

Journal of the House

SIXTY-FIRST DAY

HALL OF THE HOUSE OF REPRESENTATIVES,
TOPEKA, KS, Friday, April 27, 2007, 10:00 a.m.

The House met pursuant to adjournment with Speaker pro tem Dahl in the chair.
The roll was called with 124 members present.
Rep. Garcia was excused on excused absence by the Speaker.
Present later: Rep. Garcia.

Prayer by Chaplain Brubaker:

Our Heavenly Father, as we attempt to work together for the good of the people of this state, remind us of the following:

Servanthood must never let us become passive,
Leadership must never make us become arrogant.

Concern for relationships must never disguise complacency,
Striving for achievement must never make us unkind.

Reliance on grace must never shield disobedience,
Obedience must never degenerate into legalism.

Faith must always mean more than mental assent,
Works must never make us self-righteous.

Education must never take us down the road to relativity,
Belief in revelation does not demand closed-mindedness or irrationality.

Because God is just does not mean He is unforgiving,
Because God is merciful does not mean He is permissive.

Lord, to live by these principles, we need your help and wisdom. In Christ's name I pray, Amen.

The Pledge of Allegiance was led by Rep. Donohoe.

On motion of Rep. Merrick, the House recessed until 11:00 a.m.

LATE MORNING SESSION

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

FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

HB 2597, An act concerning municipally owned or operated electric or natural gas public utilities; concerning regulation by the state corporation commission; amending K.S.A. 66-1,174 and K.S.A. 2006 Supp. 66-104 and repealing the existing sections; also repealing K.S.A. 66-1,174, as amended by section 3 of 2007 House Bill No. 2032 and K.S.A. 2006 Supp. 66-104, as amended by section 2 of 2007 House Bill No. 2032 and sections 1, 4 and 5 of 2007 House Bill No. 2032, was considered on final action.

Call of the House was demanded.

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

Yeas: Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: None.

Present but not voting: None.

Absent or not voting: Aurand, Garcia.

The bill passed.

H. Sub. for Sub. SB 215, An act concerning taxation; relating to franchise tax, threshold; amending K.S.A. 2006 Supp. 79-5401, as amended by section 1 of 2007 House Bill No. 2264, 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: Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: None.

Present but not voting: None.

Absent or not voting: Aurand, Garcia.

The substitute bill passed.

H. Sub. for SB 357, An act making and concerning appropriations for the fiscal years ending June 30, 2007, June 30, 2008, June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements and acts incidental to the foregoing; amending K.S.A. 2006 Supp. 25-4501, as amended by section 204 of 2007 House Bill No. 2368, 75-6702 and section 211 of 2007 House Bill No. 2368 and repealing the existing sections, was considered on final action.

Call of the House was demanded.

On roll call, the vote was: Yeas 53; Nays 71; Present but not voting: 0; Absent or not voting: 1.

Yeas: Aurand, Ballard, Beamer, Bethell, Bowers, Burgess, Burroughs, Colloton, Craft, Dahl, Davis, Feuerborn, Frownfelter, George, Goico, Gordon, Hawk, Hayzlett, Henderson, Henry, C. Holmes, M. Holmes, Horst, Kelsey, Lukert, Mah, McKinney, McLeland, Metsker, Jim Morrison, Myers, Neufeld, Otto, Peterson, Pottorff, Powell, Powers, Ruiz, Sawyer,

Schroeder, Schwartz, Shultz, Spalding, Storm, Swanson, Tafanelli, Vickrey, Watkins, Wilk, Williams, Winn, K. Wolf, Yoder.

Nays: Brown, Brunk, Carlin, Carlson, Colyer, Crow, Crum, Dillmore, Donohoe, Faber, Faust-Goudeau, Flaharty, Flora, Fund, Gatewood, Goyle, Grange, Grant, Hill, Hodge, Holland, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kiegerl, King, Kinzer, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Mast, Masterson, McCray-Miller, McLachlan, Menghini, Merrick, Judy Morrison, Moxley, Neighbor, O'Neal, Olson, Owens, Palmer, Patton, Pauls, Peck, Phelps, Proehl, Rardin, Rhoades, Roth, Ruff, Sharp, Siegfried, Sloan, Svaty, Swenson, Tietze, Treaster, Trimmer, Ward, Wetta, Whitham, B. Wolf, Worley.

Present but not voting: None.

Absent or not voting: Garcia.

The substitute bill did not pass.

EXPLANATIONS OF VOTE

MR. SPEAKER: I vote no on **H. Sub. for SB 357**. This budget does not restrain spending this year and guarantees an unprecedented budget crisis for the next few years. Budget priorities are misplaced as well. Not only are we spending too much money, but the budget process is broken. In order to support the budget we must 1) slow spending growth, 2) allow the legislature to examine and vote on the more than \$5 billion in off budget spending and 3) reform the budget process.— JEFF COLYER, PEGGY MAST, OWEN DONOHOE, RAY MERRICK, JOHN FABER, MIKE KIEGERL, JUDY MORRISON, JEFF KING, ROBERT OLSON, KASHA KELLEY, BILL WOLF, JEFF WHITHAM, JOE PATTON, ROCKY FUND, MARC C. RHOADES, J. DAVID CRUM, MICHAEL R. O'NEAL, ARLEN SIEGFREID, LANCE KINZER, ANTHONY R. BROWN, BEN HODGE, TY MASTERSON, STEVEN R. BRUNK, VIRGIL PECK, JR., FORREST KNOX, STEVE HUEBERT, RICHARD CARLSON

MR. SPEAKER: I vote yes on **H. Sub. for SB 357** and cannot see how people can vote for good amendments and getting those amendments and vote no on the bill.— BILL OTTO

MR. SPEAKER: I support this budget because it has appropriations in it that will save 100s of millions of dollars in future costs for prisons, health care and social services. I vote yes on **H. Sub. for SB 357**.— PAT COLLOTON

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

AFTERNOON SESSION

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

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bill was introduced and read by title:

HB 2599, An act reconciling amendments to certain statutes; amending section 13 of 2007 Substitute for Senate Bill No. 354 and K.S.A. 8-234a, as amended by section 3 of 2007 Senate Bill No. 9, and 84-4-104, as amended by section 42 of 2007 Senate Bill No. 183, and K.S.A. 2006 Supp. 8-243, as amended by section 5 of 2007 Senate Bill No. 9, 8-247, as amended by section 3 of 2007 Substitute for House Bill No. 2042, 8-1325, as amended by section 11 of 2007 Senate Bill No. 9, 8-2117, 12-187, as amended by section 6 of 2007 Senate Bill No. 115, 12-189, as amended by section 7 of 2007 Senate Bill No. 115, 12-192, as amended by section 8 of 2007 Senate Bill No. 115, 12-1773, 16-1616, as amended by section 27 of 2007 Senate Bill No. 183, 19-101d, as amended by section 4 of 2007 House Bill No. 2058, 20-302b, 21-3413, 21-3612, 21-4714, 22-2401a, as amended by section 1 of 2007 Senate Bill No. 13, 28-170, 28-170a, 28-172a, 28-172b, 38-140, 39-709, 39-754, 39-756, 39-756a, 39-7,121d, 39-1305, 41-727, 44-703, as amended by section 1 of 2007 Senate Bill No. 83, 45-229, 59-104, 60-460, 60-2001, 61-2704, 61-4001, 65-1626, 72-6434, 72-8814, 74-2012, as amended by section 14 of 2007 Senate Bill No. 9, 74-4902, 74-5602, as amended by section 15 of 2007 Senate Bill No. 9, 74-7336, as amended by section 17 of 2007 Senate Bill No. 8, 75-2319, 75-5220, 75-7023, 75-7025, 75-7413, 75-7414, 79-32,117, as amended

by section 21 of 2007 House Bill No. 2038, 79-32,120, as amended by section 22 of 2007 House Bill No. 2038, 79-32,138, as amended by section 23 of 2007 House Bill No. 2038, 79-3603, as amended by section 4 of 2007 House Bill No. 2171, 84-1-201, as amended by section 9 of 2007 Senate Bill No. 183, 84-2-103, as amended by section 33 of 2007 Senate Bill No. 183, 84-2a-103, as amended by section 35 of Senate Bill No. 183, and 84-9-102, as amended by section 48 of 2007 Senate Bill No. 183, and repealing the existing sections; also repealing section 11 of 2007 Substitute for Senate Bill No. 354 and K.S.A. 8-234a, as amended by section 2 of 2007 Substitute for House Bill No. 2042, 38-16,130, 59-104, as amended by section 18 of chapter 210 of the 2006 Session Laws of Kansas, and 84-4-104, as amended by section 62 of 2007 Senate Bill No. 308, and K.S.A. 2005 Supp. 12-1773, as amended by section 3 of chapter 192 of the 2006 Session Laws of Kansas, and K.S.A. 2006 Supp. 8-243, as amended by section 25 of House Bill No. 2010, 8-247, as amended by section 26 of 2007 House Bill No. 2010, 8-247, as amended by section 7 of 2007 Senate Bill No. 9, 8-1325, as amended by section 27 of 2007 House Bill No. 2010, 8-2117a, 12-187, as amended by section 1 of 2007 Senate Bill No. 112, 12-189, as amended by section 2 of 2007 Senate Bill No. 112, 12-192, as amended by section 3 of 2007 Senate Bill No. 112, 16-1616, as amended by section 44 of 2007 Senate Bill No. 308, 19-101d, as amended by section 1 of 2007 House Bill No. 2161, 20-302e, 21-3413a, 21-3612a, 21-4714a, 22-2401a, as amended by section 3 of 2007 House Bill No. 2068, 28-170c, 28-170d, 28-170e, 28-172e, 28-172f, 38-140a, 39-709d, 39-754a, 39-756b, 39-756c, 39-7,121f, 39-1305a, 41-727a, 44-703, as amended by section 1 of 2007 Senate Bill No. 235, 45-229a, 59-104a, 60-460a, 60-2001a, 60-4104a, 61-2704a, 61-4001a, 65-1626c, 72-6434a, 72-8814a, 74-2012, as amended by section 1 of 2007 House Bill No. 2374, 74-4902a, 74-5602, as amended by section 2 of 2007 House Bill No. 2068, 74-7336, as amended by section 16 of 2007 Substitute for Senate Bill No. 354, 75-2319a, 75-2319b, 75-5220a, 75-7023a, 75-7025a, 75-7413a, 75-7414a, 79-32,117, as amended by section 3 of 2007 House Bill No. 2031, 79-32,120, as amended by section 9 of 2007 House Bill No. 2419, 79-32,138, as amended by section 10 of 2007 House Bill No. 2419, 79-3603, as amended by section 1 of 2007 House Bill No. 2240, 84-1-201, as amended by section 47 of 2007 Senate Bill No. 308, 84-2-103, as amended by section 48 of 2007 Senate Bill No. 308, 84-2a-103, as amended by section 59 of 2007 Senate Bill No. 308, and 84-9-102, as amended by section 65 of 2007 Senate Bill No. 308, by Committee on Appropriations.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

Speaker pro tem Dahl announced the referral of **HB 2599** to Committee of the Whole.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 **H. Sub for SB 14**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 14**, 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 as House Substitute for Senate Bill No. 14, as follows:

On page 1, in line 14, by striking "Subject" and inserting "On and after July 1, 2007, subject";

On page 2, in line 40, preceding "K.S.A." by inserting "On and after July 1, 2007,";

On page 3, in line 14, by striking "21-3404" and inserting "21-3504"; in line 21, preceding "K.S.A." by inserting "On and after July 1, 2007,";

On page 5, in line 1, preceding "K.S.A." by inserting "On and after July 1, 2007,";

On page 13, following line 39, by inserting the following:

"Sec. 5. On and after July 1, 2007, K.S.A. 75-5268 is hereby amended to read as follows: 75-5268. (1) Any inmate who is allowed to participate in such paid employment or in such job training or paid employment for which a subsistence allowance is paid in connection

with such job training shall pay over to the secretary or the designated representative of the secretary all moneys received from such paid employment or job training except that, pursuant to rules and regulations adopted by the secretary of corrections, the inmate shall retain a stipulated reasonable amount of the money as the secretary or the designated representative of the secretary deems necessary for expenses connected with the employment or job training. The balance of the moneys paid to the secretary or the designated representative of the secretary shall be disbursed for the following purposes:

(a) A designated minimum amount of that money paid to the secretary shall be returned to the state general fund or to the political subdivision, federal government or community-based center for such inmate's food and lodging or, if the inmate is participating in a private industry program other than work release, the minimum amount collected shall be deposited to the correctional industries fund;

(b) transportation to and from the place of employment at the rate allowed in K.S.A. 75-3203 and amendments thereto;

(c) if any of the dependents of the inmate are receiving public assistance, a reasonable percentage of the inmate's net pay after deduction of the above expenses shall be forwarded to the court which ordered support for the dependent or, if there is no order, to the secretary of social and rehabilitation services;

(d) a reasonable percentage of the inmate's net pay after deduction of the above expenses shall be disbursed for the payment, either in full or ratable, of the inmate's obligations if such obligations relate to the care and support of the defendant's immediate family and have been reduced to judgment;

(e) after deduction of the above amounts, payment of a reasonable amount for costs assessed to the inmate pursuant to the code of civil procedure;

(f) to the clerk of the district court in which the crime occurred, payment of a reasonable amount pursuant to an order ~~of restitution for all costs, fines, fees and restitution assessed.~~ *Such payment shall be distributed in the following order of priority: Restitution, costs, fines and fees;*

(g) payment of a reasonable amount into a savings account for disbursement to the inmate upon release from custody;

(h) after deduction of the above amounts, a reasonable percentage of the inmate's net pay shall be disbursed for the payment, either in full or ratable, of the inmate's other obligations acknowledged by the inmate in writing, as authorized by the secretary; and

(i) the balance, if any, shall be credited to the inmate's account and shall be made available to the inmate in such manner and for such purposes as are authorized by the secretary.;"

And by renumbering the remaining sections accordingly;

Also on page 13, in line 40, preceding "K.S.A." by inserting "On and after July 1, 2007,;"

On page 14, in line 10, preceding "K.S.A." by inserting "On and after July 1, 2007,;"

On page 16, following line 9, by inserting the following:

"New Sec. 8. (a) There is hereby created the Kansas criminal code recodification commission.

(b) The commission shall re-codify the Kansas criminal code by:

(1) Reviewing the American law institute model penal code, the criminal codes of other states, and other criminal law study resources, and making recommendations concerning proposed modifications, amendments and additions to the code.

(2) Analyzing and reviewing all criminal statutes and making recommendations for legislation that would ensure that the sentences are appropriate and proportionate to other sentences imposed for criminal offenses, with particular emphasis on the sentencing guidelines grid for drug crimes.

(3) Reviewing and determining the severity of the Kansas sentencing policies in relation to other states and review possible adjustments which may relieve or eliminate prison capacity issues in Kansas.

(4) Studying and making recommendations concerning the statutory definitions of crimes and criminal penalties and evaluate whether certain criminal conduct may be combined into one criminal statute, thus alleviating any potential problems of having two statutes prohibiting the same criminal conduct.

(5) Studying and making revisions to clarify the code to facilitate just and expedient resolution of criminal prosecutions and resolve or prevent statutory conflicts.

(c) The commission shall be made up of the following members:

(1) One legislator who is a member of the senate judiciary committee shall be appointed by the president of the senate;

(2) one legislator who is a member of the senate judiciary committee shall be appointed by the minority leader of the senate;

(3) one legislator who is a member of the house of representatives judiciary committee shall be appointed by the speaker of the house of representatives;

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

(5) one member of the judicial branch appointed by the chief justice of the supreme court;

(6) one member of the law enforcement community appointed by the attorney general;

(7) one defense attorney or public defender appointed by the governor;

(8) one county attorney or district attorney appointed by the Kansas county and district attorney association;

(9) a professor of law from the university of Kansas school of law and a professor from Washburn university school of law appointed by the deans of such schools;

(10) two members of the Kansas judicial council criminal law advisory committee appointed by the criminal law advisory committee;

(11) one district court judge appointed by the Kansas district judges association;

(12) a member of the Kansas sentencing commission appointed by the Kansas sentencing commission;

(13) the attorney general or the attorney general's designee; and

(14) the secretary of corrections or the secretary's designee.

(d) The members of the commission shall elect officers from among its members necessary to discharge its duties.

(e) Each member of the commission shall receive compensation, subsistence allowances, mileage and other expenses as provided for in K.S.A. 75-3223, and amendments thereto, except that the public members of the commission shall receive compensation in the amount provided for legislators pursuant to K.S.A. 75-3212, and amendments thereto, for each day or part thereof actually spent on commission activities. No per diem compensation shall be paid under this subsection to salaried state, county or city officers or employees, except that the legislative members shall receive compensation as provided in K.S.A. 75-3212, and amendments thereto.

(f) The commission shall have the authority to:

(1) Organize and appoint such task forces or subcommittees as may be deemed necessary to discharge such commission's duties;

(2) accept grants, gifts and other appropriation of funds;

(3) hire and employ staff persons; and

(4) contract for the services of persons, organizations and agencies necessary for the discharge of the commission's duties.

(g) The commission shall work with the department of corrections and the Kansas sentencing commission and review studies and findings of the Kansas sentencing commission concerning proportionality of sentencing.

(h) The commission shall prepare and submit an interim report to the legislature on or before February 1, 2008 and February 1, 2009. A final report and recommendations shall be submitted to the legislature on or before January 11, 2010.

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

(j) The provisions of this section shall expire on July 1, 2010.;

And by renumbering the remaining sections accordingly;

Also on page 16, in line 10, preceding "K.S.A." by inserting "On and after July 1, 2007,;" also in line 10, preceding "75-5293" by inserting "75-5268,;" in line 13, by striking "statute book" and inserting "Kansas register"

In the title, in line 9, by striking “corrections” and inserting “the department of corrections and the criminal code recodification commission”; preceding “75-5293” by inserting “75-5268,”;

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

MICHAEL R. O'NEAL
 JANICE L. PAULS
Conferees on part of House

JOHN VRATIL
 TERRY BRUCE
 GRETA GOODWIN
Conferees on part of Senate

On motion of Rep. O'Neal, the conference committee report on **H. Sub. for SB 14** was adopted.

On roll call, the vote was: Yeas 95; Nays 30; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Beamer, Bethell, Bowers, Burroughs, Carlin, Carlson, Colloton, Craft, Crow, Crum, Dahl, Dillmore, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Garcia, Gatewood, George, Goico, Gordon, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Holland, C. Holmes, M. Holmes, Horst, Humerickhouse, Huntington, Johnson, Kelsey, Kuether, Lane, Light, Loganbill, Long, Lukert, Mah, McCray-Miller, McKinney, McLeland, Menghini, Metsker, Jim Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Owens, Pauls, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Wetta, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: Brown, Brunk, Burgess, Colyer, Davis, Donohoe, Faber, Fund, Goyle, Hodge, Huebert, Kelley, Kiegerl, King, Kinzer, Knox, Landwehr, Mast, Masterson, McLachlan, Merrick, Judy Morrison, Olson, Otto, Palmer, Patton, Peck, Siegfried, Watkins, Whitham.

Present but not voting: None.

Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 68**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 68**, 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 amendments, as follows:

On page 2, in line 17, after “services” by inserting “or in the custody of the commissioner of juvenile justice”;

On page 4, by striking all in lines 30 through 43;

On page 5, by striking all in lines 1 and 2 and inserting:

“(n) “Juvenile detention facility” has the meaning ascribed thereto by 72-8187, and amendments thereto.”;

Also on page 5, after line 37, by inserting:

“(v) “Psychiatric residential treatment facility” has the meaning ascribed thereto by K.S.A. 72-8187, and amendments thereto.”;

Also on page 5, in line 39, before “The” by inserting “(a)”;

On page 6, in line 13, by striking “(a)” and inserting “(1)”; in line 18, by striking “(b)” and inserting “(2)”; also in line 18, by striking “(a)” and inserting “(1)”; after line 19, by inserting:

“(b) If the state board determines that as a result of the occurrence of a disaster in the school district, pupils in the school district are unable to participate in the state assessments, the nonproficient pupil weighting of the school district shall be equal to the nonproficient pupil weighting of the district in the preceding school year.

As used in this subsection, “disaster” means the occurrence of widespread or severe damage, injury or loss of life or property resulting from any natural or manmade cause, including but not limited to fire, flood, earthquake, tornado, wind, storm, drought, epidemics, air contamination, blight, drought, infestation or explosion.”;

Also on page 6, by striking all in lines 20 through 43;

By striking all of page 7;

On page 8, by striking all in lines 1 through 24 and inserting in lieu thereof the following:

“Sec. 3. K.S.A. 2006 Supp. 72-6433 is hereby amended to read as follows: 72-6433. (a) (1) The board of any district may adopt a local option budget in each school year in an amount not to exceed an amount equal to the district prescribed percentage of the amount of state financial aid determined for the district in the school year. As used in this section, “district prescribed percentage” means:

— (A) For any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, do not apply in the current school year, in the 2001-02 school year and in each school year thereafter, a percentage that is equal to 80% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year;

— (B) for any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, apply in the current school year, a percentage in the 2001-02 school year and each school year thereafter that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 72-6444, and amendments thereto;

— (C) for any district that was not authorized to adopt a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, apply in the current school year, a percentage in the 2001-02 school year and each school year thereafter that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 72-6444, and amendments thereto;

— (D) for any district to which the provisions of K.S.A. 72-6444, and amendments thereto, applied in the 1997-98 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, do not apply in the current school year because an increase in the amount budgeted by the district in its local option budget as authorized by a resolution adopted under the provisions of subsection (b) causes the actual amount per pupil budgeted by the district in the preceding school year as determined for the district under provision (1) of subsection (a) of K.S.A. 72-6444, and amendments thereto, to equal or exceed the average amount per pupil of general fund budgets and local option budgets computed by the state board under whichever of the provisions (7) through (10) of subsection (a) of K.S.A. 72-6444, and amendments thereto, is applicable to the district's enrollment group, a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year if the resolution authorized the district to increase its local option budget on a continuous and permanent basis. If the resolution that authorized the district to increase its local option budget specified a definite period of time for which the district would retain its authority to increase the local option budget and such authority lapses at the conclusion of such period and is not renewed, the term district prescribed percentage means a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year less the percentage of increase that was authorized by the resolution unless the loss of the percentage of increase that was authorized by the resolution would cause the actual amount per pupil budgeted by the district to be less than the average amount per pupil of general fund budgets

and local option budgets computed by the state board under whichever of the provisions (7) through (10) of subsection (a) of K.S.A. 72-6444, and amendments thereto, is applicable to the district's enrollment group, in which case, the term district prescribed percentage means a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year less the percentage of increase that was authorized by the resolution plus a percentage which shall be computed for the district by the state board in accordance with the provisions of K.S.A. 72-6444, and amendments thereto, except that, in making the determination of the actual amount per pupil budgeted by the district in the preceding school year, the state board shall exclude the percentage of increase that was authorized by the resolution.

—(2) (A) Subject to the provisions of subpart (B), the adoption of a local option budget under authority of this subsection shall require a majority vote of the members of the board and shall require no other procedure, authorization or approval:

—(B) In lieu of utilizing the authority granted by subpart (A) for adoption of a local option budget, the board of a district may pass a resolution authorizing adoption of such a budget and publish such resolution once in a newspaper having general circulation in the district. The resolution shall be published in substantial compliance with the following form:

Unified School District No. _____,

_____ County, Kansas.

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local option budget in each school year for a period of time not to exceed _____ years in an amount not to exceed _____% of the amount of state financial aid determined for the current school year. The local option budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. In the event a petition is filed, the county election officer shall submit the question of whether adoption of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the school district.

CERTIFICATE

—This is to certify that the above resolution was duly adopted by the board of education of Unified School District No. _____, _____ County, Kansas, on the _____ day of _____, _____.

Clerk of the board of education.—

—All of the blanks in the resolution shall be appropriately filled. The blank preceding the word "years" shall be filled with a specific number, and the blank preceding the percentage symbol shall be filled with a specific number. No word shall be inserted in either of the blanks. The percentage specified in the resolution shall not exceed the district prescribed percentage. The resolution shall be published once in a newspaper having general circulation in the school district. If no petition as specified above is filed in accordance with the provisions of the resolution, the board may adopt a local option budget. If a petition is filed as provided in the resolution, the board may notify the county election officer of the date of an election to be held to submit the question of whether adoption of a local option budget shall be authorized. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution. If any district is authorized to adopt a local option budget under this subpart, but the board of such district chooses, in any school year, not to adopt such a budget or chooses, in any school year, to adopt such budget in an amount less than the amount of the district prescribed percentage of the amount of state financial aid in any school year, such board of education may so choose. If the board of any district refrains from adopting a local option budget in any one or more school years or refrains from budgeting the total amount au-

thorized for any one or more school years, the authority of such district to adopt a local option budget shall not be extended by such refrainment beyond the period specified in the resolution authorizing adoption of such budget, nor shall the amount authorized to be budgeted in any succeeding school year be increased by such refrainment. Whenever an initial resolution has been adopted under this subpart, and such resolution specified a lesser percentage than the district prescribed percentage, the board of the district may adopt one or more subsequent resolutions under the same procedure as provided for the initial resolution and subject to the same conditions, and shall be authorized to increase the percentage as specified in any such subsequent resolution for the remainder of the period of time specified in the initial resolution. Any percentage specified in a subsequent resolution or in subsequent resolutions shall be limited so that the sum of the percentage authorized in the initial resolution and the percentage authorized in the subsequent resolution or in subsequent resolutions is not in excess of the district prescribed percentage in any school year. The board of any district that has been authorized to adopt a local option budget under this subpart and levied a tax under authority of K.S.A. 72-6435, and amendments thereto, may initiate, at any time after the final levy is certified to the county clerk under any current authorization, procedures to renew its authority to adopt a local option budget in the manner specified in this subpart or may utilize the authority granted by subpart (A). As used in this subpart, the term "authorized to adopt a local option budget" means that a district has adopted a resolution under this subpart, has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the adoption of a local option budget was approved.

—(3) The provisions of this subsection are subject to the provisions of subsections (b) and (c):

—(b) (1) The board of any district that adopts a local option budget under subsection (a) may increase the amount of such budget in each school year in an amount which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage of the amount of state financial aid determined for the district in the school year if the board of the district determines that an increase in such budget would be in the best interests of the district.

—(2) No district may increase a local option budget under authority of this subsection until: (A) A resolution authorizing such an increase is passed by the board and published once in a newspaper having general circulation in the district; or (B) the question of whether the board shall be authorized to increase the local option budget has been submitted to and approved by the qualified electors of the district at a special election called for the purpose. Any such election shall be noticed, called and held in the manner provided by K.S.A. 10-120, and amendments thereto, for the noticing, calling and holding of elections upon the question of issuing bonds under the general bond law. The notice of such election shall state the purpose for and time of the election, and the ballot shall be designed with the question of whether the board of education of the district shall be continuously and permanently authorized to increase the local option budget of the district in each school year by a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage in any school year. If a majority of the qualified electors voting at the election approve authorization of the board to increase the local option budget, the board shall have such authority. If a majority of the qualified electors voting at the election are opposed to authorization of the board to increase the local option budget, the board shall not have such authority and no like question shall be submitted to the qualified electors of the district within the nine months following the election.

—(3) (A) Subject to the provisions of subpart (B), a resolution authorizing an increase in the local option budget of a district shall state that the board of education of the district shall be authorized to increase the local option budget of the district in each school year in an amount not to exceed _____% of the amount of state financial aid determined for the current school year and that the percentage of increase may be reduced so that the sum of the percentage of the amount of state financial aid budgeted under subsection (a) and the percentage of increase specified in the resolution does not exceed the state prescribed percentage in any school year. The blank preceding the percentage symbol shall be filled

with a specific number. No word shall be inserted in the blank. The resolution shall specify a definite period of time for which the board shall be authorized to increase the local option budget and such period of time shall be expressed by the specific number of school years for which the board shall retain its authority to increase the local option budget. No word shall be used to express the number of years for which the board shall be authorized to increase the local option budget.

— (B) In lieu of the requirements of subpart (A) and at the discretion of the board, a resolution authorizing an increase in the local option budget of a district may state that the board of education of the district shall be continuously and permanently authorized to increase the local option budget of the district in each school year by a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage in any school year.

— (4) A resolution authorizing an increase in the local option budget of a district shall state that the amount of the local option budget may be increased as authorized by the resolution unless a petition in opposition to such increase, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication. If no petition is filed in accordance with the provisions of the resolution, the board is authorized to increase the local option budget of the district. If a petition is filed as provided in the resolution, the board may notify the county election officer of the date of an election to be held to submit the question of whether the board shall be authorized to increase the local option budget of the district. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution.

— (5) The requirements of provision (2) do not apply to any district that is continuously and permanently authorized to increase the local option budget of the district. An increase in the amount of a local option budget by such a district shall require a majority vote of the members of the board and shall require no other procedure, authorization or approval.

— (6) If any district is authorized to increase a local option budget, but the board of such district chooses, in any school year, not to adopt or increase such budget or chooses, in any school year, to adopt or increase such budget in an amount less than the amount authorized, such board of education may so choose. If the board of any district refrains from adopting or increasing a local option budget in any one or more school years or refrains from budgeting the total amount authorized for any one or more school years, the amount authorized to be budgeted in any succeeding school year shall not be increased by such refrainment; nor shall the authority of the district to increase its local option budget be extended by such refrainment beyond the period of time specified in the resolution authorizing an increase in the local option budget if the resolution specified such a period of time.

— (7) Whenever an initial resolution has been adopted under this subsection, and such resolution specified a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) is less than the state prescribed percentage, the board of the district may adopt one or more subsequent resolutions under the same procedure as provided for the initial resolution and shall be authorized to increase the percentage as specified in any such subsequent resolution. If the initial resolution specified a definite period of time for which the district is authorized to increase its local option budget, the authority to increase such budget by the percentage specified in any subsequent resolution shall be limited to the remainder of the period of time specified in the initial resolution. Any percentage specified in a subsequent resolution or in subsequent resolutions shall be limited so that the sum of the percentage authorized in the initial resolution and the percentage authorized in the subsequent resolution or in subsequent resolutions together with the percentage of the amount of state financial aid budgeted under subsection (a) is not in excess of the state prescribed percentage in any school year.

— (8) (A) Subject to the provisions of subpart (B), the board of any district that has adopted a local option budget under subsection (a), has been authorized to increase such budget under a resolution which specified a definite period of time for retention of such authorization, and has levied a tax under authority of K.S.A. 72-6435, and amendments thereto, may initiate, at any time after the final levy is certified to the county clerk under any current

authorization, procedures to renew the authority to increase the local option budget subject to the conditions and in the manner specified in provisions (2) and (3) of this subsection.

— (B) The provisions of subpart (A) do not apply to the board of any district that is continuously and permanently authorized to increase the local option budget of the district.

— (9) As used in this subsection:

— (A) “Authorized to increase a local option budget” means either that a district has held a special election under provision (2)(B) by which authority of the board to increase a local option budget was approved, or that a district has adopted a resolution under provision (2) (A), has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the authority of the board to increase a local option budget was approved.

— (B) “State prescribed percentage” means 30% for school year 2006-2007 and 31% for school year 2007-2008 and each school year thereafter.

— (c) To the extent the provisions of the foregoing subsections conflict with this subsection, this subsection shall control. Any district that is authorized to adopt a local option budget in the 1997-98 school year under a resolution which authorized the adoption of such budget in accordance with the provisions of this section prior to its amendment by this act may continue to operate under such resolution for the period of time specified in the resolution or may abandon the resolution and operate under the provisions of this section as amended by this act. Any such district shall operate under the provisions of this section as amended by this act after the period of time specified in the resolution has expired.

— (d) (1) There is hereby established in every district that adopts a local option budget a fund which shall be called the supplemental general fund. The fund shall consist of all amounts deposited therein or credited thereto according to law.

— (2) Subject to the limitation imposed under provision (3), and subsection (c) of K.S.A. 72-6434, and amendments thereto, amounts in the supplemental general fund may be expended for any purpose for which expenditures from the general fund are authorized or may be transferred to the general fund of the district or to any program weighted fund or categorical fund of the district. Amounts in the supplemental general fund attributable to any percentage over 25% of state financial aid determined for the current school year may be transferred to the capital improvements fund of the district and the capital outlay fund of the district if such transfers are specified in the resolution authorizing the adoption of a local option budget in excess of 25%.

— (3) Amounts in the supplemental general fund may not be expended nor transferred to the general fund of the district for the purpose of making payments under any lease-purchase agreement involving the acquisition of land or buildings which is entered into pursuant to the provisions of K.S.A. 72-8225, and amendments thereto.

— (4) Any unexpended and unencumbered cash balance remaining in the supplemental general fund of a district at the conclusion of any school year in which a local option budget is adopted shall be disposed of as provided in this subsection. If the district did not receive supplemental general state aid in the school year and the board of the district determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be maintained in such fund or transferred to the general fund of the district. If the board of such a district determines that it will not be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, transferred or expended the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be maintained in such fund or transferred to the general fund of the district. If the district received supplemental general state aid in the school year, did not transfer or expend the entire amount budgeted in the local option budget for the school year, and determines that it will not be necessary to adopt a local option budget in the

ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, did not transfer or expend the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the state board shall determine the ratio of the amount of supplemental general state aid received to the amount of the local option budget of the district for the school year and multiply the total amount of the cash balance remaining in the supplemental general fund by such ratio. An amount equal to the amount of the product shall be transferred to the general fund of the district. The amount remaining in the supplemental general fund may be maintained in such fund or transferred to the general fund of the district.

— (e) To the extent the provisions of the foregoing section conflict with this subsection, this subsection shall control. Any resolution authorizing the adoption of a local option budget in excess of 30% of the state financial aid of the district in the current school year shall not become effective unless such resolution has been submitted to and approved by a majority of the qualified electors of the school district voting at an election called and held thereon. Such resolution shall specify how the moneys will be expended and shall be published in the manner provided by this section. The election shall be called and held in the manner provided by this section:

(a) As used in this section:

(1) "State prescribed percentage" means 31% of state financial aid of the district in the current school year.

(2) "Authorized to adopt a local option budget" means that a district has adopted a resolution under this section, has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the adoption of a local option budget was approved.

(b) In each school year, the board of any district may adopt a local option budget which does not exceed the state prescribed percentage.

(c) Subject to the limitation of subsection (b), in each school year, the board of any district may adopt, by resolution, a local option budget in an amount not to exceed:

(1) (A) The amount which the board was authorized to adopt in accordance with the provisions of this section in effect prior to its amendment by this act; plus

(B) the amount which the board was authorized to adopt pursuant to any resolution currently in effect; plus

(C) the amount which the board was authorized to adopt pursuant to K.S.A. 72-6444, and amendments thereto, if applicable to the district; or

(2) the state-wide average for the preceding school year as determined by the state board pursuant to subsection (j).

Except as provided by subsection (e), the adoption of a resolution pursuant to this subsection shall require a majority vote of the members of the board. Such resolution shall be effective upon adoption and shall require no other procedure, authorization or approval.

(d) If the board of a district desires to increase its local option budget authority above the amount authorized under subsection (c) or if the board was not authorized to adopt a local option budget in 2006-2007, the board may adopt, by resolution, such budget in an amount not to exceed the state prescribed percentage. The adoption of a resolution pursuant to this subsection shall require a majority vote of the members of the board. The resolution shall be published at least once in a newspaper having general circulation in the district. The resolution shall be published in substantial compliance with the following form:

Unified School District No. _____, _____ County, Kansas.

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local option budget in each school year in an amount not to exceed _____% of the amount of state financial aid. The local option budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors

of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. If a petition is filed, the county election officer shall submit the question of whether adoption of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the school district.

CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of Unified School District No. _____, County, Kansas, on the day of _____, _____.

Clerk of the board of education.

All of the blanks in the resolution shall be filled as is appropriate. If a sufficient petition is not filed, the board may adopt a local option budget. If a sufficient petition is filed, the board may notify the county election officer of the date of an election to be held to submit the question of whether adoption of a local option budget shall be authorized. Any such election shall be noticed, called and held in the manner provided by K.S.A. 10-120, and amendments thereto. If the board fails to notify the county election officer within 30 days after a sufficient petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution.

(e) Any resolution authorizing the adoption of a local option budget in excess of 30% of the state financial aid of the district in the current school year shall not become effective unless such resolution has been submitted to and approved by a majority of the qualified electors of the school district voting at an election called and held thereon. The election shall be called and held in the manner provided by K.S.A. 10-120, and amendments thereto.

(f) Unless specifically stated otherwise in the resolution, the authority to adopt a local option budget shall be continuous and permanent. The board of any district which is authorized to adopt a local option budget may choose not to adopt such a budget or may adopt a budget in an amount less than the amount authorized. If the board of any district whose authority to adopt a local option budget is not continuous and permanent refrains from adopting a local option budget, the authority of such district to adopt a local option budget shall not be extended by such refrainment beyond the period specified in the resolution authorizing adoption of such budget.

(g) The board of any district may initiate procedures to renew or increase the authority to adopt a local option budget at any time during a school year after the tax levied pursuant to K.S.A. 72-6435, and amendments thereto, is certified to the county clerk under any existing authorization.

(h) The board of any district that is authorized to adopt a local option budget prior to the effective date of this act under a resolution which authorized the adoption of such budget in accordance with the provisions of this section in effect prior to its amendment by this act may continue to operate under such resolution for the period of time specified in the resolution or may abandon the resolution and operate under the provisions of this section as amended by this act. Any such district shall operate under the provisions of this section as amended by this act after the period of time specified in the resolution has expired.

(i) Any resolution adopted pursuant to this section may revoke or repeal any resolution previously adopted by the board. If the resolution does not revoke or repeal previously adopted resolutions, all resolutions which are in effect shall expire on the same date. The maximum amount of the local option budget of a school district under all resolutions in effect shall not exceed the state prescribed percentage in any school year.

(j) (1) There is hereby established in every district that adopts a local option budget a fund which shall be called the supplemental general fund. The fund shall consist of all amounts deposited therein or credited thereto according to law.

(2) Subject to the limitation imposed under paragraph (3) and subsection (e) of K.S.A. 72-6434, and amendments thereto, amounts in the supplemental general fund may be expended for any purpose for which expenditures from the general fund are authorized or may be transferred to any program weighted fund or categorical fund of the district. Amounts in the supplemental general fund attributable to any percentage over 25% of state financial aid

determined for the current school year may be transferred to the capital improvements fund of the district and the capital outlay fund of the district if such transfers are specified in the resolution authorizing the adoption of a local option budget in excess of 25%.

(3) Amounts in the supplemental general fund may not be expended for the purpose of making payments under any lease-purchase agreement involving the acquisition of land or buildings which is entered into pursuant to the provisions of K.S.A. 72-8225, and amendments thereto.

(4) (A) Except as provided in paragraph (B), any unexpended budget remaining in the supplemental general fund of a district at the conclusion of any school year in which a local option budget is adopted shall be maintained in such fund.

(B) If the district received supplemental general state aid in the school year, the state board shall determine the ratio of the amount of supplemental general state aid received to the amount of the local option budget of the district for the school year and multiply the total amount of the unexpended budget remaining by such ratio. An amount equal to the amount of the product shall be transferred to the general fund of the district or remitted to the state treasurer. Upon receipt of any such remittance, the state treasurer shall deposit the same in the state treasury to the credit of the state school district finance fund.

(k) Each year the state board of education shall determine the statewide average percentage of local option budgets legally adopted by school districts for the preceding school year.

New Sec. 4. (a) As used in this section:

(1) "Bullying" means: (A) Any intentional gesture or any intentional written, verbal or physical act or threat that is sufficiently severe, persistent or pervasive that it creates an intimidating, threatening or abusive educational environment for a student or staff member that a reasonable person, under the circumstances, knows or should know will have the effect of:

- (i) Harming a student or staff member, whether physically or mentally;
- (ii) damaging a student's or staff member's property;
- (iii) placing a student or staff member in reasonable fear of harm to the student or staff member; or
- (iv) placing a student or staff member in reasonable fear of damage to the student's or staff member's property; or

(B) any other form of intimidation or harassment prohibited by the board of education of the school district in policies concerning bullying adopted pursuant to this section or subsection (e) of K.S.A. 72-8205, and amendments thereto.

(2) "School vehicle" means any school bus, school van, other school vehicle and private vehicle used to transport students or staff members to and from school or any school-sponsored activity or event.

(b) The board of education of each school district shall adopt a policy to prohibit bullying on school property, in a school vehicle or at a school-sponsored activity or event.

(c) The board of education of each school district shall adopt and implement a plan to address bullying on school property, in a school vehicle or at a school-sponsored activity or event. Such plan shall include provisions for the training and education for staff members and students.

(d) The board of education of each school district may adopt additional policies relating to bullying pursuant to subsection (e) of K.S.A. 72-8205, and amendments thereto.

(e) The requirements of this section shall be implemented by school districts on or before January 1, 2008.

New Sec. 5. (a) Upon request of a school district, the state board shall assist in the development of a grade appropriate curriculum for character development programs which may be offered to students in the school district. Nothing in this subsection shall be construed as requiring the state board to develop a new curriculum or a new character development program.

(b) As used in this section:

(1) "Character development program" means a program which is secular in nature and which stresses character qualities.

(2) "Character qualities" means positive character qualities which include, but is not limited to, honesty, responsibility, attentiveness, patience, kindness, respect, self-control, tolerance, cooperation, initiative, patriotism and citizenship.

(3) "State board" means the state board of education.

Sec. 6. On and after July 1, 2007, K.S.A. 2006 Supp. 72-6407, as amended by section 1 of 2007 Senate Bill No. 95, is hereby repealed.

Sec. 7. K.S.A. 2006 Supp. 72-6407, 72-6433 and 72-6454 are hereby repealed.”;

And by renumbering the remaining section accordingly;

In the title, by striking all in lines 12 through 15; following line 15, by inserting:

“AN ACT concerning school districts; relating to the powers and duties thereof; relating to school finance; amending K.S.A. 2006 Supp. 72-6407, 72-6433 and 72-6454 and repealing the existing sections; also repealing K.S.A. 2006 Supp. 72-6407, as amended by section 1 of 2007 Senate Bill No. 95.”;

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

RAY MERRICK

DEENA HORST

SUE STORM

Conferees on part of House

JEAN KURTIS SCHODORF

JOHN VRATIL

JANIS K. LEE

Conferees on part of Senate

On motion of Rep. Horst, the conference committee report on **SB 68** was adopted.

On roll call, the vote was: Yeas 109; Nays 16; Present but not voting: 0; Absent or not voting: 0.

Yeas: Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crum, Dahl, Davis, Dillmore, Donohoe, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Humerickhouse, Huntington, Johnson, Kelsey, Kiegerl, Kinzer, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, McCray-Miller, McKinney, McLachlan, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O’Neal, Otto, Owens, Palmer, Patton, Pauls, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: Aurand, Crow, Faber, Gordon, Huebert, Kelley, King, Knox, Mast, Masterson, McLeland, Olson, Peck, Rhoades, Siegfried, Watkins.

Present but not voting: None.

Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 30**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 30**, 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 29 through 43;

By striking all on pages 2 through 10 and inserting the following:

“Section 1. K.S.A. 2006 Supp. 41-2623 is hereby amended to read as follows: 41-2623.

(a) No license shall be issued under the provisions of this act to:

(1) Any person described in subsection (a)(1), (2), (4), (5), (6), (7), (8), (9), (12) or (13) of K.S.A. 41-311, and amendments thereto, except that the provisions of subsection (a)(7) of such section shall not apply to nor prohibit the issuance of a license for a class A club to an officer of a post home of a congressionally chartered service or fraternal organization, or a benevolent association or society thereof.

(2) A person who has had the person's license revoked for cause under the provisions of this act.

(3) A person who has not been a resident of this state for a period of at least one year immediately preceding the date of application.

(4) A person who has a beneficial interest in the manufacture, preparation or wholesaling or the retail sale of alcoholic liquors or a beneficial interest in any other club, drinking establishment or caterer licensed hereunder, except that:

(A) A license for premises located in a hotel may be granted to a person who has a beneficial interest in one or more other clubs or drinking establishments licensed hereunder if such other clubs or establishments are located in hotels.

(B) A license for a club or drinking establishment which is a restaurant may be issued to a person who has a beneficial interest in other clubs or drinking establishments which are restaurants.

(C) A caterer's license may be issued to a person who has a beneficial interest in a club or drinking establishment and a license for a club or drinking establishment may be issued to a person who has a beneficial interest in a caterer.

(D) A license for a class A club may be granted to an organization of which an officer, director or board member is a distributor or retailer licensed under the liquor control act if such distributor or retailer sells no alcoholic liquor to such club.

~~(E) On and after January 1, 1988, a license for a class B club or drinking establishment may be granted to a person who has a beneficial interest in a microbrewery or farm winery licensed pursuant to the Kansas liquor control act. Any person who has a beneficial interest in a microbrewery or farm winery licensed pursuant to the Kansas liquor control act may be issued any or all of the following: (1) Class B club license; (2) drinking establishment license; and (3) caterer's license.~~

(5) A copartnership, unless all of the copartners are qualified to obtain a license.

(6) A corporation, if any officer, manager or director thereof, or any stockholder owning in the aggregate more than 5% of the common or preferred stock of such corporation would be ineligible to receive a license hereunder for any reason other than citizenship and residence requirements.

(7) A corporation, if any officer, manager or director thereof, or any stockholder owning in the aggregate more than 5% of the common or preferred stock of such corporation, has been an officer, manager or director, or a stockholder owning in the aggregate more than 5% of the common or preferred stock, of a corporation which:

(A) Has had a license revoked under the provisions of the club and drinking establishment act; or

(B) has been convicted of a violation of the club and drinking establishment act or the cereal malt beverage laws of this state.

(8) A corporation organized under the laws of any state other than this state.

(9) A trust, if any grantor, beneficiary or trustee would be ineligible to receive a license under this act for any reason, except that the provisions of subsection (a)(6) of K.S.A. 41-311, and amendments thereto shall not apply in determining whether a beneficiary would be eligible for a license.

(b) No club or drinking establishment license shall be issued under the provisions of the club and drinking establishment act to:

(1) A person described in subsection (a)(11) of K.S.A. 41-311, and amendments thereto.

(2) A person who is not a resident of the county in which the premises sought to be licensed are located.

Sec. 2. K.S.A. 2006 Supp. 41-308a is hereby amended to read as follows: 41-308a. (a) A farm winery license shall allow:

(1) The manufacture of domestic table wine and domestic fortified wine in a quantity not exceeding 100,000 gallons per year and the storage thereof;

(2) the sale of wine, manufactured by the licensee, to licensed wine distributors, retailers, clubs, drinking establishments and caterers;

(3) the sale, on the licensed premises in the original unopened container to consumers for consumption off the licensed premises, of wine manufactured by the licensee;

(4) the serving free of charge on the licensed premises and at special events, monitored and regulated by the division of alcoholic beverage control, of samples of wine manufactured by the licensee or imported under subsection (f), if the premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments;

(5) if the licensee is also licensed as a club or drinking establishment, the sale of domestic wine, domestic fortified wine and other alcoholic liquor for consumption on the licensed premises as authorized by the club and drinking establishment act;

(6) *if the licensee is also licensed as a caterer, the sale of domestic wine, domestic fortified wine and other alcoholic liquor for consumption on the unlicensed premises as authorized by the club and drinking establishment act;*

(7) the sale and shipping, in the original unopened container, to consumers outside this state of wine manufactured by the licensee, provided that the licensee complies with applicable laws and rules and regulations of the jurisdiction to which the wine is shipped; and

~~(7)~~ (8) the sale and shipping of wine within this state pursuant to a permit issued pursuant to K.S.A. 2006 Supp. 41-348, and amendments thereto.

(b) Upon application and payment of the fee prescribed by K.S.A. 41-310, and amendments thereto, by a farm winery licensee, the director may issue not to exceed three winery outlet licenses to the farm winery licensee. A winery outlet license shall allow:

(1) The sale, on the licensed premises in the original unopened container to consumers for consumption off the licensed premises, of wine manufactured by the licensee; and

(2) the serving on the licensed premises of samples of wine manufactured by the licensee or imported under subsection (f), if the premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments.

(c) Not less than 60% of the products utilized in the manufacture of domestic table wine and domestic fortified wine by a farm winery shall be grown in Kansas except when a lesser proportion is authorized by the director based upon the director's findings and judgment. The label of domestic wine and domestic fortified wine shall indicate that a majority of the products utilized in the manufacture of the wine at such winery were grown in Kansas.

(d) A farm winery or winery outlet may sell domestic wine and domestic fortified wine in the original unopened container to consumers for consumption off the licensed premises at any time between 6 a.m. and 12 midnight on any day except Sunday and between 12 noon and 6 p.m. on Sunday. If authorized by subsection (a), a farm winery may serve samples of domestic wine, domestic fortified wine and wine imported under subsection (e) and serve and sell domestic wine, domestic fortified wine and other alcoholic liquor for consumption on the licensed premises at any time when a club or drinking establishment is authorized to serve and sell alcoholic liquor. If authorized by subsection (b), a winery outlet may serve samples of domestic wine, domestic fortified wine and wine imported under subsection (e) at any time when the winery outlet is authorized to sell domestic wine and domestic fortified wine.

(e) The director may issue to the Kansas state fair or any bona fide group of grape growers or wine makers a permit to import into this state small quantities of wines. Such wine shall be used only for bona fide educational and scientific tasting programs and shall not be resold. Such wine shall not be subject to the tax imposed by K.S.A. 41-501, and amendments thereto. The permit shall identify specifically the brand and type of wine to be imported, the quantity to be imported, the tasting programs for which the wine is to be used and the times and locations of such programs. The secretary shall adopt rules and regulations governing the importation of wine pursuant to this subsection and the conduct of tasting programs for which such wine is imported.

(f) A farm winery license or winery outlet license shall apply only to the premises described in the application and in the license issued and only one location shall be described in the license.

(g) No farm winery or winery outlet shall:

(1) Employ any person under the age of 18 years in connection with the manufacture, sale or serving of any alcoholic liquor;

(2) permit any employee of the licensee who is under the age of 21 years to work on the licensed premises at any time when not under the on-premise supervision of either the licensee or an employee of the licensee who is 21 years of age or over;

(3) employ any person under 21 years of age in connection with mixing or dispensing alcoholic liquor; or

(4) employ any person in connection with the manufacture or sale of alcoholic liquor if the person has been convicted of a felony.

(h) Whenever a farm winery or winery outlet licensee is convicted of a violation of the Kansas liquor control act, the director may revoke the licensee's license and order forfeiture of all fees paid for the license, after a hearing before the director for that purpose in accordance with the provisions of the Kansas administrative procedure act.

(i) This section shall be part of and supplemental to the Kansas liquor control act.

Sec. 3. K.S.A. 2006 Supp. 41-104 is hereby amended to read as follows: 41-104. No person shall manufacture, bottle, blend, sell, barter, transport, deliver, furnish or possess any alcoholic liquor for beverage purposes, except as specifically provided in this act, the club and drinking establishment act or article 27 of chapter 41 of the Kansas Statutes Annotated, except that nothing contained in this act shall prevent:

(a) The possession and transportation of alcoholic liquor for the personal use of the possessor, the possessor's family and guests except that the provisions of K.S.A. 41-407 and amendments thereto shall be applicable to all persons;

(b) the making of wine, cider or beer by a person from fruits, vegetables or grains, or the product thereof, by simple fermentation and without distillation, if it is made solely for the use of the maker and the maker's family;

(c) any duly licensed practicing physician or dentist from possessing or using alcoholic liquor in the strict practice of the medical or dental profession;

(d) any hospital or other institution caring for sick and diseased persons, from possessing and using alcoholic liquor for the treatment of bona fide patients of such hospital or institution;

(e) any drugstore employing a licensed pharmacist from possessing and using alcoholic liquor in the compounding of prescriptions of duly licensed physicians;

(f) the possession and dispensation of wine by an authorized representative of any church for the purpose of conducting any bona fide rite or religious ceremony conducted by such church; or

(g) the sale of wine to a consumer in this state by a person which holds a valid license authorizing the manufacture of wine in this or another state and the shipment of such wine directly to such consumer, subject to the following: (1) The consumer must be at least 21 years of age; (2) the consumer must purchase the wine while physically present on the premises of the wine manufacturer; (3) the wine must be for the consumer's personal consumption and not for resale; and (4) the consumer shall comply with the provisions of K.S.A. 41-407, and amendments thereto, by payment of all applicable taxes within such time after purchase of the wine as prescribed by rules and regulations adopted by the secretary.

(h) *The serving of complimentary alcoholic liquor or cereal malt beverages at fund raising activities of charitable organizations as defined by K.S.A. 17-1760, and amendments thereto, and as qualified pursuant to 26 U.S.C.A. 501(c) and by committees formed pursuant to K.S.A. 25-4142 et seq., and amendments thereto. The serving of such alcoholic liquor at such fund raising activities shall not constitute a sale pursuant to this act, the club and drinking establishment act or article 27 of chapter 41 of the Kansas Statutes Annotated, and amendments thereto. Any such fund raising activity shall not be required to obtain a license or a temporary permit pursuant to this act, the club and drinking establishment act or article 27 of chapter 41 of the Kansas Statutes Annotated, and amendments thereto.*

Sec. 4. K.S.A. 2006 Supp. 41-311 is hereby amended to read as follows: 41-311. (a) No license of any kind shall be issued pursuant to the liquor control act to a person:

(1) Who has not been a citizen of the United States for at least 10 years, except that the spouse of a deceased retail licensee may receive and renew a retail license notwithstanding the provisions of this subsection (a)(1) if such spouse is otherwise qualified to hold a retail

license and is a United States citizen or becomes a United States citizen within one year after the deceased licensee's death;

(2) who has been convicted of a felony under the laws of this state, any other state or the United States;

(3) who has had a license revoked for cause under the provisions of the liquor control act, the beer and cereal malt beverage keg registration act or who has had any license issued under the cereal malt beverage laws of any state revoked for cause except that a license may be issued to a person whose license was revoked for the conviction of a misdemeanor at any time after the lapse of 10 years following the date of the revocation;

(4) who has been convicted of being the keeper or is keeping a house of prostitution or has forfeited bond to appear in court to answer charges of being a keeper of a house of prostitution;

(5) who has been convicted of being a proprietor of a gambling house, pandering or any other crime opposed to decency and morality or has forfeited bond to appear in court to answer charges for any of those crimes;

(6) who is not at least 21 years of age;

(7) who, other than as a member of the governing body of a city or county, appoints or supervises any law enforcement officer, who is a law enforcement official or who is an employee of the director;

(8) who intends to carry on the business authorized by the license as agent of another;

(9) who at the time of application for renewal of any license issued under this act would not be eligible for the license upon a first application, except as provided by subsection (a)(12);

(10) who is the holder of a valid and existing license issued under article 27 of chapter 41 of the Kansas Statutes Annotated unless the person agrees to and does surrender the license to the officer issuing the same upon the issuance to the person of a license under this act, except that a retailer licensed pursuant to K.S.A. 41-2702, and amendments thereto, shall be eligible to receive a retailer's license under the Kansas liquor control act;

(11) who does not own the premises for which a license is sought, or does not have a written lease thereon for at least $\frac{3}{4}$ of the period for which the license is to be issued;

(12) whose spouse would be ineligible to receive a license under this act for any reason other than citizenship, residence requirements or age, except that this subsection (a)(12) shall not apply in determining eligibility for a renewal license;

(13) whose spouse has been convicted of a felony or other crime which would disqualify a person from licensure under this section and such felony or other crime was committed during the time that the spouse held a license under this act; or

(14) who does not provide any data or information required by K.S.A. 2006 Supp. 41-311b, and amendments thereto.

(b) No retailer's license shall be issued to:

(1) A person who is not a resident of this state;

(2) a person who has not been a resident of this state for at least four years immediately preceding the date of application;

(3) a person who has a beneficial interest in ~~the manufacture, preparation or wholesaling of alcoholic beverages~~ *a manufacturer, distributor, farm winery or microbrewery licensed under this act;*

(4) a person who has a beneficial interest in any other retail establishment licensed under this act, except that the spouse of a licensee may own and hold a retailer's license for another retail establishment;

(5) a copartnership, unless all of the copartners are qualified to obtain a license;

(6) a corporation; or

(7) a trust, if any grantor, beneficiary or trustee would be ineligible to receive a license under this act for any reason, except that the provisions of subsection (a)(6) shall not apply in determining whether a beneficiary would be eligible for a license.

(c) No manufacturer's license shall be issued to:

(1) A corporation, if any officer or director thereof, or any stockholder owning in the aggregate more than 25% of the stock of the corporation would be ineligible to receive a manufacturer's license for any reason other than citizenship and residence requirements;

(2) a copartnership, unless all of the copartners shall have been residents of this state for at least five years immediately preceding the date of application and unless all the members of the copartnership would be eligible to receive a manufacturer's license under this act;

(3) a trust, if any grantor, beneficiary or trustee would be ineligible to receive a license under this act for any reason, except that the provisions of subsection (a)(6) shall not apply in determining whether a beneficiary would be eligible for a license;

(4) an individual who is not a resident of this state; ~~or~~

(5) an individual who has not been a resident of this state for at least five years immediately preceding the date of application; ~~or~~

(6) *a person who has a beneficial interest in a distributor, retailer, farm winery or microbrewery licensed under this act.*

(d) No distributor's license shall be issued to:

(1) A corporation, if any officer, director or stockholder of the corporation would be ineligible to receive a distributor's license for any reason. It shall be unlawful for any stockholder of a corporation licensed as a distributor to transfer any stock in the corporation to any person who would be ineligible to receive a distributor's license for any reason, and any such transfer shall be null and void, except that: (A) If any stockholder owning stock in the corporation dies and an heir or devisee to whom stock of the corporation descends by descent and distribution or by will is ineligible to receive a distributor's license, the legal representatives of the deceased stockholder's estate and the ineligible heir or devisee shall have 14 months from the date of the death of the stockholder within which to sell the stock to a person eligible to receive a distributor's license, any such sale by a legal representative to be made in accordance with the provisions of the probate code; or (B) if the stock in any such corporation is the subject of any trust and any trustee or beneficiary of the trust who is 21 years of age or older is ineligible to receive a distributor's license, the trustee, within 14 months after the effective date of the trust, shall sell the stock to a person eligible to receive a distributor's license and hold and disburse the proceeds in accordance with the terms of the trust. If any legal representatives, heirs, devisees or trustees fail, refuse or neglect to sell any stock as required by this subsection, the stock shall revert to and become the property of the corporation, and the corporation shall pay to the legal representatives, heirs, devisees or trustees the book value of the stock. During the period of 14 months prescribed by this subsection, the corporation shall not be denied a distributor's license or have its distributor's license revoked if the corporation meets all of the other requirements necessary to have a distributor's license;

(2) a copartnership, unless all of the copartners are eligible to receive a distributor's license; ~~or~~

(3) a trust, if any grantor, beneficiary or trustee would be ineligible to receive a license under this act for any reason, except that the provisions of subsection (a)(6) shall not apply in determining whether a beneficiary would be eligible for a license; ~~or~~

(4) *a person who has a beneficial interest in a manufacturer, retailer, farm winery or microbrewery licensed under this act.*

(e) No nonbeverage user's license shall be issued to a corporation, if any officer, manager or director of the corporation or any stockholder owning in the aggregate more than 25% of the stock of the corporation would be ineligible to receive a nonbeverage user's license for any reason other than citizenship and residence requirements.

(f) No microbrewery license or farm winery license shall be issued to a:

(1) Person who is not a resident of this state;

(2) person who has not been a resident of this state for at least four years immediately preceding the date of application;

(3) ~~person who has a beneficial interest in the manufacture, preparation or wholesaling of alcoholic beverages other than that produced by such brewery or winery~~ *a manufacturer or distributor licensed under this act or a person who currently has a beneficial interest in a farm winery;*

(4) person, copartnership or association which has a beneficial interest in any retailer licensed under this act or under K.S.A. 41-2702, and amendments thereto;

(5) copartnership, unless all of the copartners are qualified to obtain a license;

(6) corporation, unless stockholders owning in the aggregate 50% or more of the stock of the corporation would be eligible to receive such license and all other stockholders would be eligible to receive such license except for reason of citizenship or residency; or

(7) a trust, if any grantor, beneficiary or trustee would be ineligible to receive a license under this act for any reason, except that the provisions of subsection (a)(6) shall not apply in determining whether a beneficiary would be eligible for a license.

(g) The provisions of subsections (b)(1), (b)(2), (c)(3), (c)(4), (d)(3), (f)(1), (f)(2) and K.S.A. 2006 Supp. 41-311b, and amendments thereto, shall not apply in determining eligibility for the 10th, or a subsequent, consecutive renewal of a license if the applicant has appointed a citizen of the United States who is a resident of Kansas as the applicant's agent and filed with the director a duly authenticated copy of a duly executed power of attorney, authorizing the agent to accept service of process from the director and the courts of this state and to exercise full authority, control and responsibility for the conduct of all business and transactions within the state relative to alcoholic liquor and the business licensed. The agent must be satisfactory to and approved by the director, except that the director shall not approve as an agent any person who:

(1) Has been convicted of a felony under the laws of this state, any other state or the United States;

(2) has had a license issued under the alcoholic liquor or cereal malt beverage laws of this or any other state revoked for cause, except that a person may be appointed as an agent if the person's license was revoked for the conviction of a misdemeanor and 10 years have lapsed since the date of the revocation;

(3) has been convicted of being the keeper or is keeping a house of prostitution or has forfeited bond to appear in court to answer charges of being a keeper of a house of prostitution;

(4) has been convicted of being a proprietor of a gambling house, pandering or any other crime opposed to decency and morality or has forfeited bond to appear in court to answer charges for any of those crimes; or

(5) is less than 21 years of age.

Sec. 5. K.S.A. 41-312 and K.S.A. 2006 Supp. 41-104, 41-308a, 41-311 and 41-2623 are hereby repealed. Sec. 6. This act shall take effect and be in force from and after its publication in the Kansas register.”;

On page 1, in the title, by striking all in lines 16 through 26 and inserting “AN ACT concerning alcoholic liquors; amending K.S.A. 2006 Supp. 41-104, 41-308a, 41-311 and 41-2623 and repealing the existing sections; also repealing K.S.A. 41-312.”;

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

ARLEN H. SIEGFREID
STEVE HUEBERT
MICHAEL J. PETERSON
Conferees on part of House

PETE BRUNGARDT
ROGER P. REITZ
MARK S. GILSTRAP
Conferees on part of Senate

On motion of Rep. Siegfroid, the conference committee report on **SB 30** was adopted.

On roll call, the vote was: Yeas 125; Nays 0; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers,

Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: None.

Present but not voting: None.

Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 **H. Sub. for SB 35**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 35**, 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 as House Substitute for Senate Bill No. 35, as follows:

On page 18, after line 29, by inserting the following:

“Sec. 7. K.S.A. 8-1560c is hereby amended to read as follows: 8-1560c. (a) *Any conviction or forfeiture of bail or bond for violating a maximum posted or authorized speed limit of 30 miles per hour or more but not exceeding 54 miles per hour on any highway, by not more than six miles per hour, shall not be construed as a moving traffic violation for the purpose of K.S.A. 8-255, and amendments thereto.*

(b) *Any conviction or forfeiture of bail or bond for violating the maximum posted or authorized speed limit of 55 miles per hour or more but not exceeding 70 miles per hour on any highway, by not more than 10 miles per hour, shall not be construed as a moving traffic violation for the purpose of K.S.A. 8-255, and amendments thereto.*

Sec. 8. K.S.A. 8-1560d is hereby amended to read as follows: 8-1560d. ~~(a)~~ *Convictions for violating a maximum posted speed limit of 55 miles per hour or more but not exceeding 70 miles per hour, by not more than 10 miles per hour in excess of such maximum speed limit, shall not be a part of the public record and or a maximum posted speed limit of 30 miles per hour or more but not exceeding 54 miles per hour, by not more than six miles per hour in excess of such maximum speed limit, shall not be reported by the division and shall not be considered by any insurance company in determining the rate charged for any automobile liability insurance policy or whether to cancel any such policy under the provisions of subsection (4)(c)(7) of K.S.A. 40-277, and amendments thereto.”;*

And by renumbering the remaining sections accordingly;

On page 19, in line 12, by striking the colon; in line 13, by striking all preceding “not”; in line 19, by striking “; or”; by striking all in lines 20 through 28; in line 29, by striking all preceding the period; in line 36, by striking the colon; in line 37, by striking all preceding “not”; in line 42, by striking “paragraph” and inserting “subsection”;

On page 20, in line 6, by striking “; or”; by striking all in lines 7 through 21; in line 22, by striking all before the period; in line 27, after “(f)” by inserting “(1)”; in line 28, by striking the colon; in line 29, by striking all preceding “not”;

On page 21, in line 1, by striking all following “imprisonment” by striking all in lines 2 through 16; in line 17, by striking all preceding the period; preceding line 18, by inserting the following:

“(2) The court may order that the term of imprisonment imposed pursuant to paragraph (1) be served in a state facility in the custody of the secretary of corrections in a facility designated by the secretary for the provision of substance abuse treatment pursuant to the provisions of K.S.A. 21-4704, and amendments thereto. The person shall remain imprisoned at the state facility only while participating in the substance abuse treatment program designated by the secretary and shall be returned to the custody of the sheriff for execution of the balance of the term of imprisonment upon completion of or the person’s discharge from

the substance abuse treatment program. Custody of the person shall be returned to the sheriff for execution of the sentence imposed in the event the secretary of corrections determines: (A) That substance abuse treatment resources or the capacity of the facility designated by the secretary for the incarceration and treatment of the person is not available; (B) the person fails to meaningfully participate in the treatment program of the designated facility; (C) the person is disruptive to the security or operation of the designated facility; or (D) the medical or mental health condition of the person renders the person unsuitable for confinement at the designated facility. The determination by the secretary that the person either is not to be admitted into the designated facility or is to be transferred from the designated facility is not subject to review. The sheriff shall be responsible for all transportation expenses to and from the state correctional facility.”;

Also on page 21, in line 21, following “(g)” by inserting “(1)”; in line 22, by striking the colon; in line 23, by striking all preceding “not”; in line 31, by striking “; or”; by striking all in lines 32 through 42; in line 43, by striking all preceding the period; following line 43, by inserting the following:

“(2) The court may order that the term of imprisonment imposed pursuant to paragraph (1) be served in a state facility in the custody of the secretary of corrections in a facility designated by the secretary for the provision of substance abuse treatment pursuant to the provisions of K.S.A. 21-4704, and amendments thereto. The person shall remain imprisoned at the state facility only while participating in the substance abuse treatment program designated by the secretary and shall be returned to the custody of the sheriff for execution of the balance of the term of imprisonment upon completion of or the person’s discharge from the substance abuse treatment program. Custody of the person shall be returned to the sheriff for execution of the sentence imposed in the event the secretary of corrections determines: (A) That substance abuse treatment resources or the capacity of the facility designated by the secretary for the incarceration and treatment of the person is not available; (B) the person fails to meaningfully participate in the treatment program of the designated facility; (C) the person is disruptive to the security or operation of the designated facility; or (D) the medical or mental health condition of the person renders the person unsuitable for confinement at the designated facility. The determination by the secretary that the person either is not to be admitted into the designated facility or is to be transferred from the designated facility is not subject to review. The sheriff shall be responsible for all transportation expenses to and from the state correctional facility.”;

On page 22, in line 27, by striking “for each child in the vehicle at the time of the offense”;

On page 26, by striking all in lines 34 through 43;

By striking all on pages 27 and 28;

On page 29, by striking all in line 1; preceding line 2, by inserting the following:

“Sec. 10. K.S.A. 2006 Supp. 21-4704 is hereby amended to read as follows: 21-4704. (a) For purposes of sentencing, the following sentencing guidelines grid for nondrug crimes shall be applied in felony cases for crimes committed on or after July 1, 1993:

SENTENCING RANGE - NONDRUG OFFENSES

Category	A	B	C	D	E	F	G	H	I
Severity Level	3+ Person Felonies	2 Person Felonies	1 Person & 1 Nonperson Felonies	1 Person Felony	3+ Nonperson Felonies	2 Nonperson Felonies	1 Nonperson Felony	2+ Misdemeanors	1 Misdemeanor No Record
I	653 620 592	618 586 554	285 272 258	267 253 240	246 234 221	226 214 203	203 195 184	186 176 166	165 155 147
II	493 467 442	460 438 416	216 205 194	200 190 181	184 174 165	168 160 152	154 146 138	138 131 123	123 117 109
III	247 233 221	228 216 206	107 102 96	100 94 89	92 88 82	83 79 74	77 72 68	71 66 61	61 59 55
IV	172 162 154	162 154 144	75 71 68	69 66 62	64 60 57	59 56 52	52 50 47	48 45 42	43 41 38
V	136 130 122	128 120 114	60 57 53	55 52 50	51 49 46	47 44 41	43 41 38	38 36 34	34 32 31
VI	46 43 40	41 39 37	38 36 34	36 34 32	32 30 28	29 27 25	26 24 22	21 20 19	19 18 17
VII	34 32 30	31 29 27	29 27 25	26 24 22	23 21 19	19 18 17	17 16 15	14 13 12	13 12 11
VIII	23 21 19	20 19 18	19 18 17	17 16 15	15 14 13	13 12 11	11 10 9	11 10 9	9 8 7
IX	17 16 15	15 14 13	13 12 11	13 12 11	11 10 9	10 9 8	9 8 7	8 7 6	7 6 5
X	13 12 11	12 11 10	11 10 9	10 9 8	9 8 7	8 7 6	7 6 5	7 6 5	6 5

LEGEND
Presumptive Probation
Presumptive Imprisonment

(b) The provisions of this section shall be applicable to the sentencing guidelines grid for nondrug crimes. Sentences expressed in such grid represent months of imprisonment.

(c) The sentencing guidelines grid is a two-dimensional crime severity and criminal history classification tool. The grid's vertical axis is the crime severity scale which classifies current crimes of conviction. The grid's horizontal axis is the criminal history scale which classifies criminal histories.

(d) The sentencing guidelines grid for nondrug crimes as provided in this section defines presumptive punishments for felony convictions, subject to judicial discretion to deviate for substantial and compelling reasons and impose a different sentence in recognition of aggravating and mitigating factors as provided in this act. The appropriate punishment for a felony conviction should depend on the severity of the crime of conviction when compared to all other crimes and the offender's criminal history.

(e) (1) The sentencing court has discretion to sentence at any place within the sentencing range. The sentencing judge shall select the center of the range in the usual case and reserve the upper and lower limits for aggravating and mitigating factors insufficient to warrant a departure.

(2) In presumptive imprisonment cases, the sentencing court shall pronounce the complete sentence which shall include the prison sentence, the maximum potential reduction to such sentence as a result of good time and the period of postrelease supervision at the sentencing hearing. Failure to pronounce the period of postrelease supervision shall not negate the existence of such period of postrelease supervision.

(3) In presumptive nonprison cases, the sentencing court shall pronounce the prison sentence as well as the duration of the nonprison sanction at the sentencing hearing.

(f) Each grid block states the presumptive sentencing range for an offender whose crime of conviction and criminal history place such offender in that grid block. If an offense is classified in a grid block below the dispositional line, the presumptive disposition shall be nonimprisonment. If an offense is classified in a grid block above the dispositional line, the presumptive disposition shall be imprisonment. If an offense is classified in grid blocks 5-H, 5-I or 6-G, the court may impose an optional nonprison sentence upon making the following findings on the record:

(1) An appropriate treatment program exists which is likely to be more effective than the presumptive prison term in reducing the risk of offender recidivism; and

(2) the recommended treatment program is available and the offender can be admitted to such program within a reasonable period of time; or

(3) the nonprison sanction will serve community safety interests by promoting offender reformation.

Any decision made by the court regarding the imposition of an optional nonprison sentence if the offense is classified in grid blocks 5-H, 5-I or 6-G shall not be considered a departure and shall not be subject to appeal.

(g) The sentence for the violation of K.S.A. 21-3411, and amendments thereto, aggravated assault against a law enforcement officer or K.S.A. 21-3415, and amendments thereto, aggravated battery against a law enforcement officer and amendments thereto which places the defendant's sentence in grid block 6-H or 6-I shall be presumed imprisonment. The court may impose an optional nonprison sentence upon making a finding on the record that the nonprison sanction will serve community safety interests by promoting offender reformation. Any decision made by the court regarding the imposition of the optional nonprison sentence, if the offense is classified in grid block 6-H or 6-I, shall not be considered a departure and shall not be subject to appeal.

(h) When a firearm is used to commit any person felony, the offender's sentence shall be presumed imprisonment. The court may impose an optional nonprison sentence upon making a finding on the record that the nonprison sanction will serve community safety interests by promoting offender reformation. Any decision made by the court regarding the imposition of the optional nonprison sentence shall not be considered a departure and shall not be subject to appeal.

(i) The sentence for the violation of the felony provision of K.S.A. 8-1567, subsection (b)(3) of K.S.A. 21-3412a, subsections (b)(3) and (b)(4) of K.S.A. 21-3710, K.S.A. 21-4310 and K.S.A. 21-4318, and amendments thereto, shall be as provided by the specific mandatory

sentencing requirements of that section and shall not be subject to the provisions of this section or K.S.A. 21-4707 and amendments thereto. If because of the offender's criminal history classification the offender is subject to presumptive imprisonment or if the judge departs from a presumptive probation sentence and the offender is subject to imprisonment, the provisions of this section and K.S.A. 21-4707, and amendments thereto, shall apply and the offender shall not be subject to the mandatory sentence as provided in K.S.A. 21-3710, and amendments thereto. Notwithstanding the provisions of any other section, the term of imprisonment imposed for the violation of the felony provision of K.S.A. 8-1567, subsection (b)(3) of K.S.A. 21-3412a, subsections (b)(3) and (b)(4) of K.S.A. 21-3710, K.S.A. 21-4310 and K.S.A. 21-4318, and amendments thereto, shall not be served in a state facility in the custody of the secretary of corrections, *except that the term of imprisonment for felony violations of K.S.A. 8-1567, and amendments thereto, may be served in a state correctional facility designated by the secretary of corrections if the secretary determines that substance abuse treatment resources and facility capacity is available. The secretary's determination regarding the availability of treatment resources and facility capacity shall not be subject to review.*

(j) (1) The sentence for any persistent sex offender whose current convicted crime carries a presumptive term of imprisonment shall be double the maximum duration of the presumptive imprisonment term. The sentence for any persistent sex offender whose current conviction carries a presumptive nonprison term shall be presumed imprisonment and shall be double the maximum duration of the presumptive imprisonment term.

(2) Except as otherwise provided in this subsection, as used in this subsection, "persistent sex offender" means a person who: (A) (i) Has been convicted in this state of a sexually violent crime, as defined in K.S.A. 22-3717 and amendments thereto; and (ii) at the time of the conviction under paragraph (A) (i) has at least one conviction for a sexually violent crime, as defined in K.S.A. 22-3717 and amendments thereto in this state or comparable felony under the laws of another state, the federal government or a foreign government; or (B) (i) has been convicted of rape, K.S.A. 21-3502, and amendments thereto; and (ii) at the time of the conviction under paragraph (B) (i) has at least one conviction for rape in this state or comparable felony under the laws of another state, the federal government or a foreign government.

(3) Except as provided in paragraph (2)(B), the provisions of this subsection shall not apply to any person whose current convicted crime is a severity level 1 or 2 felony.

(k) If it is shown at sentencing that the offender committed any felony violation for the benefit of, at the direction of, or in association with any criminal street gang, with the specific intent to promote, further or assist in any criminal conduct by gang members, the offender's sentence shall be presumed imprisonment. Any decision made by the court regarding the imposition of the optional nonprison sentence shall not be considered a departure and shall not be subject to appeal. As used in this subsection, "criminal street gang" means any organization, association or group of three or more persons, whether formal or informal, having as one of its primary activities the commission of one or more person felonies or felony violations of the uniform controlled substances act, K.S.A. 65-4101 et seq., and amendments thereto, which has a common name or common identifying sign or symbol, whose members, individually or collectively engage in or have engaged in the commission, attempted commission, conspiracy to commit or solicitation of two or more person felonies or felony violations of the uniform controlled substances act, K.S.A. 65-4101 et seq., and amendments thereto, or any substantially similar offense from another jurisdiction.

(l) The sentence for a violation of subsection (a) of K.S.A. 21-3715 and amendments thereto when such person being sentenced has a prior conviction for a violation of subsection (a) or (b) of K.S.A. 21-3715 or 21-3716 and amendments thereto shall be presumed imprisonment.

(m) The sentence for a violation of K.S.A. 22-4903 or subsection (d) of K.S.A. 21-3812, and amendments thereto, shall be presumptive imprisonment. If an offense under such sections is classified in grid blocks 5-E, 5-F, 5-G, 5-H or 5-I, the court may impose an optional nonprison sentence upon making the following findings on the record:

(1) An appropriate treatment program exists which is likely to be more effective than the presumptive prison term in reducing the risk of offender recidivism, such program is avail-

able and the offender can be admitted to such program within a reasonable period of time; or

(2) the nonprison sanction will serve community safety interests by promoting offender reformation.

Any decision made by the court regarding the imposition of an optional nonprison sentence pursuant to this section shall not be considered a departure and shall not be subject to appeal.”;

And by renumbering the remaining sections accordingly;

Also, on page 29, in line 2, by striking “and 8-1020” and inserting “, 8-1020, 8-1560c and 8-1560d”; in line 3, by striking “, 21-4502 and 74-7336” and inserting “and 21-4704”;

On page 1, in the title, in line 11, before “amending” by inserting “relating to certain violations of maximum speed limits;”; also in line 11, by striking “and 8-1020” and inserting “, 8-1020, 8-1560c and 8-1560d”; in line 12, by striking all following “8-1567”; in line 13, by striking “7336” and inserting “and 21-4704”;

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

MICHAEL R. O'NEAL

LANCE KINZER

JANICE L. PAULS

Conferees on part of House

JOHN VRATIL

TERRY BRUCE

GRETA GOODWIN

Conferees on part of Senate

On motion of Rep. O'Neal, the conference committee report on **H. Sub. for SB 35** was adopted.

On roll call, the vote was: Yeas 125; Nays 0; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: None.

Present but not voting: None.

Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 23**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 23**, 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 amendments, as follows:

On page 1, by striking all in lines 20 through 43;

By striking all on pages 2 through 6;

On page 7, by striking all in lines 1 through 35 and inserting in lieu thereof the following:

“Section 1. K.S.A. 2006 Supp. 72-6433 is hereby amended to read as follows: 72-6433.
(a) (1) The board of any district may adopt a local option budget in each school year in an amount not to exceed an amount equal to the district prescribed percentage of the amount of state financial aid determined for the district in the school year. As used in this section, “district prescribed percentage” means:

— (A) For any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, do not apply in the current school year, in the 2001-02 school year and in each school year thereafter, a percentage that is equal to 80% of the percentage specified in the resolution under which the district was authorized to adopt a local option budget in the 1996-97 school year;

— (B) for any district that was authorized to adopt and that adopted a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, apply in the current school year, a percentage in the 2001-02 school year and each school year thereafter that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 72-6444, and amendments thereto;

— (C) for any district that was not authorized to adopt a local option budget in the 1996-97 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, apply in the current school year, a percentage in the 2001-02 school year and each school year thereafter that is equal to the sum of the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year and the percentage computed for the district by the state board under the provisions of K.S.A. 72-6444, and amendments thereto;

— (D) for any district to which the provisions of K.S.A. 72-6444, and amendments thereto, applied in the 1997-98 school year and to which the provisions of K.S.A. 72-6444, and amendments thereto, do not apply in the current school year because an increase in the amount budgeted by the district in its local option budget as authorized by a resolution adopted under the provisions of subsection (b) causes the actual amount per pupil budgeted by the district in the preceding school year as determined for the district under provision (1) of subsection (a) of K.S.A. 72-6444, and amendments thereto, to equal or exceed the average amount per pupil of general fund budgets and local option budgets computed by the state board under whichever of the provisions (7) through (10) of subsection (a) of K.S.A. 72-6444, and amendments thereto, is applicable to the district's enrollment group, a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year if the resolution authorized the district to increase its local option budget on a continuous and permanent basis. If the resolution that authorized the district to increase its local option budget specified a definite period of time for which the district would retain its authority to increase the local option budget and such authority lapses at the conclusion of such period and is not renewed, the term district prescribed percentage means a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year less the percentage of increase that was authorized by the resolution unless the loss of the percentage of increase that was authorized by the resolution would cause the actual amount per pupil budgeted by the district to be less than the average amount per pupil of general fund budgets and local option budgets computed by the state board under whichever of the provisions (7) through (10) of subsection (a) of K.S.A. 72-6444, and amendments thereto, is applicable to the district's enrollment group, in which case, the term district prescribed percentage means a percentage that is equal to the percentage of the amount of state financial aid the district was authorized to budget in the preceding school year less the percentage of increase that was authorized by the resolution plus a percentage which shall be computed for the district by the state board in accordance with the provisions of K.S.A. 72-6444, and amendments thereto, except that, in making the determination of the actual amount per pupil

budgeted by the district in the preceding school year, the state board shall exclude the percentage of increase that was authorized by the resolution.

—(2) (A) Subject to the provisions of subpart (B), the adoption of a local option budget under authority of this subsection shall require a majority vote of the members of the board and shall require no other procedure, authorization or approval:

—(B) In lieu of utilizing the authority granted by subpart (A) for adoption of a local option budget, the board of a district may pass a resolution authorizing adoption of such a budget and publish such resolution once in a newspaper having general circulation in the district. The resolution shall be published in substantial compliance with the following form:

Unified School District No. _____,

_____ County, Kansas.

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local option budget in each school year for a period of time not to exceed _____ years in an amount not to exceed _____% of the amount of state financial aid determined for the current school year. The local option budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. In the event a petition is filed, the county election officer shall submit the question of whether adoption of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the school district.

CERTIFICATE

—This is to certify that the above resolution was duly adopted by the board of education of Unified School District No. _____, _____ County, Kansas, on the _____ day of _____.

Clerk of the board of education.—

All of the blanks in the resolution shall be appropriately filled. The blank preceding the word “years” shall be filled with a specific number, and the blank preceding the percentage symbol shall be filled with a specific number. No word shall be inserted in either of the blanks. The percentage specified in the resolution shall not exceed the district prescribed percentage. The resolution shall be published once in a newspaper having general circulation in the school district. If no petition as specified above is filed in accordance with the provisions of the resolution, the board may adopt a local option budget. If a petition is filed as provided in the resolution, the board may notify the county election officer of the date of an election to be held to submit the question of whether adoption of a local option budget shall be authorized. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution. If any district is authorized to adopt a local option budget under this subpart, but the board of such district chooses, in any school year, not to adopt such a budget or chooses, in any school year, to adopt such budget in an amount less than the amount of the district prescribed percentage of the amount of state financial aid in any school year, such board of education may so choose. If the board of any district refrains from adopting a local option budget in any one or more school years or refrains from budgeting the total amount authorized for any one or more school years, the authority of such district to adopt a local option budget shall not be extended by such refrainment beyond the period specified in the resolution authorizing adoption of such budget, nor shall the amount authorized to be budgeted in any succeeding school year be increased by such refrainment. Whenever an initial resolution has been adopted under this subpart, and such resolution specified a lesser percentage than the district prescribed percentage, the board of the district may adopt one or more subsequent resolutions under the same procedure as provided for the initial resolution and subject to the same conditions, and shall be authorized to increase the percentage as

specified in any such subsequent resolution for the remainder of the period of time specified in the initial resolution. Any percentage specified in a subsequent resolution or in subsequent resolutions shall be limited so that the sum of the percentage authorized in the initial resolution and the percentage authorized in the subsequent resolution or in subsequent resolutions is not in excess of the district prescribed percentage in any school year. The board of any district that has been authorized to adopt a local option budget under this subpart and levied a tax under authority of K.S.A. 72-6435, and amendments thereto, may initiate, at any time after the final levy is certified to the county clerk under any current authorization, procedures to renew its authority to adopt a local option budget in the manner specified in this subpart or may utilize the authority granted by subpart (A). As used in this subpart, the term "authorized to adopt a local option budget" means that a district has adopted a resolution under this subpart, has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the adoption of a local option budget was approved.

— (3) The provisions of this subsection are subject to the provisions of subsections (b) and (c):

— (b) (1) The board of any district that adopts a local option budget under subsection (a) may increase the amount of such budget in each school year in an amount which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage of the amount of state financial aid determined for the district in the school year if the board of the district determines that an increase in such budget would be in the best interests of the district.

— (2) No district may increase a local option budget under authority of this subsection until: (A) a resolution authorizing such an increase is passed by the board and published once in a newspaper having general circulation in the district, or (B) the question of whether the board shall be authorized to increase the local option budget has been submitted to and approved by the qualified electors of the district at a special election called for the purpose. Any such election shall be noticed, called and held in the manner provided by K.S.A. 10-120, and amendments thereto, for the noticing, calling and holding of elections upon the question of issuing bonds under the general bond law. The notice of such election shall state the purpose for and time of the election, and the ballot shall be designed with the question of whether the board of education of the district shall be continuously and permanently authorized to increase the local option budget of the district in each school year by a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage in any school year. If a majority of the qualified electors voting at the election approve authorization of the board to increase the local option budget, the board shall have such authority. If a majority of the qualified electors voting at the election are opposed to authorization of the board to increase the local option budget, the board shall not have such authority and no like question shall be submitted to the qualified electors of the district within the nine months following the election.

— (3) (A) Subject to the provisions of subpart (B), a resolution authorizing an increase in the local option budget of a district shall state that the board of education of the district shall be authorized to increase the local option budget of the district in each school year in an amount not to exceed _____% of the amount of state financial aid determined for the current school year and that the percentage of increase may be reduced so that the sum of the percentage of the amount of state financial aid budgeted under subsection (a) and the percentage of increase specified in the resolution does not exceed the state prescribed percentage in any school year. The blank preceding the percentage symbol shall be filled with a specific number. No word shall be inserted in the blank. The resolution shall specify a definite period of time for which the board shall be authorized to increase the local option budget and such period of time shall be expressed by the specific number of school years for which the board shall retain its authority to increase the local option budget. No word shall be used to express the number of years for which the board shall be authorized to increase the local option budget.

— (B) In lieu of the requirements of subpart (A) and at the discretion of the board, a resolution authorizing an increase in the local option budget of a district may state that the

board of education of the district shall be continuously and permanently authorized to increase the local option budget of the district in each school year by a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) does not exceed the state prescribed percentage in any school year:

— (4) A resolution authorizing an increase in the local option budget of a district shall state that the amount of the local option budget may be increased as authorized by the resolution unless a petition in opposition to such increase, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication. If no petition is filed in accordance with the provisions of the resolution, the board is authorized to increase the local option budget of the district. If a petition is filed as provided in the resolution, the board may notify the county election officer of the date of an election to be held to submit the question of whether the board shall be authorized to increase the local option budget of the district. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution.

— (5) The requirements of provision (2) do not apply to any district that is continuously and permanently authorized to increase the local option budget of the district. An increase in the amount of a local option budget by such a district shall require a majority vote of the members of the board and shall require no other procedure, authorization or approval.

— (6) If any district is authorized to increase a local option budget, but the board of such district chooses, in any school year, not to adopt or increase such budget or chooses, in any school year, to adopt or increase such budget in an amount less than the amount authorized, such board of education may so choose. If the board of any district refrains from adopting or increasing a local option budget in any one or more school years or refrains from budgeting the total amount authorized for any one or more school years, the amount authorized to be budgeted in any succeeding school year shall not be increased by such refrainment, nor shall the authority of the district to increase its local option budget be extended by such refrainment beyond the period of time specified in the resolution authorizing an increase in the local option budget if the resolution specified such a period of time.

— (7) Whenever an initial resolution has been adopted under this subsection, and such resolution specified a percentage which together with the percentage of the amount of state financial aid budgeted under subsection (a) is less than the state prescribed percentage, the board of the district may adopt one or more subsequent resolutions under the same procedure as provided for the initial resolution and shall be authorized to increase the percentage as specified in any such subsequent resolution. If the initial resolution specified a definite period of time for which the district is authorized to increase its local option budget, the authority to increase such budget by the percentage specified in any subsequent resolution shall be limited to the remainder of the period of time specified in the initial resolution. Any percentage specified in a subsequent resolution or in subsequent resolutions shall be limited so that the sum of the percentage authorized in the initial resolution and the percentage authorized in the subsequent resolution or in subsequent resolutions together with the percentage of the amount of state financial aid budgeted under subsection (a) is not in excess of the state prescribed percentage in any school year.

— (8) (A) Subject to the provisions of subpart (B), the board of any district that has adopted a local option budget under subsection (a), has been authorized to increase such budget under a resolution which specified a definite period of time for retention of such authorization, and has levied a tax under authority of K.S.A. 72-6435, and amendments thereto, may initiate, at any time after the final levy is certified to the county clerk under any current authorization, procedures to renew the authority to increase the local option budget subject to the conditions and in the manner specified in provisions (2) and (3) of this subsection.

— (B) The provisions of subpart (A) do not apply to the board of any district that is continuously and permanently authorized to increase the local option budget of the district.

— (9) As used in this subsection:

— (A) "Authorized to increase a local option budget" means either that a district has held a special election under provision (2)(B) by which authority of the board to increase a local option budget was approved, or that a district has adopted a resolution under provision (2)

(A), has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the authority of the board to increase a local option budget was approved:

— (B) “State prescribed percentage” means 30% for school year 2006-2007 and 31% for school year 2007-2008 and each school year thereafter:

— (c) To the extent the provisions of the foregoing subsections conflict with this subsection, this subsection shall control. Any district that is authorized to adopt a local option budget in the 1997-98 school year under a resolution which authorized the adoption of such budget in accordance with the provisions of this section prior to its amendment by this act may continue to operate under such resolution for the period of time specified in the resolution or may abandon the resolution and operate under the provisions of this section as amended by this act. Any such district shall operate under the provisions of this section as amended by this act after the period of time specified in the resolution has expired:

— (d) (1) There is hereby established in every district that adopts a local option budget a fund which shall be called the supplemental general fund. The fund shall consist of all amounts deposited therein or credited thereto according to law:

— (2) Subject to the limitation imposed under provision (3), and subsection (c) of K.S.A. 72-6434, and amendments thereto, amounts in the supplemental general fund may be expended for any purpose for which expenditures from the general fund are authorized or may be transferred to the general fund of the district or to any program weighted fund or categorical fund of the district. Amounts in the supplemental general fund attributable to any percentage over 25% of state financial aid determined for the current school year may be transferred to the capital improvements fund of the district and the capital outlay fund of the district if such transfers are specified in the resolution authorizing the adoption of a local option budget in excess of 25%:

— (3) Amounts in the supplemental general fund may not be expended nor transferred to the general fund of the district for the purpose of making payments under any lease-purchase agreement involving the acquisition of land or buildings which is entered into pursuant to the provisions of K.S.A. 72-9225, and amendments thereto:

— (4) Any unexpended and unencumbered cash balance remaining in the supplemental general fund of a district at the conclusion of any school year in which a local option budget is adopted shall be disposed of as provided in this subsection. If the district did not receive supplemental general state aid in the school year and the board of the district determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be maintained in such fund or transferred to the general fund of the district. If the board of such a district determines that it will not be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, transferred or expended the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be maintained in such fund or transferred to the general fund of the district. If such a district determines that it will not be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, did not transfer or expend the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the total amount of the cash balance remaining in the supplemental general fund shall be transferred to the general fund of the district. If the district received supplemental general state aid in the school year, did not transfer or expend the entire amount budgeted in the local option budget for the school year, and determines that it will be necessary to adopt a local option budget in the ensuing school year, the state board shall determine the ratio of the amount of supplemental general state aid received to the amount of the local option budget of the district for the school year and multiply the total amount of the cash balance remaining in the supplemental general fund by such ratio. An amount

equal to the amount of the product shall be transferred to the general fund of the district. The amount remaining in the supplemental general fund may be maintained in such fund or transferred to the general fund of the district.

— (c) To the extent the provisions of the foregoing section conflict with this subsection, this subsection shall control. Any resolution authorizing the adoption of a local option budget in excess of 30% of the state financial aid of the district in the current school year shall not become effective unless such resolution has been submitted to and approved by a majority of the qualified electors of the school district voting at an election called and held thereon. Such resolution shall specify how the moneys will be expended and shall be published in the manner provided by this section. The election shall be called and held in the manner provided by this section.

(a) As used in this section:

(1) “State prescribed percentage” means 32% of state financial aid of the district in the current school year.

(2) “Authorized to adopt a local option budget” means that a district has adopted a resolution under this section, has published the same, and either that the resolution was not protested or that it was protested and an election was held by which the adoption of a local option budget was approved.

(b) In each school year, the board of any district may adopt a local option budget which does not exceed the state prescribed percentage.

(c) Subject to the limitation of subsection (b), in each school year, the board of any district may adopt, by resolution, a local option budget in an amount not to exceed:

(1) (A) The amount which the board was authorized to adopt in accordance with the provisions of this section in effect prior to its amendment by this act; plus

(B) the amount which the board was authorized to adopt pursuant to any resolution currently in effect; plus

(C) the amount which the board was authorized to adopt pursuant to K.S.A. 72-6444, and amendments thereto, if applicable to the district; or

(2) the state-wide average for the preceding school year as determined by the state board pursuant to subsection (j).

Except as provided by subsection (e), the adoption of a resolution pursuant to this subsection shall require a majority vote of the members of the board. Such resolution shall be effective upon adoption and shall require no other procedure, authorization or approval.

(d) If the board of a district desires to increase its local option budget authority above the amount authorized under subsection (c) or if the board was not authorized to adopt a local option budget in 2006-2007, the board may adopt, by resolution, such budget in an amount not to exceed the state prescribed percentage. The adoption of a resolution pursuant to this subsection shall require a majority vote of the members of the board. The resolution shall be published at least once in a newspaper having general circulation in the district. The resolution shall be published in substantial compliance with the following form:

Unified School District No. _____,

_____ County, Kansas.

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local option budget in each school year in an amount not to exceed _____% of the amount of state financial aid. The local option budget authorized by this resolution may be adopted, unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after publication of this resolution. If a petition is filed, the county election officer shall submit the question of whether adoption of the local option budget shall be authorized to the electors of the school district at an election called for the purpose or at the next general election, as is specified by the board of education of the school district.

CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of Unified School District No. _____, County, Kansas, on the day of _____, _____

Clerk of the board of education.

All of the blanks in the resolution shall be filled as is appropriate. If a sufficient petition is not filed, the board may adopt a local option budget. If a sufficient petition is filed, the board may notify the county election officer of the date of an election to be held to submit the question of whether adoption of a local option budget shall be authorized. Any such election shall be noticed, called and held in the manner provided by K.S.A. 10-120, and amendments thereto. If the board fails to notify the county election officer within 30 days after a sufficient petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board within the nine months following publication of the resolution.

(e) Unless specifically stated otherwise in the resolution, the authority to adopt a local option budget shall be continuous and permanent. The board of any district which is authorized to adopt a local option budget may choose not to adopt such a budget or may adopt a budget in an amount less than the amount authorized. If the board of any district whose authority to adopt a local option budget is not continuous and permanent refrains from adopting a local option budget, the authority of such district to adopt a local option budget shall not be extended by such refrainment beyond the period specified in the resolution authorizing adoption of such budget.

(f) The board of any district may initiate procedures to renew or increase the authority to adopt a local option budget at any time during a school year after the tax levied pursuant to K.S.A. 72-6435, and amendments thereto, is certified to the county clerk under any existing authorization.

(g) The board of any district that is authorized to adopt a local option budget prior to the effective date of this act under a resolution which authorized the adoption of such budget in accordance with the provisions of this section in effect prior to its amendment by this act may continue to operate under such resolution for the period of time specified in the resolution or may abandon the resolution and operate under the provisions of this section as amended by this act. Any such district shall operate under the provisions of this section as amended by this act after the period of time specified in the resolution has expired.

(h) Any resolution adopted pursuant to this section may revoke or repeal any resolution previously adopted by the board. If the resolution does not revoke or repeal previously adopted resolutions, all resolutions which are in effect shall expire on the same date. The maximum amount of the local option budget of a school district under all resolutions in effect shall not exceed the state prescribed percentage in any school year.

(i) (1) There is hereby established in every district that adopts a local option budget a fund which shall be called the supplemental general fund. The fund shall consist of all amounts deposited therein or credited thereto according to law.

(2) Subject to the limitation imposed under paragraph (3) and subsection (e) of K.S.A. 72-6434, and amendments thereto, amounts in the supplemental general fund may be expended for any purpose for which expenditures from the general fund are authorized or may be transferred to any program weighted fund or categorical fund of the district. Amounts in the supplemental general fund attributable to any percentage over 25% of state financial aid determined for the current school year may be transferred to the capital improvements fund of the district and the capital outlay fund of the district if such transfers are specified in the resolution authorizing the adoption of a local option budget in excess of 25%.

(3) Amounts in the supplemental general fund may not be expended for the purpose of making payments under any lease-purchase agreement involving the acquisition of land or buildings which is entered into pursuant to the provisions of K.S.A. 72-8225, and amendments thereto.

(4) (A) Except as provided in paragraph (B), any unexpended budget remaining in the supplemental general fund of a district at the conclusion of any school year in which a local option budget is adopted shall be maintained in such fund.

(B) If the district received supplemental general state aid in the school year, the state board shall determine the ratio of the amount of supplemental general state aid received to the amount of the local option budget of the district for the school year and multiply the total amount of the unexpended budget remaining by such ratio. An amount equal to the amount of the product shall be transferred to the general fund of the district or remitted to the state treasurer. Upon receipt of any such remittance, the state treasurer shall deposit the same in the state treasury to the credit of the state school district finance fund.

(j) Each year the state board of education shall determine the statewide average percentage of local option budgets legally adopted by school districts for the preceding school year.

Sec. 2. K.S.A. 2006 Supp. 72-6433 is hereby repealed.

Sec. 3. On July 1, 2007, K.S.A. 2006 Supp. 72-6433, as amended by section 206 of 2007 House Bill No. 2368, is hereby repealed.

Sec. 4. 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 17 and inserting the following:
 “AN ACT concerning school districts; relating to school finance; amending K.S.A. 2006 Supp. 72-6433 and repealing the existing section; also repealing K.S.A. 2006 Supp. 72-6433, as amended by section 206 of 2007 House Bill No. 2368.”;

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

RAY MERRICK
 SHERYL SPALDING
 SUE STORM
Conferees on part of House

JEAN SCHODORF
 JOHN VRATIL
Conferees on part of Senate

On motion of Rep. Merrick to adopt the conference committee report on **SB 23**, the motion did not prevail.

On roll call, the vote was: Yeas 36; Nays 89; Present but not voting: 0; Absent or not voting: 0.

Yeas: Bethell, Brown, Carlson, Colloton, Colyer, Davis, Garcia, Goyle, Hawk, Hayzlett, Hill, Hodge, Huntington, Kinzer, Light, McKinney, Menghini, Merrick, Metsker, Judy Morrison, Neighbor, Neufeld, Olson, Owens, Powell, Rardin, Sawyer, Schwartz, Sharp, Siegfried, Spalding, Storm, Whitham, K. Wolf, Worley, Yoder.

Nays: Aurand, Ballard, Beamer, Bowers, Brunk, Burgess, Burroughs, Carlin, Craft, Crow, Crum, Dahl, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Gatewood, George, Goico, Gordon, Grange, Grant, Henderson, Henry, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Johnson, Kelley, Kelsey, Kiegerl, King, Knox, Kuether, Landwehr, Lane, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McLachlan, McLeland, Jim Morrison, Moxley, Myers, O’Neal, Otto, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powers, Proehl, Rhoades, Roth, Ruff, Ruiz, Schroeder, Shultz, Sloan, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Wilk, Williams, Winn, B. Wolf.

Present but not voting: None.

Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

Having voted on the prevailing side, Rep. Ward moved that the House reconsider its adverse action in not adopting the conference committee report on **SB 23**. The motion prevailed.

The question then reverted back to the motion to adopt the conference committee report. Rep. Ward offered a substitute motion to not adopt the conference committee report and that a new conference committee be appointed. The motion prevailed.

Speaker pro tem Dahl thereupon appointed Reps. Aurand, Spalding and Storm as third conferees on the part of the House.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 138**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 138**, 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 2, in line 18, before the first "the", by inserting "four members, which shall consist of one member appointed by the chief administrative officer of the capper foundation easter seals located in Topeka, Kansas,"; in line 20, by striking "persons' designees" and inserting "secretary's or commissioner's designee";

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

BRENDA K. LANDWEHR
JOE PATTON
GERALDINE FLAHARTY
Conferees on part of House

JEAN KURTIS SCHODORF
JOHN VRATIL
JANIS K. LEE
Conferees on part of Senate

On motion of Rep. Patton, the conference committee report on **SB 138** was adopted.

On roll call, the vote was: Yeas 124; Nays 0; Present but not voting: 0; Absent or not voting: 1.

Yeas: Aurand, Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Henderson, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: None.

Present but not voting: None.

Absent or not voting: Hayzlett.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 166**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 166**, 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, following line 16, by inserting:

“Section 1. K.S.A. 17-1311a is hereby amended to read as follows: 17-1311a. (a) Misuse of the permanent maintenance fund or any money belonging thereto is using, lending or permitting another to use, moneys in the fund in a manner not authorized by law, by a custodian or other person having charge or control of such fund or moneys by virtue of his position.

(b) Misuse of the permanent maintenance fund is a ~~class D~~ *severity level 7, nonperson felony*.”;

And by renumbering the remaining sections accordingly;

On page 2, following line 30, by inserting:

“Sec. 3. K.S.A. 2006 Supp. 21-3610c is hereby amended to read as follows: 21-3610c. (a) Unlawfully hosting minors consuming alcoholic liquor or cereal malt beverage is intentionally permitting a person’s residence or any land, building, structure or room owned, occupied or procured by such person to be used by an invitee of such person or an invitee of such person’s child or ward, in a manner that results in the possession or consumption therein of alcoholic liquor or cereal malt beverages by ~~persons under the age of 18~~ *a minor*.

(b) Unlawfully hosting minors consuming alcoholic liquor or cereal malt beverage is a class A person misdemeanor, for which the minimum fine is \$1,000. If the court sentences the offender to perform community or public service work as a condition of probation, as described in subsection (c)(10) of K.S.A. 21-4610, and amendments thereto, the court shall consider ordering the offender to serve the community or public service at an alcohol treatment facility.

(c) As used in this section, terms have the meanings provided by K.S.A. 41-102, and amendments thereto, ~~except for the purposes of this section, “minor” means a person under the age of 18.~~

(d) This section shall be a part of and supplemental to the Kansas criminal code.”;

And by renumbering the remaining sections accordingly;

On page 5, in line 25, after “(f)” by inserting “(1)”; in line 26, by striking all after the comma; by striking all in lines 27 through 29; in line 30, by striking all before “or”; in line 38, after the period by inserting the following:

“(2) When a new felony is committed while the offender is incarcerated in a juvenile correctional facility pursuant to K.S.A. 38-1671 prior to its repeal or K.S.A. 2006 Supp. 38-2373, and amendments thereto, for an offense, which if committed by an adult would constitute the commission of a felony, upon conviction, the court shall sentence the offender to imprisonment for the new conviction, even when the new crime of conviction otherwise presumes a nonprison sentence. In this event, imposition of a prison sentence for the new crime does not constitute a departure. The conviction shall operate as a full and complete discharge from any obligations, except for an order of restitution, imposed on the offender arising from the offense for which the offender was committed to a juvenile correctional facility.

(3)”;

Also on page 5, in line 41, after the comma by inserting “or similar provisions of the laws of another jurisdiction,”;

On page 10, after line 38, by inserting the following:

“Sec. 6. K.S.A. 2006 Supp. 22-2411 is hereby amended to read as follows: 22-2411. (a) A federal law enforcement officer who enters this state may arrest a person, without a warrant, when in the judgment of the federal law enforcement officer a person:

(1) Asserts physical force or uses forcible compulsion likely to cause death or great bodily harm to any person; or

(2) is committing an inherently dangerous felony as defined in K.S.A. 21-3436, and amendments thereto.

(b) To provide assistance to law enforcement officers, a federal law enforcement officer shall have the same authority as a law enforcement officer where:

(1) The federal law enforcement officer is rendering assistance at the request of any law enforcement officer; or

(2) the federal law enforcement officer is effecting an arrest or providing assistance as part of a bona fide task force or joint investigation in which law enforcement officers are participating.

(c) Any lawful actions pursuant to this section shall be deemed to be within the scope of the federal law enforcement officer's employment.

(d) As used in this section:

(1) "Federal law enforcement officer" means a person employed by the United States government and assigned to the federal bureau of investigation who is empowered to effect an arrest with or without a warrant for violation of the United States code and who is authorized to carry a firearm in the performance of the person's official duties as a federal law enforcement officer.

(2) "Law enforcement officer" has the meaning ascribed thereto in K.S.A. 21-3110, and amendments thereto.

(e) This section shall be a part of and supplemental to the Kansas criminal code.

~~(f) The provisions of this section shall expire on July 1, 2007.~~

Sec. 7. K.S.A. 2006 Supp. 38-2304 is hereby amended to read as follows: 38-2304. (a) Except as provided in K.S.A. 2006 Supp. 38-2347, and amendments thereto, proceedings concerning a juvenile shall be governed by the provisions of this code.

(b) The district court shall have original jurisdiction to receive and determine proceedings under this code.

(c) When a complaint is filed under this code, the juvenile shall be presumed to be subject to this code, unless the contrary is proved.

(d) Once jurisdiction is acquired by the district court over an alleged juvenile offender, except as otherwise provided in subsection (e), jurisdiction shall continue until one of the following occurs:

(1) The complaint is dismissed;

(2) the juvenile is adjudicated not guilty at trial;

(3) the juvenile, after being adjudicated guilty and sentenced:

(i) Successfully completes the term of probation or order of assignment to community corrections;

(ii) is discharged by the commissioner pursuant to K.S.A. 2006 Supp. 38-2376, and amendments thereto; or

(iii) reaches the juveniles 21st birthday and no exceptions apply that extend jurisdiction beyond age 21; ~~or~~

(4) the court terminates jurisdiction; *or*

(5) *the offender is convicted of a new felony while the offender is incarcerated in a juvenile correctional facility pursuant to K.S.A. 38-1671 prior to its repeal or K.S.A. 2006 Supp. 38-2373, and amendments thereto, for an offense, which if committed by an adult would constitute the commission of a felony.*

(e) Once jurisdiction is acquired by the district court over an alleged juvenile offender, it shall continue beyond the juvenile offender's 21st birthday but no later than the juvenile offender's 23rd birthday if either or both of the following conditions apply:

(1) The juvenile offender is sentenced pursuant to K.S.A. 2006 Supp. 38-2369, and amendments thereto, and the term of the sentence including successful completion of aftercare extends beyond the juvenile offender's 21st birthday; or

(2) the juvenile offender is sentenced pursuant to an extended jurisdiction juvenile prosecution and continues to successfully serve the sentence imposed pursuant to the revised Kansas juvenile justice code.

(f) Termination of jurisdiction pursuant to this section shall have no effect on the juvenile offender's continuing responsibility to pay restitution ordered.

(g) (1) If a juvenile offender, at the time of sentencing, is in an out of home placement in the custody of the secretary of social and rehabilitation services under the Kansas code for care of children, the sentencing court may order the continued placement of the juvenile offender as a child in need of care unless the offender was adjudicated for a felony or a second or subsequent misdemeanor. If the adjudication was for a felony or a second or subsequent misdemeanor, the continued placement cannot be ordered unless the court finds there are compelling circumstances which, in the best interest of the juvenile offender, require that the placement should be continued. In considering whether compelling circumstances exist, the court shall consider the reports and recommendations of the foster placement, the contract provider, the secretary of social and rehabilitation services, the

presentence investigation and all other relevant factors. If the foster placement refuses to continue the juvenile in the foster placement the court shall not order continued placement as a child in need of care.

(2) If a placement with the secretary of social and rehabilitation services is continued after sentencing, the secretary shall not be responsible for any costs of sanctions imposed under this code.

(3) If the juvenile offender is placed in the custody of the juvenile justice authority, the secretary of social and rehabilitation services shall not be responsible for furnishing services ordered in the child in need of care proceeding during the time of the placement pursuant to the revised Kansas juvenile justice code. Nothing in this subsection shall preclude the juvenile offender from accessing other services provided by the department of social and rehabilitation services or any other state agency if the juvenile offender is otherwise eligible for the services.

Sec. 8. K.S.A. 2006 Supp. 38-2376 is hereby amended to read as follows: 38-2376. (a) When a juvenile offender has reached the age of 23 years, *has been convicted as an adult while serving a term of incarceration at a juvenile correctional facility*, or has completed the prescribed terms of incarceration at a juvenile correctional facility, together with any conditional release following the program, the juvenile shall be discharged by the commissioner from any further obligation under the commitment unless the juvenile was sentenced pursuant to an extended jurisdiction juvenile prosecution upon court order and the commissioner transfers the juvenile to the custody of the secretary of corrections. The discharge shall operate as a full and complete release from any obligations imposed on the juvenile offender arising from the offense for which the juvenile offender was committed.

(b) At least 45 days prior to the discharge of the juvenile offender, the juvenile justice authority shall notify the court and the county or district attorney of the county where the offender was adjudicated a juvenile offender of the pending discharge of such juvenile offender, the offense would have constituted a class A, B or C felony before July 1, 1993, or an off-grid crime, a nondrug crime ranked at severity level 1, 2, 3, 4 or 5 or a drug crime ranked at severity level 1, 2 or 3, on or after July 1, 1993, if committed by an adult. The county or district attorney shall give written notice at least 30 days prior to the discharge of the juvenile offender pursuant to K.S.A. 2006 Supp. 38-2379, and amendments thereto.

Sec. 9. K.S.A. 47-604 is hereby amended to read as follows: 47-604. Any person who knowingly and intentionally violates, disregards or evades, or attempts to violate, disregard or evade any order establishing or regulating a quarantine issued pursuant to article 6 of chapter 47 of the Kansas Statutes Annotated, and amendments thereto, upon a ~~first conviction shall be guilty of a class A misdemeanor. On a second or subsequent conviction of a violation of this section, such person shall be guilty of a class D severity level 7 nonperson felony.~~

Sec. 10. K.S.A. 65-28,107 is hereby amended to read as follows: 65-28,107. (a) An attending physician who refuses to comply with the declaration of a qualified patient pursuant to this act shall effect the transfer of the qualified patient to another physician. Failure of an attending physician to comply with the declaration of a qualified patient and to effect the transfer of the qualified patient shall constitute unprofessional conduct as defined in K.S.A. 65-2837, and amendments thereto.

(b) Any person who willfully conceals, cancels, defaces, obliterates or damages the declaration of another without such declarant's consent or who falsifies or forges a revocation of the declaration of another shall be guilty of a class A *person* misdemeanor.

(c) Any person who falsifies or forges the declaration of another, or willfully conceals or withholds personal knowledge of the revocation of a declaration, with the intent to cause a withholding or withdrawal of life-sustaining procedures contrary to the wishes of the declarant, and thereby, because of such act, directly causes life-sustaining procedures to be withheld or withdrawn and death to be hastened, shall be guilty of a ~~class E severity level 7 person felony.~~”;

And by renumbering the remaining sections accordingly;

Also on page 10, in line 39, after “4.” by inserting “K.S.A. 17-1311a, 47-604, 65-28,107, 66-276 and 75-7b19 and”; also in line 39, before “21-4603d” by inserting “21-3610c.”; also

in line 39, by striking “and 21-4643” and inserting “, 21-4643, 22-2411, 38-2304 and 38-2376”; after line 40, by inserting the following: 2

“Sec. 12. On July 1, 2007, K.S.A. 2006 Supp. 21-4603d, as amended by section 1 of 2007 House Bill No. 2193, is hereby repealed.”;

And by renumbering the remaining section accordingly;

On page 1, in the title, in line 13, after “amending” by inserting “K.S.A. 17-1311a, 47-604 and 65-28,107 and”; also in line 13, after the comma by inserting “21-3610c.”; also in line 13, by striking “and 21-4643” and inserting “, 21-4643, 22-2411, 38-2304 and 38-2376”; in line 14, before the period by inserting “; also repealing K.S.A. 66-276 and 75-7b19 and K.S.A. 2006 Supp. 21-4603d, as amended by section 1 of 2007 House Bill No. 2193”;

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

MICHAEL R. O'NEAL

LANCE KINZER

JANICE L. PAULS

Conferees on part of House

JOHN VRATIL

TERRY BRUCE

GRETA GOODWIN

Conferees on part of Senate

On motion of Rep. O'Neal, the conference committee report on **SB 166** was adopted.

On roll call, the vote was: Yeas 125; Nays 0; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurrand, Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: None.

Present but not voting: None.

Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 204**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 204**, 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 2, in line 15, by striking “or (7)” and inserting “, (7) or (11)”; in line 17, by striking “or (7)” and inserting “,(7) or (11)”; in line 21, by striking “or”; in line 23, by striking the period and inserting “; or

(11) any person who has been convicted of: (A) Unlawful manufacture or attempting such of any controlled substance as defined by K.S.A. 65-4159, and amendments thereto, unless

the court makes a finding on the record that the manufacturing or attempting to manufacture such controlled substance was for such person's personal use;

(B) possession of ephedrine, pseudoephedrine, red phosphorus, lithium metal, sodium metal, iodine, anhydrous ammonia, pressurized ammonia or phenylpropanolamine, or their salts, isomers or salts of isomers with intent to use the product to manufacture a controlled substance as defined by K.S.A. 65-7006, and amendments thereto, unless the court makes a finding on the record that the possession of such product was intended to be used to manufacture a controlled substance for such person's personal use; or

(C) K.S.A. 65-4161, and amendments thereto.”;

On page 8, by striking all in lines 4 through 43;

By striking all on page 9;

On page 10, by striking all in lines 1 through 18;

And by renumbering the remaining sections accordingly;

On page 13, by striking all in lines 39 through 43;

On page 14, by striking all in lines 1 through 34;

And by renumbering the remaining sections accordingly;

Also on page 14, in line 35, by striking “22-4905,”; in line 36, by striking the comma where it appears the first time, and inserting “and”; also in line 36, by striking “and 22-4909”;

On page 1, in the title, in line 18, by striking “22-4905,”; also in line 18, by striking the last comma and inserting “and”; in line 19, by striking “and 22-4909”;

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

MICHAEL R. O'NEAL

LANCE KINZER

JANICE L. PAULS

Conferees on part of House

JOHN VRATIL

TERRY BRUCE

GRETA GOODWIN

Conferees on part of Senate

On motion of Rep. O'Neal, the conference committee report on **SB 204** was adopted.

On roll call, the vote was: Yeas 125; Nays 0; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: None.

Present but not voting: None.

Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 351**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 351**, submits the following report:

The House recedes from all of its 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 3, in line 1, by striking all after "(i)"; by striking all in lines 2 through 6; in line 7, by striking "(j)";

On page 4, after line 23, by inserting the following:

"(5) Effective July 1, 2009, any full-time presiding officer in agencies specified in subsection (h)(5) which conduct hearings pursuant to the Kansas administrative procedure act, except those exempted pursuant to K.S.A. 77-551, and amendments thereto, and support personnel for such presiding officers, shall be transferred to and shall become employees of the office of administrative hearings. Such personnel shall retain all rights under the state personnel system and retirement benefits under the laws of this state which had accrued to or vested in such personnel prior to the effective date of this section. Such person's services shall be deemed to have been continuous. All transfers of personnel positions in the classified service under the Kansas civil service act shall be in accordance with civil service laws and any rules and regulations adopted thereunder. This section shall not affect any matter pending before an administrative hearing officer at the time of the effective date of the transfer, and such matter shall proceed as though no transfer of employment occurred.";

On page 1, in the title, in line 10, by striking all following "concerning"; in line 11, by striking "to"; also in line 11, by striking "exception;"

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

MICHAEL R. O'NEAL
LANCE KINZER
JANICE L. PAULS
Conferees on part of House

JOHN VRATIL
TERRY BRUCE
GRETA GOODWIN
Conferees on part of Senate

On motion of Rep. O'Neal, the conference committee report on **SB 351** was adopted.

On roll call, the vote was: Yeas 115; Nays 10; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hayzlett, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Landwehr, Light, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Watkins, Wetta, Whitham, Wilk, Williams, B. Wolf, K. Wolf, Worley, Yoder.

Nays: Flora, Hawk, Henderson, Horst, Kuether, Lane, Menghini, Roth, Ward, Winn.

Present but not voting: None.

Absent or not voting: None.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2360**, 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 1, by striking all in lines 15 through 43;

On page 2, by striking all in lines 1, 2 and 3 and inserting the following:

“Section 1. K.S.A. 2006 Supp. 20-3129 is hereby amended to read as follows: 20-3129.

(a) Subject to the limitations contained in this section, the clerks of the district courts shall tax a library fee in an amount determined by the trustees of the law library in each county for the benefit and account of the law library in each county. Such library fee shall be not less than \$2 nor more than \$10 in all cases commenced pursuant to chapter 60 of the Kansas Statutes Annotated and in all felony criminal cases and shall be not less than \$.50 nor more than \$7 in all other cases.

(b) *The clerks of the district courts in Sedgwick county and Johnson county may tax an additional fee in an amount determined by the trustees of the law library in each county for the benefit and account of the law library in each such county. Such additional library fee shall not be more than \$4 in all cases.*

(c) The trustee of the law library in each county may increase law library fees under this ~~subsection~~ *section* once per calendar year as of July 1. Changed law library fees shall be effective as of that date and when filed with the clerk of the supreme court. The trustees of the law library in each county shall file with the respective clerks the fees to be charged in that court.

~~(d)~~ (d) The fees provided for by subsection (a) shall be deducted from the docket fee. *The fees provided for by subsection (b) shall be in addition to the docket fees established by law.*

~~(e)~~ (e) In criminal cases where the case is dismissed by the state, the county shall be liable for the library fee. Where appeals from conviction in the municipal court are dismissed for want of prosecution, or by the defendant, the state or city shall collect the library fee. Upon failure of the state or city to do so within 90 days after the dismissal, the county from which the appeal is taken shall be liable therefor.

(f) *The additional library fee under subsection (b) shall be considered a docket fee for purposes of K.S.A. 60-2001 et seq., and amendments thereto.*

Sec. 2. K.S.A. 2006 Supp. 20-3129 is hereby repealed.”; On page 1, in the title, in line 10, by striking all after “concerning”; by striking all in line 11; in line 12, by striking “2411” and inserting “the Johnson and Sedgwick county law libraries; relating to fees; amending K.S.A. 2006 Supp. 20-3129”;

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

JOHN VRATIL
TERRY BRUCE
GRETA GOODWIN
Conferees on part of Senate

MICHAEL R. O'NEAL
LANCE KINZER
JANICE L. PAULS
Conferees on part of House

On motion of Rep. O'Neal to not adopt the conference committee report on **HB 2360** and that a new conference committee be appointed, the motion prevailed.

Speaker pro tem Dahl thereupon appointed Reps. O'Neal, Kinzer and Pauls as second conferees on the part of the House.

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 2600, An act concerning certain employees at state educational institutions; amending K.S.A. 2006 Supp. 76-715a and repealing the existing section; also repealing K.S.A. 2006 Supp. 76-715b, by Committee on Appropriations.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

Speaker pro tem Dahl announced the referral of **HB 2600** to Committee on Appropriations.

CHANGE OF REFERENCE

Speaker pro tem Dahl announced the withdrawal of **HB 2598** from the calendar under the heading General Orders and referral to Committee on Appropriations.

MESSAGE FROM THE SENATE

Announcing passage of **HB 2237**, as amended by **Sub. for S. Sub. for HB 2237**.

The Senate adopts conference committee report on **HB 2004**.

The Senate adopts the conference committee report to agree to disagree on **HB 2005** and has appointed Senators Jordan, Brownlee and Barone as second conferees on the part of the Senate.

The Senate adopts the conference committee report to agree to disagree on **HB 2019** and has appointed Senators Huelskamp, Reitz and Francisco as second conferees on the part of the Senate.

The Senate accedes to the request of the House for a conference on **S. Sub. for HB 2542** and has appointed Senators Umbarger, Emler and Kelly as conferees on the part of the Senate.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 2005**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2005**, 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.

NICK JORDAN
JIM BARONE
Conferees on part of Senate

LANA GORDON
TERRI HUNTINGTON
VALDENIA WINN
Conferees on part of House

On motion of Rep. Gordon, the conference committee report on **HB 2005** was adopted.

Speaker pro tem Dahl thereupon appointed Reps. Gordon, Huntington and Winn as second conferees on the part of the House.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, pursuant to subsection (k) of Joint Rule 4 of the Joint Rules of the Senate and House of Representatives, to suspend the rules for the purpose of considering **HB 2019**, the motion did not prevail.

On motion of Rep. Merrick, the House recessed until 4:45 p.m.

LATE AFTERNOON SESSION

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

INTRODUCTION OF ORIGINAL MOTIONS AND HOUSE RESOLUTIONS

The following resolution was introduced and read by title:

HOUSE RESOLUTION No. 6025—

By Representatives Mast, Aurand, Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley and Yoder

A RESOLUTION congratulating and commending Karla Finnell for her years of dedicated service to the people of Kansas as Executive Director of the Kansas Association for the Medically Underserved.

WHEREAS, Karla Finnell, Executive Director of the Kansas Association for the Medically Underserved (KAMU) since 2003, will be leaving her post this summer; and

WHEREAS, KAMU represents more than 30 Kansas primary care safety net clinics, which serve the uninsured and underinsured regardless of their ability to pay. The clinics provided care to more than 127,000 people last year; and

WHEREAS, In Kansas, an estimated 300,000 people are uninsured. Primary care safety net clinics serve more than 127,000 Kansans of which approximately 63% of the people served by KAMU's member clinics are uninsured, while 93% of them live at or near the poverty level (with an income at 200% of the federal poverty level or below); and

WHEREAS, Under Karla Finnell's leadership, KAMU has expanded access to high quality, comprehensive care for underserved people across the state. Karla increased the association's focus on advocacy, clinical quality and community development to impact the lives of more than 127,000 Kansans last year. Perhaps the most visible outcome of her tenure is the increase of state funding and private support for the primary care safety net clinics, which has enabled the clinics to make major expansions in their programs and services; and

WHEREAS, During Karla's tenure, KAMU offered increased training and technical assistance to the clinics as they grew their services. This resulted not only in an increase in the number of patients seen every year, but in the comprehensiveness of the care they received. This growth and capacity building have also focused on performance-based delivery, promoting accountability. The most dramatic growth has come in an area that is often overlooked for the underserved: Oral health services. Dental services at the Kansas clinics have quadrupled since 2003 and the clinics are now pursuing a strategic plan for dental hubs to make oral health care available to even more Kansans who lack access. Medication assistance programs have also grown rapidly. One-hundred percent of the state's eligible health centers and FQHC Look-Alikes now provide access to 340 prescriptions and all KAMU members have expanded their use of manufacturers' access to prescription drugs; and

WHEREAS, With Karla's leadership, KAMU spearheaded regulator and policy changes on issues that affect safety net clinics, such as Medicaid reimbursement and scope of practice. These changes will allow clinics to provide more than one type of visit per day, such as oral health and medical services, and recover more of the cost for serving Medicaid patients. Access to comprehensive preventive services and preservation of grant dollars for

vulnerable Kansans without insurance coverage will also be greatly improved. This year, KAMU also proposed a capital loan guarantee to help clinics expand and remodel. This bill passed as part of Senate Bill No. 11; and

WHEREAS, Karla also guided KAMU's role in workforce development. Though caring for the underserved is tremendously rewarding work, clinics often find it difficult to recruit professional staff. KAMU has forged partnerships with universities, dental schools and other organizations to build the workforce for safety net clinics. In collaboration with the University of Kansas, KAMU developed a web-based certificate program in health center management to develop leadership and management skills for primary care safety net clinics, recognizing that strong leaders are key to ensuring that clinics are good stewards of public resources. KAMU also hosts a program for volunteers through a state AmeriCorps program. Under Karla's leadership, the program has developed clear goals and a number of volunteers have now committed to careers in primary health care for underserved populations. In addition, the dental school at the University of Missouri Kansas City will soon be placing dental students in safety net clinics to promote the pursuit of careers in underserved areas: Now, therefore,

Be it resolved by the House of Representatives of the State of Kansas: That we congratulate and commend Karla Finnell for her years of service as Executive Director of the Kansas Association for the Medically Underserved and for her dedication to the people of Kansas; and

Be it further resolved: That the Chief Clerk of the House provide two enrolled copies of this resolution to Representative Mast.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 **Sub. for S. Sub. for HB 2237**.

MOTIONS TO CONCUR AND NONCONCUR

On motion of Rep. Schwartz, the House nonconcurred in Senate amendments to **Sub. for S. Sub. for HB 2237** and asked for a conference.

Speaker pro tem Dahl thereupon appointed Reps. Schwartz, Tafanelli and Feuerborn as conferees on the part of the House.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 2140**.

MOTIONS TO CONCUR AND NONCONCUR

On motion of Rep. Ruff, the House concurred in Senate amendments to **HB 2140**. An act designating English as the official language of the state of Kansas and concerning its use by state agencies and political or taxing subdivisions.

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

Call of the House was demanded.

On roll call, the vote was: Yeas 106; Nays 19; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Carlin, Carlson, Colloton, Colyer, Craft, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Feuerborn, Fund, Gatewood, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Landwehr, Light, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Svaty, Swanson,

Swenson, Tafanelli, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, B. Wolf, K. Wolf, Worley, Yoder.

Nays: Burroughs, Crow, Faust-Goudeau, Flaharty, Flora, Frownfelter, Garcia, George, Henderson, Kuether, Lane, Loganbill, Menghini, Peterson, Ruiz, Sawyer, Storm, Tietze, Winn.

Present but not voting: None.

Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 **S. Sub. for HB 2145**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2145**, 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 3, by striking all in lines 7 through 43;

By striking all on page 4;

On page 5, by striking lines 1 through 5;

And by renumbering the remaining sections accordingly;

On page 8, after line 19, by inserting the following:

“New Sec. 7. As used in sections 7 through 12, and amendments thereto:

(a) “Biodiesel” means a renewable, biodegradable, mono alkyl ester combustible liquid fuel derived from vegetable oils or animal fats and that meets the specifications adopted by rules and regulations of the secretary of agriculture pursuant to K.S.A. 55-442, and amendments thereto. Such specification shall meet American society for testing and materials specification D6751-07 for biodiesel fuel (B100) blend stock for distillate fuels, but may be more stringent regarding biodiesel quality and usability than specification D6751-07;

(b) “diesel” means any liquid, other than gasoline and biodiesel, which is used as fuel for use in an internal combustion engine and ignited by pressure without the presence of an electric spark;

(c) “gasoline” means any liquid product sold as motor fuel for use in a spark-ignition internal combustion engine;

(d) “motor fuel” means any inflammable liquid by whatever name such liquid shall be known or sold, which is used, or practically or commercially usable, either alone or when mixed or combined in an internal combustion engine for the generation of power;

(e) “motor fuel pump” means a commercial measuring device used to measure and dispense motor fuel or special fuels on a retail basis at a fixed retail motor fuel site;

(f) “renewable fuels” means a combustible liquid derived from grain starch, oil seed, animal fat or other biomass; or produced from biogas source, including any nonfossilized, decaying, organic matter which is capable of powering spark-ignition machinery; and

(g) “retail dealer” means a licensed seller of motor fuel or special fuels at retail at a fixed retail motor fuel site.

New Sec. 8. (a) On January 1, 2009, and quarterly thereafter, the director of accounts and reports shall transfer \$400,000 from the state general fund to the Kansas retail dealer incentive fund. On and after July 1, 2009, the unobligated balance in the Kansas retail dealer incentive fund shall not exceed \$1.5 million. If the unobligated balance of the fund exceeds \$1.1 million at the time of a quarterly transfer, the transfer shall be limited to the amount necessary for the fund to reach a total of \$1.5 million.

(b) There is hereby created in the state treasury the Kansas retail dealer incentive fund. All moneys in the Kansas retail dealer incentive fund shall be expended by the secretary of the department of revenue for the payment of incentives to Kansas retail dealers who sell and dispense renewable fuels or biodiesel through a motor fuel pump in accordance with the provisions of sections 7 through 12, and amendments thereto.

(c) All moneys remaining in the Kansas retail dealer incentive fund upon the expiration of sections 7 through 12, and amendments thereto, shall be credited by the state treasurer to the state general fund.

New Sec. 9. (a) A retail dealer of motor fuel shall be paid an incentive for the selling or dispensing of renewable fuels through a motor fuel pump as provided in this section.

(b) In order to be eligible for such incentive all of the following must apply:

(1) The retail dealer sells and dispenses renewable fuels through a motor fuel pump in the quarter in which the incentive is claimed.

(2) The retail dealer complies with requirements of the department of revenue to administer this section.

(c) In order to receive the incentive, the retail dealer must calculate all of the following:

(1) The retail dealer's renewable fuels distribution percentage which is the sum of the retail dealer's total renewable fuels blended into gasoline expressed as a percentage of the retail dealer's total gasoline gallonage, in the retail dealer's applicable determination period.

(2) The retail dealer's renewable fuels threshold percentage is as follows:

(A) Ten percent for any quarter of the determination period beginning on January 1, 2009, and ending December 31, 2009;

(B) eleven percent for any quarter of the determination period beginning on January 1, 2010, and ending December 31, 2010;

(C) twelve percent for any quarter of the determination period beginning on January 1, 2011, and ending December 31, 2011;

(D) thirteen percent for any quarter of the determination period beginning on January 1, 2012, and ending December 31, 2012;

(E) fourteen percent for any quarter of the determination period beginning on January 1, 2013, and ending December 31, 2013;

(F) fifteen percent for any quarter of the determination period beginning on January 1, 2014, and ending December 31, 2014;

(G) sixteen percent for any quarter of the determination period beginning on January 1, 2015, and ending December 31, 2015;

(H) seventeen percent for any quarter of the determination period beginning on January 1, 2016, and ending December 31, 2016;

(I) eighteen percent for any quarter of the determination period beginning on January 1, 2017, and ending December 31, 2017;

(J) nineteen percent for any quarter of the determination period beginning on January 1, 2018, and ending December 31, 2018;

(K) twenty percent for any quarter of the determination period beginning on January 1, 2019, and ending December 31, 2019;

(L) twenty-one percent for any quarter of the determination period beginning on January 1, 2020, and ending December 31, 2020;

(M) twenty-two percent for any quarter of the determination period beginning on January 1, 2021, and ending December 31, 2021;

(N) twenty-three percent for any quarter of the determination period beginning on January 1, 2022, and ending December 31, 2022;

(O) twenty-four percent for any quarter of the determination period beginning on January 1, 2023, and ending December 31, 2023;

(P) twenty-five percent for any quarter of the determination period beginning on January 1, 2024, and ending December 31, 2024; and

(Q) twenty-five percent for any quarter of the determination period beginning on and after January 1, 2025.

(d) The incentive may be calculated separately for each retail motor fuel site from which the retail dealer sells and dispenses renewable fuel or may be calculated for all retail motor fuel sites which the retail dealer has in Kansas that sells and dispenses renewable fuels.

(e) The retail dealer's incentive is calculated by multiplying the retail dealer's total renewable fuel gallonage by an incentive rate, which may be adjusted based on the retail dealer's renewable fuels threshold percentage disparity. The incentive rate is as follows:

(1) For any quarter in which the retail dealer has attained a renewable fuels threshold percentage for the determination period, the incentive rate is 6½ cents.

(2) For any quarter in which the retail dealer has not attained a renewable fuels threshold percentage for the determination period, the incentive rate shall be adjusted based on the retail dealer's renewable fuels threshold percentage disparity. The amount of the adjusted incentive rate is as follows:

(A) If the retail dealer's renewable fuels threshold percentage disparity equals 2% or less, the incentive rate is 4½ cents.

(B) A retail dealer is not eligible for an incentive if the retail dealer's renewable fuels threshold percentage disparity equals more than 2%.

New Sec. 10. (a) A retail dealer of biodiesel shall be paid an incentive for the selling or dispensing of biodiesel as provided in this section.

(b) In order to be eligible for such incentive all of the following must apply:

(1) The retail dealer sells and dispenses biodiesel in the quarter in which the incentive is claimed.

(2) The retail dealer complies with requirements of the department of revenue to administer this section.

(c) In order to receive the incentive, the retail dealer must calculate the following:

(1) The retail dealer's biodiesel distribution percentage which is the sum of the retail dealer's total biodiesel gallonage expressed as a percentage of the retail dealer's total diesel and biodiesel gallonage, in the retail dealer's applicable determination period.

(2) The retail dealer's biodiesel threshold percentage is as follows:

(A) Two percent for any quarter of the determination period beginning on January 1, 2009, and ending December 31, 2009;

(B) four percent for any quarter of the determination period beginning on January 1, 2010, and ending December 31, 2010;

(C) six percent for any quarter of the determination period beginning on January 1, 2011, and ending December 31, 2011;

(D) eight percent for any quarter of the determination period beginning on January 1, 2012, and ending July 1, 2012;

(E) ten percent for any quarter of the determination period beginning on January 1, 2013, and ending on December 31, 2013;

(F) twelve percent for any quarter of the determination period beginning on January 1, 2014, and ending on December 31, 2014;

(G) fourteen percent for any quarter of the determination period beginning on January 1, 2015, and ending on December 31, 2015;

(H) sixteen percent for any quarter of the determination period beginning on January 1, 2016, and ending on December 31, 2016;

(I) seventeen percent for any quarter of the determination period beginning on January 1, 2017, and ending on December 31, 2017;

(J) eighteen percent for any quarter of the determination period beginning on January 1, 2018, and ending on December 31, 2018;

(K) nineteen percent for any quarter of the determination period beginning on January 1, 2019, and ending on December 31, 2019;

(L) twenty percent for any quarter of the determination period beginning on January 1, 2020, and ending on December 31, 2020;

(M) twenty-one percent for any quarter of the determination period beginning on January 1, 2021, and ending on December 31, 2021;

(N) twenty-two percent for any quarter of the determination period beginning on January 1, 2022, and ending on December 31, 2022;

(O) twenty-three percent for any quarter of the determination period beginning on January 1, 2023, and ending on December 31, 2023;

(P) twenty-four percent for any quarter of the determination period beginning on January 1, 2024, and ending on December 31, 2024; and

(Q) twenty-five percent for any quarter of the determination period beginning on January 1, 2025, and ending on December 31, 2025.

(d) The incentive may be calculated separately for each retail motor fuel site from which the retail dealer sells and dispenses biodiesel or may be calculated for all retail motor fuel sites which the retail dealer has in Kansas that sells and dispenses biodiesel.

(e) The retail dealer's incentive is calculated by multiplying the retail dealer's biodiesel gallonage by the incentive rate for any quarter in which the retail dealer has attained a biodiesel threshold percentage for the determination period, the incentive rate is three cents.

New Sec. 11. (a) The retail dealer shall file electronically for the incentive for selling or dispensing of renewable fuels or biodiesel beginning January 1, 2009, and quarterly thereafter in the manner required by the department of revenue. The retail dealer shall file such information as the secretary of revenue may require by rules and regulations, but shall include the total number of gallons of renewable fuels or biodiesel sold.

(b) The secretary of revenue may adopt rules and regulations necessary to administer the provisions of sections 7 through 12, and amendments thereto, including the development of a procedure for the payment of the incentive on a pro rata basis if the unobligated balance in the fund is insufficient to pay all incentives.

New Sec. 12. The secretary of revenue shall annually submit a written report to the house appropriations and energy and utilities committees and to the senate ways and means and agriculture committees, or the successors to those committees, beginning with the 2010 legislative session. The report shall contain information regarding the amount of incentives claimed and paid pursuant to sections 7 through 12, and amendments thereto, and information regarding the amount of renewable fuels and biodiesel sold in the state. The secretary also may include in the report any recommendations for changes to law necessary to implement sections 7 through 12, and amendments thereto.

New Sec. 13. The provisions of sections 7 through 12, and amendments thereto, shall expire on January 1, 2026.

Sec. 14. K.S.A. 2006 Supp. 79-32,201 is hereby amended to read as follows: 79-32,201. (a) Any taxpayer who makes expenditures for a qualified alternative-fueled motor vehicle or alternative-fuel fueling station shall be allowed a credit against the income tax imposed by article 32 of chapter 79 of the Kansas Statutes Annotated, as follows:

(1) For any qualified alternative-fueled motor vehicle placed in service on or after January 1, 1996, and before January 1, 2005, an amount equal to 50% of the incremental cost or conversion cost for each qualified alternative-fueled motor vehicle but not to exceed \$3,000 for each such motor vehicle with a gross vehicle weight of less than 10,000 lbs.; \$5,000 for a heavy duty motor vehicle with a gross vehicle weight of greater than 10,000 lbs. but less than 26,000 lbs.; and \$50,000 for motor vehicles having a gross vehicle weight of greater than 26,000 lbs.;

(2) for any qualified alternative-fueled motor vehicle placed in service on or after January 1, 2005, an amount equal to 40% of the incremental cost or conversion cost for each qualified alternative-fueled motor vehicle, but not to exceed \$2,400 for each such motor vehicle with a gross vehicle weight of less than 10,000 lbs.; \$4,000 for a heavy duty motor vehicle with a gross vehicle weight of greater than 10,000 lbs. but less than 26,000 lbs.; and \$40,000 for motor vehicles having a gross vehicle weight of greater than 26,000 lbs.;

(3) for any qualified alternative-fuel fueling station placed in service on or after January 1, 1996, and before January 1, 2005, an amount equal to 50% of the total amount expended for each qualified alternative-fuel fueling station but not to exceed \$200,000 for each fueling station;

(4) for any qualified alternative-fuel fueling station placed in service on or after January 1, 2005, and before January 1, 2009, an amount equal to 40% of the total amount expended for each qualified alternative-fuel fueling station, but not to exceed \$160,000 for each fueling station;

(5) for any qualified alternative-fuel fueling station placed in service on or after January 1, 2009, an amount equal to 40% of the total amount expended for each qualified alternative-fuel fueling station, but not to exceed \$100,000 for each fueling station.

(b) If no credit has been claimed pursuant to subsection (a), a credit in an amount not exceeding the lesser of 5% of the cost of the vehicle or \$750 shall be allowed to a taxpayer who purchases a motor vehicle equipped by the vehicle manufacturer with an alternative fuel system and who is unable or elects not to determine the exact basis attributable to such property. The credit under this subsection shall be allowed only to the first individual to take title to such motor vehicle, other than for resale. The credit under this subsection for motor vehicles which are capable of operating on a blend of 85% ethanol and 15% gasoline

shall be allowed for taxable years commencing after December 31, 1999, only if the individual claiming the credit furnishes evidence of the purchase, during the period of time beginning with the date of purchase of such vehicle and ending on December 31 of the next succeeding calendar year, of 500 gallons of such ethanol and gasoline blend as may be required or is satisfactory to the secretary of revenue.

(c) The tax credit under subsection ~~(a)~~ (a)(1) through (a)(4) or (b) shall be deducted from the taxpayer's income tax liability for the taxable year in which the expenditures are made by the taxpayer. If the amount of the tax credit exceeds the taxpayer's income tax liability for the taxable year, the amount which exceeds the tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the third taxable year succeeding the taxable year in which the expenditures are made.

(d) *The tax credit under subsection (a)(5) shall be deducted from the taxpayer's income tax liability for the taxable year in which the expenditures are made by the taxpayer. If the amount of the tax credit exceeds the taxpayer's income tax liability for the taxable year, the amount which exceeds the tax liability may be carried over for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the fourth taxable year in which the expenditures are made.*

~~(e)~~ (e) As used in this section:

(1) "Alternative fuel" ~~has the meaning provided by 42 U.S.C. 13211~~ means a combustible liquid derived from grain starch, oil seed, animal fat or other biomass; or produced from biogas source, including any nonfossilized, decaying, organic matter.

(2) "Qualified alternative-fueled motor vehicle" means a motor vehicle that operates on an alternative fuel, meets or exceeds the clean fuel vehicle standards in the federal clean air act amendments of 1990, Title II and meets one of the following categories:

(A) Bi-fuel motor vehicle: A motor vehicle with two separate fuel systems designed to run on either an alternative fuel or conventional fuel, using only one fuel at a time;

(B) dedicated motor vehicle: A motor vehicle with an engine designed to operate on a single alternative fuel only; or

(C) flexible fuel motor vehicle: A motor vehicle that may operate on a blend of an alternative fuel with a conventional fuel, such as E-85 (85% ethanol and 15% gasoline) or M-85 (85% methanol and 15% gasoline), as long as such motor vehicle is capable of operating on at least an 85% alternative fuel blend.

(3) "Qualified alternative-fuel fueling station" means the property which is directly related to the delivery of alternative fuel into the fuel tank of a motor vehicle propelled by such fuel, including the compression equipment, storage vessels and dispensers for such fuel at the point where such fuel is delivered but only if such property is primarily used to deliver such fuel for use in a qualified alternative-fueled motor vehicle.

(4) "Incremental cost" means the cost that results from subtracting the manufacturer's list price of the motor vehicle operating on conventional gasoline or diesel fuel from the manufacturer's list price of the same model motor vehicle designed to operate on an alternative fuel.

(5) "Conversion cost" means the cost that results from modifying a motor vehicle which is propelled by gasoline or diesel to be propelled by an alternative fuel.

(6) "Taxpayer" means any person who owns and operates a qualified alternative-fueled vehicle licensed in the state of Kansas or who makes an expenditure for a qualified alternative-fuel fueling station.

(7) "Person" means every natural person, association, partnership, limited liability company, limited partnership or corporation.

~~(f)~~ (f) Except as otherwise more specifically provided, the provisions of this section shall apply to all taxable years commencing after December 31, 1995.

Sec. 15. K.S.A. 2006 Supp. 79-34,155 is hereby amended to read as follows: 79-34,155. As used in K.S.A. 2006 Supp. 79-34,155 through 79-34,158, and amendments thereto:

(a) "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel derived from vegetable oils or animal fats and that meets ~~American society for~~

testing and materials specification D6751-02 for biodiesel fuel (B100) blend stock for distillate fuels the specifications adopted by rules and regulations of the secretary of agriculture pursuant to K.S.A. 55-442, and amendments thereto. Such specification shall meet American society for testing and materials specification D6751-07 for biodiesel fuel (B100) blend stock for distillate fuels, but may be more stringent regarding biodiesel quality and usability than specification D6751-07.

(b) "Kansas qualified biodiesel fuel producer" means any producer of biodiesel fuel whose principal place of business and facility for the production of biodiesel fuel are located within the state of Kansas and who has made formal application to and conformed to the requirements by the department of revenue pursuant to this act.

(c) "Secretary" means the secretary of the department of revenue of the state of Kansas.

(d) "Kansas qualified biodiesel fuel producer incentive fund" means a fund created in K.S.A. 2006 Supp. 79-34,157, and amendments thereto, from which producer incentives shall be provided pursuant to this act to Kansas qualified biodiesel fuel producers.

Sec. 16. K.S.A. 2006 Supp. 65-34,132, as amended by section 4 of 2007 Senate Bill No. 190, is hereby amended to read as follows: 65-34,132. (a) The secretary may provide for the reimbursement to eligible owners of aboveground storage tanks or bulk plants in accordance with the provisions of this section and subject to the availability of moneys in the Kansas essential fuels supply trust fund. An aboveground storage tank or bulk plant shall be eligible for reimbursement under this section, if such aboveground storage tank or bulk plant is used for the storage of petroleum products for resale.

(b) The secretary may reimburse the owner of an aboveground storage tank facility or bulk plant for upgrade expenses or permanent closure expenses, in the amount specified in subsection (c), if all of the following criteria are met:

(1) The aboveground storage tank facility was registered with the department on or after November 22, 1993;

(2) the aboveground storage tank contains petroleum products;

(3) application is made on or before January 1, ~~2009~~ 2011, on a form provided by the department;

(4) upgrade expenses must be incurred after August 1, 2001, and not later than July 1, 2009. Upgrade expenses are limited to reasonable and necessary to the installation or improvement of equipment or systems required for compliance with 40 CFR 112. Such expenses shall include, but are not limited to, installation or upgrade of the following:

- (A) Secondary containment;
- (B) integrity testing;
- (C) corrosion protection;
- (D) loss prevention;
- (E) engineering costs;
- (F) security;
- (G) drainage; and
- (H) removal of noncompliant tanks;

(5) expenses for permanent closure activities, must be incurred after August 1, 2001, and not later than July 1, 2009. Only expenses for activities reasonable and necessary to permanently close an aboveground storage tank facility are eligible for reimbursement. Reasonable and necessary activities eligible for reimbursement include, but are not limited to, the following:

- (A) Removal of the tank and piping system;
- (B) removal of tank support and confinement systems;
- (C) removal of security systems;
- (D) cleaning of tanks; and
- (E) disposal of waste petroleum and other waste material including concrete.

(c) Applications for reimbursement must be made on forms supplied by the department. Applications for reimbursement must include documentation of the facility upgrade or permanent closure activities and expense. Proof of payment of all expenses for which reimbursement is requested must be provided. The department will review those expenses based on current industry costs and provide reimbursement of reasonable and necessary costs. The department shall reimburse an applicant for 90% of the approved cost of the facility

upgrade or permanent closure not to exceed \$25,000 per facility. Disputes regarding application approval, reimbursements rates or reimbursement amounts will be referred to the Kansas essential fuel supply trust fund compensation advisory board.

(d) If the owner of an aboveground storage tank facility contracts with another individual or business entity to perform the upgrade or permanent closure activities, the expenses may be submitted to the department for reimbursement under this section. The department may deny any claim for reimbursement that fails to provide adequate proof of payment in full to the contracting party. The owner may obtain prior approval from the department of the activities to be performed and the expenses to be incurred.

(e) Owners of aboveground storage tanks or bulk plant may enter into an agreement with the department to perform upgrades or permanent closures after the deadline and receive reimbursement if they comply with the following criteria:

(1) The owner has signed a contract with a vendor to perform the work prior to the deadline; and

(2) the vendor indicates that they are unable to perform the work before the deadline.

(f) The secretary may adopt such rules and regulations deemed necessary to carry out the provisions of this section.

(g) The provisions of this section shall be part of and supplemental to the Kansas storage tank act.”;

And by renumbering the remaining sections accordingly;

Also on page 8, in line 20, by striking “55-427,”; also in line 20, after “83-401” by inserting “and K.S.A. 2006 Supp. 65-34,132, as amended by section 4 of 2007 Senate Bill No. 190, 79-32,201 and 79-34,155”;

On page 1, in the title, in line 12, by striking all after the semicolon; by striking all in line 13 and inserting “relating to renewable fuel; providing for certain incentives relating to renewable fuels;”; in line 14, by striking “55-427,”; also in line 14, after “83-401” by inserting “and K.S.A. 2006 Supp. 65-34,132, as amended by section 4 of 2007 Senate Bill No. 190, 79-32,201 and 79-34,155”;

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

MARK TADDIKEN
ROGER C. PINE
MARCI FRANCISCO
Conferees on part of Senate

CARL DEAN HOLMES
JOHN FABER
JOSH SVATY
Conferees on part of House

On motion of Rep. C. Holmes, the conference committee report on **S. Sub. for HB 2145** was adopted.

On roll call, the vote was: Yeas 115; Nays 10; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Beamer, Bethell, Brown, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Holland, C. Holmes, Horst, Huebert, Humerickhouse, Johnson, Kelley, Kelsey, Kiegerl, King, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Masterson, McCray-Miller, McKinney, McLachlan, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O’Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Watkins, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: Bowers, Crow, Hodge, M. Holmes, Huntington, Kinzer, Mast, McLeland, Powell, Ward.

Present but not voting: None.
Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 2363**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2363**, 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, in line 42, by striking all after "be" and inserting "entitled to notice. Such notice";

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

JOHN VRATIL
TERRY BRUCE
GRETA GOODWIN
Conferees on part of Senate

MICHAEL R. O'NEAL
LANCE KINZER
JANICE L. PAULS
Conferees on part of House

On motion of Rep. O'Neal, the conference committee report on **HB 2363** was adopted.

On roll call, the vote was: Yeas 124; Nays 1; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Beamer, Bethell, Bowers, Brunk, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: Brown.

Present but not voting: None.
Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 **S. Sub. for Sub. HB 2457**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2457**, 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 Substitute for House Bill No. 2457, as follows:

On page 6, in line 7, after “Sudan” by inserting “, and the supplying of such goods and services is done in conjunction with an international organization, the government of Sudan, the regional government of Southern Sudan or a non-profit entity, and is evaluated and certified by an independent third party to be substantial in relationship to the business operations of the company in Sudan and of benefit to one or more marginalized populations of Sudan”;

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

DWAYNE UMBARGER
DAVID WYSONG
ANTHONY HENSLEY
Conferees on part of Senate

JAMES MORRISON
STEPHANIE SHARP
JUDITH LOGANBILL
Conferees on part of House

On motion of Rep. Jim Morrison, the conference committee report on **S. Sub. for Sub. HB 2457** was adopted.

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

Yeas: Aurand, Ballard, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlin, Colloton, Colyer, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Hodge, Holland, C. Holmes, M. Holmes, Horst, Huebert, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O’Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: Carlson, Powell.

Present but not voting: None.

Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 **S. Sub. for HB 2556**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2556**, 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. 2556, as follows:

On page 1, in line 23, by striking “five” and inserting “three”; in line 24, by striking “Three” and inserting “One”; in line 25, by striking “and” where it appears the third time and inserting the following:

“(3) one member shall be appointed by the president of the senate and shall be a representative of business and industry;

(4) one member shall be appointed by the speaker of the house of representatives and shall be a representative of business and industry; and”;

Also on page 1, in line 26, by striking “(3)” and inserting “(5)”;

On page 3, by striking all in lines 8 through 27 and inserting the following:

“(b) Recommendations adopted by the authority pursuant to subsection (a) shall be submitted to the state board of regents. A recommendation of the authority shall be implemented by the state board unless the state board, by majority vote thereof, vetoes the recommendation within 45 days of the submission of the recommendation to the state board.

(c)(1) Subject to the provisions of paragraph (2), the state board of regents and the postsecondary technical education authority shall appoint a vice-president of workforce development who shall serve as the executive director of the postsecondary technical education authority. The vice-president for workforce development shall be in the unclassified service under the Kansas civil service act. Such person shall not be a member of the authority and shall serve at the pleasure of the state board of regents.

(2) The state board of regents shall develop a procedure for the appointment of the vice-president of workforce development. Such procedure shall provide for the participation of the Kansas association of community college trustees and the Kansas association of technical schools and colleges, or the successor organizations thereof, in the selection of the vice-president of workforce development.”

On page 4, following line 2, by inserting:

“Sec. 6. (a) There is hereby established the Kansas technical college and technical school commission. Subject to the provisions of subsection (b), the commission shall consist of 10 members as follows:

(1) One member shall be a member of the state board of regents and shall be appointed by the state board of regents;

(2) one member shall be the president of a Kansas technical college and shall be appointed by the state board of regents;

(3) one member shall be a representative of the community colleges in the state which provide technical education and shall be appointed by the state board of regents;

(4) one member shall be appointed by the president of the senate;

(5) one member shall be appointed by the minority leader of the senate;

(6) one member shall be appointed by the speaker of the house of representatives;

(7) one member appointed by the minority leader of the house of representatives;

(8) two members appointed by the governor. One of the members appointed by the governor shall be a resident of the northeast area of the state; and

(9) the president of the state board of regents, or the designee thereof. Such member shall serve ex-officio and shall be a nonvoting member.

(b) When making appointments to the initial appointments to the commission, the governor and legislators shall appoint the same members appointed to the Kansas technical college and vocational school commission established pursuant to subsection (c) of section 2 of chapter 216 of the 2006 Session Laws of Kansas. If any of the members appointed to the Kansas technical college and vocational school commission declines to serve on the Kansas technical college and technical school commission established by this section, the appointing authority shall appoint another person as otherwise provided by this section. If a vacancy occurs in the membership of the commission created by this section, a successor shall be appointed in the same manner as the original appointment. When filling vacancies on the commission, the governor and legislators shall give consideration to persons representing businesses, industry and instructional staff of technical schools and colleges.

(c) The governor shall designate the member who shall serve as chairperson of the commission. The commission shall meet on call of the chairperson or on the request of six or more members of the commission. Six voting members of the commission shall constitute a quorum. All actions of the commission shall be taken by a majority of all voting members of the commission.

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

(e) Members of the commission attending meetings of such commission or subcommittee meetings thereof as authorized by such commission, shall be paid amounts as provided in subsection (e) of K.S.A. 75-3223, and amendments thereto, upon vouchers approved by the chairperson of the commission or the chairperson’s designee.

(f) The commission shall:

(1) Study and conduct hearings on the governance, funding and the mission of Kansas technical colleges and technical schools; and

(2) submit reports of the commission's activities and recommendations regarding governance, funding and the mission of Kansas technical colleges and technical schools to the legislative educational planning committee. A preliminary report shall be submitted on or before November 15, 2007. The final report shall be submitted on or before November 15, 2008. Such reports shall include recommendations for legislative changes.

(g) The provisions of this section shall expire on December 31, 2008.”;

On page 1, in the title, in line 10, after the semicolon by inserting “and the Kansas technical college and technical school commission;”;

And by renumbering the remaining sections accordingly;

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

JEAN KURTIS SCHODORF

RUTH TEICHMAN

JANIS K. LEE

Conferees on part of Senate

CLAY AURAND

DEENA HORST

ANN E. MAH

Conferees on part of House

On motion of Rep. Aurand, the conference committee report on **HB 2556** was adopted. On roll call, the vote was: Yeas 100; Nays 25; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Bethell, Bowers, Burgess, Burroughs, Carlin, Colloton, Craft, Crow, Crum, Dahl, Davis, Dillmore, Donohoe, Faber, Faust-Goudeau, Feuerborn, Flaherty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Henderson, Henry, Hill, Holland, Horst, Humerickhouse, Huntington, Johnson, Kelsey, King, Knox, Kuether, Lane, Light, Loganbill, Long, Lukert, Mah, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Metsker, Jim Morrison, Judy Morrison, Moxley, Neighbor, Neufeld, O'Neal, Otto, Owens, Palmer, Pauls, Peterson, Phelps, Pottorff, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Sharp, Shultz, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Vickrey, Ward, Watkins, Wetta, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: Beamer, Brown, Brunk, Carlson, Colyer, Hayzlett, Hodge, C. Holmes, M. Holmes, Huebert, Kelley, Kiegerl, Kinzer, Landwehr, Mast, Masterson, Merrick, Myers, Olson, Patton, Peck, Powell, Schwartz, Siegfried, Whitham.

Present but not voting: None.

Absent or not voting: None.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Merrick, 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 2004**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on Senate amendments to **HB 2004**, 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, following line 8, by inserting the following:

“New Sec. 3. Sections 3 through 5, and amendments thereto, shall be known and may be cited as the Kansas film production tax credit act.

New Sec. 4. (a) For all taxable years commencing after December 31, 2006, a credit against the tax imposed by the Kansas income tax act shall be allowed for direct production

expenditures made by an eligible film production company. Such credit shall be in an amount equal to 30% of direct production expenditures made in Kansas that are directly attributable to the production of a film in Kansas and that have been awarded by the department of revenue. The tax credit shall be deducted from the eligible film production company's income tax liability for the taxable year in which the expenditures are made by the eligible film production company. If the amount of the film production tax credit allowed exceeds the film production company's income tax liability for the taxable year, the taxpayer may carry over the amount thereof that exceeds such tax liability for deduction from the taxpayer's income tax liability in the next succeeding taxable year or years until the total amount of the tax credit has been deducted from tax liability, except that no such tax credit shall be carried over for deduction after the third taxable year succeeding the year in which the costs are incurred. If the eligible film production company is a corporation having an election in effect under subchapter S of the federal internal revenue code, a partnership or a limited liability entity, the credit provided by this section shall be claimed by the shareholders of such corporation, the partners of such partnership or the member of such limited liability entity in the same manner as such shareholder, partners or members account for their proportionate shares of the income or loss of the corporation, partnership or limited liability entity.

(b) A long-form narrative film production for which the film production tax credit is claimed shall contain an acknowledgment that the production was filmed in Kansas.

(c) To be eligible for the film production tax credit, a film production company shall submit to the department of commerce information required by the department to demonstrate conformity with the requirements of this act. Information supplied shall include expected direct production expenditures to be made in Kansas with respect to the film production for which the film production company is seeking the film production tax credit. The department of commerce may reserve a tax credit amount based upon the expected direct production expenditures. The department of commerce shall determine the eligibility of the company and shall certify this information to the department of revenue in a manner and at times the department of commerce and department of revenue shall agree upon.

(d) To receive a film production tax credit, a film production company shall apply to the department of revenue on forms and in the manner the department may prescribe. The application shall include a certification of the amount of direct production expenditures made in Kansas with respect to the film production for which the film production company is seeking the film production tax credit. The department of revenue may award a film production tax credit based on the application submitted and the amount of tax credit reserved by the department of commerce. Upon approval of the application and the awarding of the tax credit the department of revenue shall certify to the film production company and the department of commerce the amount of the tax credit awarded.

(e) The secretary of commerce and the secretary of revenue are hereby authorized to adopt rules and regulations to implement and administer the provisions of this act.

New Sec. 5. As used in sections 3 through 5, and amendments thereto:

(a) "Direct production expenditure" means an expenditure incurred in the state of Kansas in the production of a Kansas film including:

(1) Payment of wages, fringe benefits or fees for talent, management or labor to a person who is a Kansas resident for purposes of the Kansas income tax act;

(2) payment to a personal services corporation for the services of a performing artist, if:

(A) The personal services corporation is subject to taxation under the provisions of the Kansas income tax act; or

(B) the performing artist receiving payment from the personal services corporation pays Kansas income tax; and

(3) any of the following provided by a vendor:

(A) The story and scenario to be used for a film;

(B) set construction and operations, wardrobe, accessories and related services;

(C) photography, sound synchronization, lighting and related services;

(D) editing and related services;

(E) rental of facilities and equipment;

(F) leasing of vehicles;

(G) food or lodging;
 (H) airfare if purchased through a Kansas-based travel agency or travel company;
 (I) insurance coverage and bonding if purchased through a Kansas-based insurance agent;
 and

(J) other direct costs of producing a film in accordance with generally accepted entertainment industry practice.

(b) "Eligible film production company" means a film production company that has received certification from the department of commerce.

(c) "Film" means any film, video, commercial or television production, as approved by the department of commerce, that is 30 minutes or less in length with an expected in-state expenditure budget in excess of \$50,000, or that is over 30 minutes in length with an expected in-state expenditure budget in excess of \$100,000. Film shall not include the following:

- (1) News or current events programming;
- (2) talk show;
- (3) production produced primarily for industrial, corporate or institutional purposes, and for internal use;
- (4) sports event or sports programming;
- (5) gala presentation or awards programming;
- (6) infomercial or any production that directly solicits funds;
- (7) political advertisement; or
- (8) production that is considered obscene.

(d) "Film production company" means a person that produces one or more films.

New Sec. 6. (a) No tax credits authorized by sections 3 through 5, and amendments thereto, shall be allowed for any tax year commencing on or after January 1, 2013.

(b) The total amount of tax credits which may be allowed under sections 3 through 5, and amendments thereto, shall not exceed \$2,000,000 per tax year.

Sec. 7. K.S.A. 2006 Supp. 74-8132 is hereby amended to read as follows: 74-8132. As used in this act:

(a) "Angel investor" and "investor" mean an accredited ~~individual~~ investor *who is a natural person or an owner of a permitted entity investor, who is of high net worth, as defined in 17 C.F.R. 230.501(a) as in effect on the effective date of this act, and who seeks high returns through private investments in start-up companies and may seek active involvement in business, such as consulting and mentoring the entrepreneur. For the purposes of this act, a person who serves as an executive, officer, employee, vendor or independent contractor of the business in which an otherwise qualified cash investment is made is not an angel investor and such person shall not qualify for the issuance of tax credits for such investment;*

(b) "Bioscience business" means what is reflected in K.S.A. 2006 Supp. 74-99b83, and amendments thereto;

~~(c)~~ (c) "cash investment" means money or money equivalent in consideration for qualified securities;

~~(d)~~ (d) "KTEC" means the Kansas technology enterprise corporation, a public instrumentality created pursuant to K.S.A. 74-8101, and amendments thereto;

~~(e)~~ (e) "Kansas business" means any business owned by an individual, any partnership, association or corporation domiciled in Kansas, or any corporation, even if a wholly owned subsidiary of a foreign corporation, that does business primarily in Kansas or does substantially all of such businesses' production in Kansas;

(f) "owner" means any natural person who is, directly or indirectly, a partner, stockholder or member in a permitted entity investor;

(g) "permitted entity investor" means (A) any general partnership, limited partnership, corporation that has in effect a valid election to be taxed as an S corporation under the United States internal revenue code, or a limited liability company that has elected to be taxed as a partnership under the United States internal revenue code and (B) that was established and is operated for the sole purpose of making investments in other entities;

~~(h)~~ (h) "qualified Kansas business" means the Kansas businesses that are approved and certified as qualified Kansas businesses as provided in K.S.A. 2006 Supp. 74-8134, and amendments thereto; and

(f) (i) “qualified securities” means a cash investment through any one or more forms of financial assistance as provided in this subsection that have been approved in form and substance by KTEC. Such forms of financial assistance are: (1) Any form of equity, such as: (A) A general or limited, partnership interest; (B) common stock; (C) preferred stock, with or without voting rights, without regard to seniority position, and whether or not convertible into common stock; or (D) any form of subordinate or convertible debt, or both, with warrants or other means of equity conversion attached; or

(2) a debt instrument, such as a note or debenture that is secured or unsecured, subordinated to the general creditors of the debtor and requires no payments of principal, other than principal payments required to be made out of any future profits of the debtor, for at least a seven-year period after commencement of such debt instrument’s term.

Sec. 8. K.S.A. 2006 Supp. 74-8133 is hereby amended to read as follows: 74-8133. (a) A credit against the tax imposed by article 32 of chapter 79 of the Kansas Statutes Annotated on the Kansas taxable income of an angel investor and against the tax imposed by K.S.A. 40-252, and amendments thereto, shall be allowed for a cash investment in the qualified securities of a qualified Kansas business. The credit shall be in a total amount equal to 50% of such investors’ cash investment in any qualified Kansas business, subject to the limitations set forth in subsection (b). This tax credit may be used in its entirety in the taxable year in which the cash investment is made except that no tax credit shall be allowed in a year prior to January 1, 2005. If the amount by which that portion of the credit allowed by this section exceeds the investors’ liability in any one taxable year, beginning in the year 2005, the remaining portion of the credit may be carried forward until the total amount of the credit is used. *If the investor is a permitted entity investor, the credit provided by this section shall be claimed by the owners of the permitted entity investor in proportion to their ownership share of the permitted entity investor.*

(b) ~~The secretary of revenue shall not allow tax credits that are attributable to an individual investor of more than \$50,000 of cash investments in the qualified securities of a single Kansas business or for cash investments in the qualified securities of more than five Kansas businesses each year of more than \$50,000 for a single Kansas business or a total of \$250,000 in tax credits for a single year per investor who is a natural person or owner of a permitted entity investor. No tax credits authorized by this act shall be allowed for any cash investments in qualified securities for any year after the year 2016. The cumulative aggregate amount of the tax credits allowed by the secretary of revenue, pursuant to this act, shall not exceed \$20,000,000. The total amount of tax credits which may be allowed under this section shall not exceed \$2,000,000 per tax year \$4,000,000 during the tax year 2007 and \$6,000,000 for tax year 2008 and each tax year thereafter.~~ The balance of unissued tax credits may be carried over for issuance in future years until 2016.

(c) A cash investment in a qualified security shall be deemed to have been made on the date of acquisition of the qualified security, as such date is determined in accordance with the provisions of the internal revenue code.

(d) No investor shall claim a credit under this section for cash investments in Kansas venture capital, inc. No Kansas venture capital company shall qualify for the tax credit for an investment in a fund created by articles 81, 82, 83 or 84 of chapter 74 of the Kansas Statutes Annotated.

(e) Any investor ~~that is not subject to taxation~~ *who has not owed any Kansas income tax under the provisions of article 32, chapter 79 of the Kansas Statutes Annotated and that for the immediate past three taxable years, who does not reasonably believe that it will owe any such tax for the current taxable year and who* makes a cash investment in a qualified security of a qualified Kansas business shall be deemed to acquire an interest in the nature of a transferable credit limited to an amount equal to 50% of this cash investment. This interest may be transferred to ~~an investor~~ *any natural person of net worth, as defined in 17 C.F.R. 230.501(a) as in effect on the effective date of this act whether or not such person is then an investor* and be claimed by ~~this investor~~ *the transferee* as a credit against the ~~investor’s transferee’s~~ *investor’s* Kansas income tax liability beginning in the year provided in subsection (a). No person shall be entitled to a refund for the interest created under this section. Only the full credit for any one investment may be transferred and this interest may only be transferred one time. A credit acquired by transfer shall be subject to the limitations prescribed in this

section. Documentation of any credit acquired by transfer shall be provided by the investor in the manner required by the director of taxation.

(f) The reasonable costs of the administration of this act, the review of applications for certification as qualified Kansas businesses and the issuance of tax credits authorized by this act shall be reimbursed through fees paid by the qualified Kansas businesses and the investors or the transferees of investors, according to a reasonable fee schedule adopted by the corporation.

Sec. 9. K.S.A. 2006 Supp. 74-8134 is hereby amended to read as follows: 74-8134. (a) Before an angel investor may be entitled to receive tax credits, as authorized by this act, such investor must have made a cash investment in a qualified security of a qualified Kansas business. This business must have been approved by KTEC as a qualified Kansas business prior to the date on which the cash investment was made. To be designated as a qualified Kansas business, a business must make application to KTEC in accordance with the provisions of this section.

(b) Such application to KTEC shall be in form and substance as required by KTEC, but shall include at least the following:

(1) The name of the business and certified copies of the organizational documents of the business;

(2) a business plan, including a description of the business and the management, product, market and financial plan of business;

(3) a statement of the business innovative and proprietary technology, product or service;

(4) a statement of the potential economic impact of the enterprise, including the number, location and types of jobs expected to be created;

(5) a description of the qualified securities to be issued, the consideration to be paid for the qualified securities, the amount of any tax credits requested and the earliest year in which the tax credits may be redeemed;

(6) a statement of the amount, timing and projected use of the proceeds to be raised from the proposed sale of qualified securities; and

(7) such other information as KTEC may request, such as the names, addresses and taxpayer identification numbers of all investors who may qualify for the tax credit. Such list of investors who may qualify for the tax credits shall be amended as new qualified securities are sold or as any information on the list shall change.

(c) No business shall be designated as a qualified Kansas business unless such business meets all of the following criteria:

(1) The business must not have had annual gross revenues of more than \$5,000,000 in the most recent tax year of the business;

(2) ~~the business~~ *businesses that are not bioscience businesses* must have been in operation for less than five years; *bioscience businesses must have been in operation for less than 10 years;*

(3) *all else equal, first consideration will be given to animal health companies.*

~~(4)~~ (4) the business must not have ownership interests including, but not limited to, common or preferred shares of stock that can be traded by the public via a stock exchange, electronic exchange, bulletin board or other public market place on or before the date that a qualifying investment is made;

~~(5)~~ (5) the business must not be engaged primarily in any one or more of the following enterprises: (A) Any service provider set forth in K.S.A. 17-2707, and amendments thereto; (B) the business of banking, savings and loan or lending institutions, credit or finance, or financial brokerage or investments; (C) the provision of professional services, such as legal, accounting or engineering services; (D) governmental, charitable, religious or trade organizations; (E) the ownership, development, brokerage, sales or leasing of real estate; (F) insurance; (G) construction or construction management or contracting; (H) business consulting or brokerage; (I) any business engaged primarily as a passive business, having irregular or noncontinuous operations, or deriving substantially all of the income of the business from passive investments that generate interest, dividends, royalties, or capital gains, or any business arrangements the effect of which is to immunize an investor from risk of loss; (J) any Kansas certified capital formation company; ~~and~~ (K) any activity that is in violation of

the law; and (L) *any business raising money primarily to purchase real estate, land or fixtures; and*

~~(5)~~ (6) the business must satisfy all other requirements of this act.

(d) Notwithstanding the requirements of subsection (c), a business may be considered as a qualified Kansas business under the provisions of this act if such business falls within a standard industrial classification code.

(e) The portions of documents and other materials submitted to KTEC that contain trade secrets shall be kept confidential and shall be maintained in a secured environment by the president of KTEC. For the purposes of this act, such portions of documents and other materials means any customer lists, any formula, compound, production data or compilation of information certain individuals within a commercial concern using such portions of documents and other material means to fabricate, produce or compound an article of trade, or, any service having commercial value, which gives the user an opportunity to obtain a business advantage over competitors who do not know or use such service.

(f) A qualified Kansas business shall have the burden of proof to demonstrate to KTEC the qualifications of the business under this section and shall have the obligation to notify KTEC in a timely manner of any changes in the qualifications of the business or in the eligibility of investors to claim a tax credit for cash investment in a qualified security.

Sec. 10. K.S.A. 2006 Supp. 74-8135 is hereby amended to read as follows: 74-8135. (a) The designation of a business as a qualified Kansas business shall be made by KTEC, and such designation must be renewed annually. A business shall be so designated if KTEC determines, based upon the application submitted by the business and any additional investigation the staff of KTEC shall make, that the following criteria have been or shall be satisfied:

(1) The business has a reasonable chance of success;

~~(2) the ability of investors in the business to receive tax credits for cash investments in qualified securities of the business is necessary, because funding otherwise available for the business is not available on commercially reasonable terms;~~

~~(3) the business has the reasonable potential to create measurable employment within the state;~~

~~(4)~~ (3) the business has an innovative and proprietary technology, product and service;

~~(5)~~ (4) the existing owners of the business and other founders have made or are committed to make a substantial financial and time commitment to the business;

~~(6)~~ (5) the securities to be issued and purchased are qualified securities; and

~~(7)~~ (6) binding commitments have been made by the business to KTEC for adequate reporting of financial data, including a requirement for an annual report, or, if required by the board of directors of KTEC, an annual audit of the financial and operational records of the business, the right of access to the financial records of the business and the right of KTEC to record and publish normal and customary data and information related to the issuance of tax credits that are not otherwise determined to be trade or business secrets.

(b) *In addition to reports by the businesses to KTEC and its board of directors, KTEC will also provide an annual report, on or before February 1, to the governor, to the senate committee on commerce, the house committee on economic development and tourism and the joint committee on economic development and any successor committees thereto, on the marketing and use of the angel investor tax credits. This report will include the following: The amount of tax credits used in the previous fiscal year including what percentage was claimed by individuals and what percentage was claimed by investment firms; the types of businesses that benefited from the tax credits; and any aggregate job creation or capital investment in Kansas that resulted from the use of the tax credits for a period of five years beginning from the date on which the tax credits were awarded. In addition, the annual report will provide information regarding what businesses which derived benefit from the tax credits remained in Kansas and what businesses ceased business, what businesses were purchased and what businesses may have moved out-of-state and why.”;*

And by renumbering the remaining sections accordingly;

Also on page 4, in line 9, by striking “is” and inserting “74-8132, 74-8133, 74-8134 and 74-8135 are”;

On page 1, in the title, in line 12, after the semicolon by inserting “establishing the Kansas film production tax credit act; concerning the Kansas angel investor tax credit act;”; in line 13, after “74-50,154” by inserting “, 74-8132, 74-8133, 74-8134 and 74-8135”;

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

NICK JORDAN
KARIN BROWNLEE
JIM BARONE
Conferees on part of Senate

LANA GORDON
TERRIE HUNTINGTON
VALDENIA C. WINN
Conferees on part of House

On motion of Rep. Gordon, the conference committee report on **HB 2004** was adopted.

On roll call, the vote was: Yeas 114; Nays 11; Present but not voting: 0; Absent or not voting: 0.

Yeas: Aurand, Ballard, Beamer, Bethell, Bowers, Burgess, Burroughs, Carlin, Carlson, Colloton, Colyer, Craft, Crow, Dahl, Davis, Donohoe, Faust-Goudeau, Feuerborn, Flaharty, Flora, Frownfelter, Fund, Garcia, Gatewood, George, Goico, Gordon, Goyle, Grange, Grant, Hawk, Hayzlett, Henderson, Henry, Hill, Holland, C. Holmes, Horst, Humerickhouse, Huntington, Johnson, Kelley, Kelsey, Kiegerl, King, Knox, Kuether, Landwehr, Lane, Light, Loganbill, Long, Lukert, Mah, Mast, Masterson, McCray-Miller, McKinney, McLachlan, McLeland, Menghini, Merrick, Metsker, Jim Morrison, Judy Morrison, Moxley, Myers, Neighbor, Neufeld, O'Neal, Olson, Otto, Owens, Palmer, Patton, Pauls, Peck, Peterson, Phelps, Pottorff, Powell, Powers, Proehl, Rardin, Rhoades, Roth, Ruff, Ruiz, Sawyer, Schroeder, Schwartz, Sharp, Shultz, Siegfried, Sloan, Spalding, Storm, Svaty, Swanson, Swenson, Tafanelli, Tietze, Treaster, Trimmer, Ward, Watkins, Wetta, Wilk, Williams, Winn, B. Wolf, K. Wolf, Worley, Yoder.

Nays: Brown, Brunk, Crum, Dillmore, Faber, Hodge, M. Holmes, Huebert, Kinzer, Vickrey, Whitham.

Present but not voting: None.

Absent or not voting: None.

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

Speaker pro tem Dahl called the House to order.

MESSAGE FROM THE SENATE

The Senate accedes to the request of the House for a conference on **Sub. for S. Sub. for HB 2237** and has appointed Senators Umbarger, Emler and Kelly as conferees on the part of the Senate.

MOTIONS TO CONCUR AND NONCONCUR

On motion of Rep. Davis to concur in Senate amendments to **Sub. for S. Sub. for HB 2237**, the motion did not prevail and the bill remains in conference.

On roll call, the vote was: Yeas 51; Nays 71; Present but not voting: 0; Absent or not voting: 3.

Yeas: Ballard, Carlin, Colloton, Craft, Crow, Davis, Faust-Goudeau, Flaharty, Flora, Garcia, Goyle, Grant, Hawk, Hill, Holland, Humerickhouse, Huntington, Johnson, Kuether, Lane, Loganbill, Long, Lukert, Mah, McCray-Miller, McKinney, Menghini, Metsker, Moxley, Neighbor, Owens, Palmer, Peterson, Phelps, Pottorff, Proehl, Rardin, Roth, Ruiz, Sawyer, Sharp, Sloan, Spalding, Storm, Svaty, Tietze, Treaster, Winn, K. Wolf, Worley, Yoder.

Nays: Aurand, Beamer, Bethell, Bowers, Brown, Brunk, Burgess, Burroughs, Carlson, Colyer, Crum, Dahl, Dillmore, Donohoe, Faber, Feuerborn, Frownfelter, Fund, Gatewood, George, Goico, Gordon, Grange, Hayzlett, Henderson, Henry, Hodge, C. Holmes, M. Holmes, Horst, Huebert, Kelley, Kelsey, Kiegerl, King, Kinzer, Knox, Landwehr, McLachlan, McLeland, Merrick, Jim Morrison, Judy Morrison, Myers, Neufeld, O'Neal, Olson,

Otto, Patton, Pauls, Peck, Powell, Powers, Rhoades, Ruff, Schroeder, Schwartz, Shultz, Siegfried, Swanson, Swenson, Tafanelli, Trimmer, Vickrey, Ward, Watkins, Wetta, Whitham, Wilk, Williams, B. Wolf.

Present but not voting: None.

Absent or not voting: Light, Mast, Masterson.

REPORTS OF STANDING COMMITTEES

Committee on **Appropriations** recommends **SB 21** be amended by substituting a new bill to be designated as "House Substitute for SENATE BILL No. 21," as follows:

"HOUSE Substitute for SENATE BILL No. 21

Committee on Appropriations

AN ACT concerning state educational institutions; relating to infrastructure improvement projects and technology upgrade projects; relating to the financing thereof; providing certain income tax credits; making and concerning appropriations for the fiscal years ending June 30, 2008, June 30, 2009, June 30, 2010, June 30, 2011, and June 30, 2012; authorizing certain transfers.";

and the substitute bill be passed.

(**H. Sub. for SB 21** was thereupon introduced and read by title.)

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 2601, An act concerning insurance; providing reimbursement for certain services; amending K.S.A. 2006 Supp. 40-2,103 and 40-19c09 and repealing the existing sections, by Committee on Federal and State Affairs.

READING AND CORRECTION OF THE JOURNAL

In the Journal, on page 1075 (House Journal of April 25), the material following (f) and preceding (g) should not appear as being stricken.

On motion of Rep. Merrick, the House adjourned until 9:00 a.m., Saturday, April 28, 2007.

CHARLENE SWANSON, *Journal Clerk*.

JANET E. JONES, *Chief Clerk*.

