson, Winn, Yoder, Yonally.

Nays: Beggs, Craft, Dreher, Flaharty, Freeborn, Gilbert, Jack, Kassebaum, O'Malley, Owens, Svaty, Swenson.

Present but not voting: None.

Absent or not voting: Barbieri-Lightner, Flora, Henderson, Huff, Novascone, Shultz. The motion of Rep. Landwehr prevailed.

On Part A of the motion of Rep. Landwehr to amend HCR 5034, the motion did not prevail.

Also, on motion of Rep. Mays, HCR 5034 be rereferred to Committee on Appropriations.

REPORTS OF STANDING COMMITTEES

Committee on **Appropriations** recommends **HB 2890** be amended on page 2, in line 10, by striking "1" and inserting "2"; in line 11, by striking "a directive" and inserting "an order"; in line 13, by striking "directive" and inserting "order"; in line 21, by striking "directive" and inserting "order"; in line 23, by striking "directive" and inserting "order"; in line 30, by striking "directive" and inserting "order"; in line 34, by striking "directive" and inserting "order"; in line 40, by striking "directive" and inserting "order"; in line 42, by striking "three working days" and inserting "72 hours";

On page 3, in line 7, by striking "catastrophic"; in line 10, by striking "directive" and inserting "order";

On page 4, in line 2, by striking "or" and inserting "and"; in line 7, by striking "shall" and inserting "may"; and the bill be passed as amended.

Committee on **Appropriations** recommends **HB 2925** be amended on page 1, in line 22, by striking "or" and inserting a comma; in line 23, before "county" by inserting "or Wyandotte"; in line 26, before the semicolon, by inserting the following: "; or (5) any community within Wyandotte county for purposes of any practice obligation under an agreement entered into by a person who is enrolled for the first time after July 1, 2004, in a course of study leading to the medical degree"; after line 38, by inserting the following:

"Sec. 2. K.S.A. 74-3266 is hereby amended to read as follows: 74-3266. (a) An agreement entered into by the state board of regents and a Kansas resident who is an undergraduate student enrolled in or admitted to an accredited school of osteopathic medicine in a course of instruction leading to the degree of doctor of osteopathy for the awarding of an osteopathic medical service scholarship shall require that the person receiving the scholarship:

(1) Complete the required course of instruction and receive the degree of doctor of

osteopathy;

(2) apply for and obtain a license to practice medicine and surgery in Kansas;

(3) except as otherwise provided in subsection (c), engage in the practice of medicine and surgery in Kansas on a full-time basis for a period of 12 months for each year a scholarship was received or on a part-time basis for a period equivalent to 12 months, as determined by the state board of regents, for each year a scholarship was received;

(4) (A) with regard to persons entering into agreements prior to the effective date of this act, commence such full-time or part-time practice of medicine and surgery within nine months after licensure or within nine months after completion of an approved postgraduate residency training program and licensure, whichever is later, and continue such practice in Kansas for a consecutive period of months equal to the total number of months required under the agreement;

(B) with regard to persons entering into agreements after the effective date of this act, commence such full-time or part-time practice of medicine and surgery within six months after licensure or within six months after completion of an approved postgraduate residency training program and licensure, whichever is later, and continue such practice in Kansas for a consecutive period of months equal to the total number of months required under the agreement:

(5) agree that the service commitment for each agreement entered into under this section is in addition to the service commitment contained in any other agreement which has been or may be entered into under this section for the purpose of obtaining scholarship aid;

(6) maintain records and make reports to the state board of regents to document satisfaction of the obligation under such agreement to engage in the full-time or part-time practice of medicine and surgery in Kansas and to continue such practice for a consecutive period of months equal to the total number of months required under the agreement; and

(7) repay amounts to the state board of regents as provided in K.S.A. 74-3267, and amendments thereto, upon failure to engage in the full-time or part-time practice of medicine and surgery in Kansas for the required period of time under any agreement entered into as provided in this section.

(b) Except as otherwise provided in subsection (c), each Kansas student who enters into an agreement as provided in this section shall serve the practice obligations incurred by such student under the agreement in a rural area or a medically underserved area.

(c) (1) A person awarded an osteopathic medical service scholarship may satisfy the obligation to engage in the practice of medicine and surgery under an agreement entered into pursuant to this section, even though such person is engaged in practice in an area not designated a rural area or a medically underserved area, through employment by the state of Kansas on a part-time basis, which employment has been approved by the state board of regents, for the practice of medicine and surgery at any state medical care facility or institution.

(2) For the purposes of this subsection, service or employment at a state medical care facility or institution on a part-time basis of at least the equivalent of $\frac{1}{2}$ time shall satisfy the obligation to engage in the full-time practice of medicine and surgery in Kansas for a period of 12 months for each year a scholarship was received as provided in an agreement entered into under this section.

(d) For the purposes of the osteopathic medical service scholarship program (1) "state medical care facility or institution" has the meaning ascribed thereto in subsection (k) of K.S.A. 76-375, and amendments thereto; (2) "approved postgraduate residency training program" means a residency training program in general internal medicine, pediatrics, family medicine, family practice, obstetrics and gynecology, or emergency medicine; (3) "medically underserved area" means a practice location designated medically underserved by the state board of regents; and (4) "rural area" means any county of this state other than Douglas,

Johnson, Sedgwick, Shawnee and Wyandotte counties has the meaning ascribed to "service commitment area" by subsection (c) of K.S.A. 2003 Supp. 76-381, and amendments thereto."; And by renumbering sections accordingly;

Also on page 1, in line 39, before "K.S.A." by inserting "K.S.A. 74-3266 and"; also in line 39, by striking "is" and inserting "are"; In the title, in line 9, by striking "the medical student loan act" and inserting "practice obligations for certain students of allopathic or osteopathic medicine receiving financial assistance"; in line 10, after "amending" by inserting "K.S.A. 74-3266 and"; in line 11, by striking "section" and inserting "sections"; and the bill be passed as amended.

Committee on **Commerce and Labor** recommends **SB 66** be amended on page 1, in line 14, by striking "2002" and inserting "2003";

On page 7, in line 25, by striking "(e)";

On page 8, before line 1, by inserting the following:

"(e) As used in paragraphs (e) through (i)(7) of this subpart, unless the context otherwise requires:

- (i) "Associate" means any firm, association, organization, partnership, business trust, corporation or other legal entity organized for profit in which a producer of title business is a director, officer or partner thereof, or owner of a financial interest; the spouse or any relative within the second degree by blood or marriage of a producer of title business who is a natural person; any director, officer or employee of a producer of title business or associate; any legal entity that controls, is controlled by, or is under common control with a producer of title business or associate; and any natural person or legal entity with whom a producer of title business or associate has any agreement, arrangement or understanding or pursues any course of conduct, the purpose or effect of which is to evade the provisions of this section.
- (ii) "Financial interest" means any direct or indirect interest, legal or beneficial, where the holder thereof is or will be entitled to 1% or more of the net profits or net worth of the entity in which such interest is held. Notwithstanding the foregoing, an interest of less than 1% or any other type of interest shall constitute a "financial interest" if the primary purpose of the acquisition or retention of that interest is the financial benefit to be obtained as a consequence of that interest from the referral of title business.
- (iii) "Person" means any natural person, partnership, association, cooperative, corporation, trust or other legal entity.
- (iv) "Producer of title business" or "producer" means any person, including any officer, director or owner of 5% or more of the equity or capital or both of any person, engaged in this state in the trade, business, occupation or profession of:
 - (A) Buying or selling interests in real property;
 - (B) making loans secured by interests in real property; or
- (C) acting as broker, agent, representative or attorney for a person who buys or sells any interest in real property or who lends or borrows money with such interest as security.
- (v) "Refer" means to direct or cause to be directed or to exercise any power or influence over the direction of title insurance business, whether or not the consent or approval of any other person is sought or obtained with respect to the referral.";

Also on page 8, in line 1, by inserting before "No" the following: "(f)" and by relettering subsections accordingly; in line 15, by striking "80%" and inserting "70%"; also in line 15, by striking "gross operating"; in line 16, by striking "revenue" and inserting "closed title orders"; also in line 16, by striking "six" and inserting "12"; after line 21, by inserting the following:

"(h) Within 90 days following the end of each business year, as established by the title insurer or title agent, each title insurer or title agent shall file with the department of insurance and any title insurer with which the title agent maintains an underwriting agreement, a report executed by the title insurer's or title agent's chief executive officer or designee, under penalty of perjury, stating the percent of closed title orders originating from controlled business. The failure of a title insurer or title agent to comply with the requirements of this section, at the discretion of the commissioner, shall be grounds for the supension or revocation of a license or other disciplinary action, with the commissioner able to mitigate any such disciplinary action if the title insurer or title agent is found to be in

substantial compliance with competitive behavior as defined by federal housing and urban development statement of policy 1996-2.

- (i) (1) No title insurer or title agent may accept any title insurance order or issue a title insurance policy to any person if it knows or has reason to believe that such person was referred to it by any producer of title business or by any associate of such producer, where the producer, the associate, or both, have a financial interest in the title insurer or title agent to which business is referred unless the producer has disclosed in writing to the person so referred the fact that such producer or associate has a financial interest in the title insurer or title agent, the nature of the financial interest and a written estimate of the charge or range of charges generally made by the title insurer or agent for the title services. Such disclosure shall include language stating that the consumer is not obligated to use the title insurer or agent in which the referring producer or associate has a financial interest and shall include the names and telephone numbers of not less than three other title insurers or agents which operate in the county in which the property is located. If fewer than three insurers or agents operate in that county, the disclosure shall include all title insurers or agents operating in that county. Such written disclosure shall be signed by the person so referred and must have occurred prior to any commitment having been made to such title insurer or agent.
- (2) No producer of title business or associate of such producer shall require, directly or indirectly, as a condition to selling or furnishing any other person any loan or extension thereof, credit, sale, property, contract, lease or service, that such other person shall purchase title insurance of any kind through any title agent or title insurer if such producer has a financial interest in such title agent or title insurer.
- (3) No title insurer or title agent may accept any title insurance order or issue a title insurance policy to any person it knows or has reason to believe that the name of the title company was pre-printed in the sales contract, prior to the buyer or seller selecting that title company.
- (4) Nothing in this subpart (i) shall prohibit any producer of title business or associate of such producer from referring title business to any title insurer or title agent of such producer's or associate's choice, and, if such producer or associate of such producer has any financial interest in the title insurer, from receiving income, profits or dividends produced or realized from such financial interest, so long as:
- (a) Such financial interest is disclosed to the purchaser of the title insurance in accordance with part (i)(1) through (4) of this subpart;
- (b) the payment of income, profits or dividends is not in exchange for the referral of business; and
- (c) the receipt of income, profits or dividends constitutes only a return on the investment of the producer or associate.
- (5) Åny producer of title business or associate of such producer who violates the provisions of paragraphs (i)(2) through (i)(4), or any title insurer or title agent who accepts an order for title insurance knowing that it is in violation of paragraphs (i)(2) through (i)(4), in addition to any other action which may be taken by the commissioner of insurance, shall be subject to a fine by the commissioner in an amount equal to five times the premium for the title insurance and, if licensed pursuant to K.S.A. 58-3034, et seq., and amendments thereto, shall be deemed to have committed a prohibited act pursuant to K.S.A. 58-3602, and amendments thereto, and shall be liable to the purchaser of such title insurance in an amount equal to the premium for the title insurance.
- (6) Any title insurer or title agent that is a competitor of any title insurer or title agent that, subsequent to the effective date of this act, has violated or is violating the provisions of subpart (i), shall have a cause of action against such title insurer or title agent and, upon establishing the existence of a violation of any such provision, shall be entitled, in addition to any other damages or remedies provided by law, to such equitable or injunctive relief as the court deems proper. In any such action under this subsection, the court may award to the successful party the court costs of the action together with reasonable attorney fees.
- (7) The commissioner shall also require each title agent to provide core title services as required by the real estate settlement procedures act.";

Also on page 8, in line 22, by striking "(g)" and inserting "(j)"; by striking all in line 43;

On page 9, by striking all in lines 1 through 21;

And by renumbering sections accordingly;

Also on page 9, in line 22, by striking "2002" and inserting "2003"; in line 23, after "after" by inserting "January 1, 2005, and";

On page 1, in the title, in line 11, by striking "2002" and inserting "2003"; and the bill be passed as amended;

Committee on Federal and State Affairs recommends SB 400 be passed.

Committee on **Federal and State Affairs** recommends **HB 2784** be amended on page 1, in line 14, by striking "view" and inserting "judgment"; in line 15, before "(1)", by beginning a new paragraph; in line 32, after "government", by inserting "and assigned to the federal bureau of investigation"; after line 39, by inserting:

"(f) The provisions of this section shall expire on July 1, 2007."; and the bill be passed as amended.

Committee on **Federal and State Affairs** recommends **SB 295** be amended by substituting a new bill to be designated as "HOUSE Substitute for SENATE BILL No. 295," as follows:

"HOUSE Substitute for SENATE BILL No. 295 By Committee on Federal and State Affairs

"AN ACT concerning alcoholic beverages; relating to the regulation thereof; amending K.S.A. 41-208, 41-301, 41-302, 41-303, 41-710, 41-712, 41-714 and 41-2704 and K.S.A. 2003 Supp. 19-101a, 41-347 and 41-719 and repealing the existing sections; also repealing K.S.A. 41-1111, 41-1112, 41-1114 through 41-1121."; and the substitute bill be passed.

(H. Sub. for SB 295 was thereupon introduced and read by title).

Committee on **Health and Human Services** recommends **HB 2832**; **SB 425**, **SB 426** be passed.

Committee on **Health and Human Services** recommends **SB 430** be amended on page 1, by striking all in lines 16 through 43;

By striking all language on pages 2 through 6 and inserting the following:

"Section 1. K.S.A. 39-935 is hereby amended to read as follows: 39-935. (a) Inspections shall be made and reported in writing by the authorized agents and representatives of the licensing agency and state fire marshal, and of the county, city-county and multicounty health departments as often and in the manner and form prescribed by the rules and regulations promulgated under the provisions of this act. Access shall be given to the premises of any adult care home at any time upon presenting adequate identification to carry out the requirements of this section and the provisions and purposes of this act, and failure to provide such access shall constitute grounds for denial or revocation of license. A copy of any inspection reports required by this section shall be furnished to the applicant, except that a copy of the preliminary inspection report signed jointly by a representative of the adult care home and the inspector shall be left with the applicant when an inspection under this section is completed. This preliminary inspection report shall constitute the final record of deficiencies assessed against the adult care home during the inspection, all deficiencies shall be specifically listed and no additional deficiencies based upon the data developed at that time shall be assessed at a later time. An exit interview shall be conducted in conjunction with the joint signing of the preliminary inspection report.

(b) The authorized agents and representatives of the licensing agency shall conduct at least one unannounced inspection of each adult care home within 15 months of any previous inspection for the purpose of determining whether the adult care home is complying with applicable statutes and rules and regulations relating to the health and safety of the residents of the adult care home. The statewide average interval between inspections shall not exceed 12 months.

(c) Every adult care home shall post in a conspicuous place a notice indicating that the most recent inspection report and related documents may be examined in the office of the administrator of the adult care home. Upon request, every adult care home shall provide to any person a copy of the most recent inspection report and related documents, provided the person requesting such report agrees to pay a reasonable charge to cover copying costs.

(d) Notwithstanding any other provision of law, no inspection report shall be admissible as evidence in any judicial proceeding. For purposes of this subsection, "inspection report" shall include any documents prepared by any officer, employee or agent of the state of Kansas during the course of or otherwise in connection with any inspection, investigation or survey of any licensed adult care home conducted to determine compliance with any licensing, certification or program participation requirements under any provision of federal or state law. However, nothing in this section shall prohibit the use and admissibility in evidence of one or more excerpts from any such inspection report that directly refer and relate to the named plaintiff if the district court determines on the record, after a hearing outside the presence of the jury, that every such excerpt is otherwise admissible under the rules of evidence contained in chapter 60, article 4 of the Kansas Statutes Annotated, and amendments thereto

Sec. 2. K.S.A. 39-935 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the Kansas register.";

On page 1, in line 10, by striking all after "ACT"; by striking all in lines 11 through 13 and inserting "relating to adult care homes; concerning the use of inspection reports; amending K.S.A. 39-935 and repealing the existing section."; and the bill be passed as amended.

Committee on **Health and Human Services** recommends **SB 511** be amended on page 2, by striking all in lines 13 and 14; in line 15, by striking all before "and";

And by renumbering the remaining paragraph accordingly; and the bill be passed as amended.

Committee on **Transportation** recommends **SB 383** be amended on page 1, in line 14, after "2004," by inserting "or upon final determination by the transportation security administration of the date for implementation of the requirements of 49 C.F.R. 1572, whichever is later,"; and the bill be passed as amended.

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

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bill was thereupon introduced and read by title:

HB 2943, An act concerning educational institutions; relating to technical colleges; governing body thereof; powers and duties; amending K.S.A. 2003 Supp. 72-4470 and repealing the existing section; also repealing K.S.A. 2003 Supp. 72-4470a and 72-4478, by Committee on Taxation.

REPORT ON ENROLLED BILLS

Sub. HB 2592 reported correctly enrolled, properly signed and presented to the governor on March 22, 2004.

On motion of Rep. Aurand, the House adjourned until 10:30 a.m., Tuesday, March 23, 2004.

CHARLENE SWANSON, Journal Clerk.

JANET E. JONES, Chief Clerk.