

Journal of the Senate

SIXTY-FOURTH DAY

SENATE CHAMBER, TOPEKA, KANSAS
Friday, May 7, 2021, 10:00 a.m.

The Senate was called to order by Vice President Rick Wilborn.
The roll was called with 40 senators present.
Invocation by Reverend Cecil T. Washington:

To God Be the Glory, In Song!

Regardless of his own power and fame, King David wrote this song of praise, that God's people may well praise Him! In Psalm 8:1-2, these are the words he wrote... "I will give thanks to the Lord with all my heart; I will recount all Your wonders; I will be glad and rejoice in You; I will sing praise to Your name, O Most High."

Heavenly Father, You inspired another song writer, Andre Crouch, to write a song of praise for today. And Lord, may the spirit of this melody bless Your heart and the heart of Your people! (The following words were sung by Reverend Washington.)

How can I say thanks for the things You've done for me
Things so undeserved, yet you gave to prove your love to me
The voices of a million angels could not express my gratitude
All that I am and ever hope to be, I owe it all to Thee
To God be the glory. To God be the glory. To God be the glory
For the things You have done
With Your blood, you have saved me
With Your power, You have raised me
To God be the glory, for the things You have done
Just let me live my life, and let it be pleasing, Lord to Thee
And should I gain any praise, let it go to Calvary
With Your blood, You have saved me
With Your power, You have raised me
To God be the glory, for the things You have done. Amen!!

The Pledge of Allegiance was led by Vice President Wilborn.

INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bill was introduced and read by title:

SB 315, AN ACT concerning health and healthcare; relating to medical marijuana; creating the Kansas medical marijuana regulation act; providing for licensure and regulation of the cultivation, distribution, sale and possession of medical marijuana; delegating administrative duties and functions to the secretary of health and

environment, secretary of revenue, board of healing arts, board of pharmacy and the director of alcoholic beverage control; imposing fines and penalties for violations of the act; establishing the medical marijuana registration fund and the medical marijuana business regulation fund; creating the crime of unlawful transport of medical marijuana; making exceptions to the crimes of unlawful manufacture and possession of controlled substances; amending K.S.A. 44-1009, 44-1015, 65-28b08, 79-5201 and 79-5210 and K.S.A. 2020 Supp. 19-101a, 21-5703, 21-5705, 21-5706, 21-5707, 21-5709, 21-5710, 23-3201, 38-2269, 44-501, 44-706 and 65-1120 and repealing the existing sections, by Committee on Ways and Means.

SCR 1614, A CONCURRENT RESOLUTION calling for the creation of a national federalism task force for the purpose of convening federalism summits to develop plans for restoring and maintaining clearly discernable divisions in the roles and responsibilities of the national government and the states, by Senator Hilderbrand.

ORIGINAL MOTION

Senator Senator Alley moved that subsection 4(k) of the Joint Rules of the Senate and House of Representatives be suspended for the purpose of considering the following bill: **SB 91**.

CONSIDERATION OF MOTIONS TO CONCUR AND NONCONCUR

On motion of Senator Olson the Senate nonconcurred in the House amendments to **SB 91** and requested a conference committee be appointed.

The President appointed Senators Olson, Steffen and Holland as a conference committee on the part of the Senate.

On motion of Senator Alley, the Senate recessed until the sound of the gavel.

The Senate met pursuant to recess with President Masterson in the chair.

ORIGINAL MOTION

Senator Alley moved that subsection 4(k) of the Joint Rules of the Senate and House of Representatives be suspended for the purpose of considering the following bill: **S Sub Sub HB 2397**.

ORIGINAL MOTION

Senator Alley moved to advance **S Sub Sub HB 2397** to final action subject to amendment and debate. Motion carried.

FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

On motion of Senator Alley an emergency was declared by a 2/3 constitutional majority, and **S Sub Sub HB 2397** was advanced to Final Action and roll call.

S Sub Sub HB 2397, AN ACT reconciling conflicting amendments to certain statutes; amending K.S.A. 66-104, as amended by section 1 of 2021 House Bill No. 2367, 75-5133 and 79-3234 and K.S.A. 2020 Supp. 8-2110, 8-2118, as amended by section 6 of 2021 Senate Bill No. 67, 45-229, as amended by section 12 of 2021 House Bill No. 2390, 58-652, as amended by section 1 of 2021 Senate Bill No. 103, and 60-

5508, as amended by section 6 of 2021 Senate Bill No. 283, and repealing the existing sections; also repealing K.S.A. 22-4514a, as amended by section 1 of 2021 Senate Bill No. 16, 66-104, as amended by section 1 of 2021 House Bill No. 2145, 75-3728c, as amended by section 2 of 2021 Senate Bill No. 16, 75-5133d, 76-721, as amended by section 3 of 2021 Senate Bill No. 16, 79-3233b, as amended by section 4 of 2021 Senate Bill No. 16, and 79-3234d and K.S.A. 2020 Supp. 8-2110b, 8-2118c, 39-1431b, 45-229, as amended by section 5 of 2021 House Bill No. 2162, 45-229, as amended by section 36 of 2021 House Bill No. 2391, 58-652, as amended by section 39 of 2021 Senate Bill No. 106, and 60-5508, as amended by section 3 of 2021 House Bill No. 2126.

On roll call, the vote was: Yeas 39; Nays 0; Present and Passing 1; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Hawk, Hilderbrand, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Ryckman, Steffen, Straub, Suellentrop, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Present and Passing: Pyle.

The bill passed.

CHANGE OF CONFERENCE

The President appointed Senators Warren, Wilborn, and Haley to replace Senators Tyson, Alley, and Holland as members of the conference committee on **SB 58**.

On motion of Senator Alley, the Senate recessed until 2:00 p.m.

AFTERNOON SESSION

The Senate met pursuant to recess with Vice President Wilborn in the chair.

MESSAGE FROM THE HOUSE

The House accedes to the request of the Senate for a conference on **SB 91** and has appointed Representatives Tarwater, Long and Clayton as conferees on the part of the House.

The House adopts the Conference Committee report on **H Sub SB 78**.

The House adopts the Conference Committee report on **SB 29**.

The House concurs in Senate amendments to **S Sub for Sub HB 2397**.

ORIGINAL MOTION

Senator Senator Alley moved that subsection 4(k) of the Joint Rules of the Senate and House of Representatives be suspended for the purpose of considering the following bills: **H Sub SB 78**; **HB 2137**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 29** 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 6 through 34;

On page 2, by striking all in lines 1 through 31; following line 31, by inserting:

"Section 1. K.S.A. 2020 Supp. 40-2,193 is hereby amended to read as follows: 40-2,193. (a) For the purposes of this section:

(1) "Specially designed policy" means an insurance policy that by design may not meet all or part of the definitions of a group or individual sickness and accident insurance policy and includes temporary sickness and accident insurance on a short-term, limited-duration basis.

(2) "Short-term, limited-duration" means an insurance policy period of ~~six months or less than~~ 12 months, ~~based upon policy design, which that~~ offers ~~not more than one renewal period or extension periods~~ up to a maximum policy period of 36 months total duration, with or without a requirement of medical re-underwriting or medical requalification.

(A) Because a short-term, limited-duration policy addresses the special needs for temporary coverage, a short-term, limited-duration policy is not subject to continuation provisions of the health insurance portability and accountability act of 1996 (public law 104-191).

(B) Because a short-term, limited-duration policy addresses the special needs for temporary coverage, a short-term, limited-duration policy shall be exempt from medical loss ratio calculations associated with individual sickness and accident insurance issued within the state unless such calculation excludes any monthly administration fee associated with the sale of such policy.

~~(b) Specially designed policies shall include policies designed to provide sickness and accident insurance for specific coverage of benefits or services that may be excluded as benefits or services cited under K.S.A. 2020 Supp. 40-2,192, and amendments thereto. Specially designed policies may include the following stand-alone policies and coverages:~~

~~(1) Chiropractic plans;~~

~~(2) acupuncture coverage plans;~~

~~(3) holistic medical treatment plans;~~

~~(4) podiatrist plans;~~

~~(5) pharmacy plans;~~

~~(6) psychiatric plans;~~

~~(7) allergy plans; and~~

~~(8) such other stand-alone plans or combinations of plans of accepted traditional and nontraditional medical practice as shall be allowable for exclusion from group or individual plans under K.S.A. 2020 Supp. 40-2,192, and amendments thereto.~~

~~(c) No specially designed policy shall be deemed to be included under the definition of group sickness and accident insurance, including short-term, limited-duration health insurance, issued or renewed inside or outside of this state and covering persons residing in this state.~~

Sec. 2. K.S.A. 2020 Supp. 40-2,193 is hereby repealed.";

On page 1, in the title, in line 1, by striking all after "to"; in line 2, by striking all before the semicolon and inserting "health insurance; providing for short-term, limited-duration health plans"; in line 3, by striking "40-2c01" and inserting "40-2,193";

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

STEVEN JOHNSON

CHRIS CROFT

Conferees on part of House

JEFF LONGBINE

VIRGIL PECK

Conferees on part of Senate

Senator Longbine moved the Senate adopt the Conference Committee Report on **SB 29**.

On roll call, the vote was: Yeas 29; Nays 11; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Bowers, Claeys, Dietrich, Doll, Erickson, Fagg, Gossage, Hilderbrand, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Peck, Petersen, Pyle, Ryckman, Steffen, Straub, Suellentrop, Thompson, Tyson, Warren, Wilborn.

Nays: Corson, Faust-Goudeau, Francisco, Haley, Hawk, Holland, Holscher, Pettey, Pittman, Sykes, Ware.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **H Sub SB 78** 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. 78, as follows:

On page 52, following line 27, by inserting:

"Sec. 5. K.S.A. 2020 Supp. 40-2c01 is hereby amended to read as follows: 40-2c01.

As used in this act:

(a) "Adjusted RBC report" means an RBC report that has been adjusted by the commissioner in accordance with K.S.A. 40-2c04, and amendments thereto.

(b) "Corrective order" means an order issued by the commissioner specifying corrective actions that the commissioner has determined are required to address an RBC level event.

(c) "Domestic insurer" means any insurance company or risk retention group that is licensed and organized in this state.

(d) "Foreign insurer" means any insurance company or risk retention group not domiciled in this state that is licensed or registered to do business in this state pursuant to article 41 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or K.S.A. 40-209, and amendments thereto.

(e) "NAIC" means the national association of insurance commissioners.

(f) "Life and health insurer" means any insurance company licensed under article 4 or 5 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, or a licensed property and casualty insurer writing only accident and health insurance.

(g) "Property and casualty insurer" means any insurance company licensed under articles 9, 10, 11, 12, 12a, 15 or 16 of chapter 40 of the Kansas Statutes Annotated, and

amendments thereto, but shall not include monoline mortgage guaranty insurers, financial guaranty insurers and title insurers.

(h) "Negative trend" means, with respect to a life and health insurer, a negative trend over a period of time, as determined in accordance with the "trend test calculation" included in the RBC instructions defined in subsection (j).

(i) "RBC" means risk-based capital.

(j) "RBC instructions" means the risk-based capital instructions promulgated by the NAIC that are in effect on December 31, ~~2019~~ 2020, or any later version promulgated by the NAIC as may be adopted by the commissioner under K.S.A. 2020 Supp. 40-2c29, and amendments thereto.

(k) "RBC level" means an insurer's company action level RBC, regulatory action level RBC, authorized control level RBC, or mandatory control level RBC where:

(1) "Company action level RBC" means, with respect to any insurer, the product of 2.0 and its authorized control level RBC;

(2) "regulatory action level RBC" means the product of 1.5 and its authorized control level RBC;

(3) "authorized control level RBC" means the number determined under the risk-based capital formula in accordance with the RBC instructions; and

(4) "mandatory control level RBC" means the product of 0.70 and the authorized control level RBC.

(l) "RBC plan" means a comprehensive financial plan containing the elements specified in K.S.A. 40-2c06, and amendments thereto. If the commissioner rejects the RBC plan, and it is revised by the insurer, with or without the commissioner's recommendation, the plan shall be called the "revised RBC plan."

(m) "RBC report" means the report required by K.S.A. 40-2c02, and amendments thereto.

(n) "Total adjusted capital" means the sum of:

(1) An insurer's capital and surplus or surplus only if a mutual insurer; and

(2) such other items, if any, as the RBC instructions may provide.

(o) "Commissioner" means the commissioner of insurance.;

On page 68, following line 15, by inserting:

"Sec. 13. K.S.A. 2020 Supp. 40-3402 is hereby amended to read as follows: 40-3402. (a) Prior to January 1, 2022, a policy of professional liability insurance approved by the commissioner and issued by an insurer duly authorized to transact business in this state in which the limit of the insurer's liability is not less than \$200,000 per claim, subject to not less than a \$600,000 annual aggregate for all claims made during the policy period, shall be maintained in effect by each resident healthcare provider as a condition of active licensure or other statutory authorization to render professional service as a healthcare provider in this state, unless such healthcare provider is a self-insurer. For all new policies and policies that renew on and after January 1, 2022, a policy of professional liability insurance approved by the commissioner and issued by an insurer duly authorized to transact business in this state in which the limit of the insurer's liability is not less than \$500,000 per claim, subject to not less than a \$1,500,000 annual aggregate for all claims made during the policy period, shall be maintained by each resident healthcare provider as a condition of active licensure or other statutory authorization to render professional service as a healthcare provider in this state, unless such healthcare provider is a self-insurer. This provision shall not

apply to optometrists and pharmacists on ~~or~~ and after July 1, 1991 ~~nor~~, to physical therapists on and after July 1, 1995 ~~nor~~, or to health maintenance organizations on ~~or~~ and after July 1, 1997. Such policy shall provide as a minimum coverage for claims made during the term of the policy ~~which~~ that were incurred during the term of such policy or during the prior term of a similar policy. Any insurer offering such policy of professional liability insurance to any healthcare provider may offer to such healthcare provider a policy as prescribed in this section with deductible options. Such deductible shall be within such policy limits.

(1) Each insurer providing basic coverage shall, within 30 days after the effective date of any policy issued in accordance with this subsection, notify the board of governors that such coverage is or will be in effect. Such notification shall be on a form approved by the board of governors and shall include information identifying the professional liability policy issued or to be issued, the name and address of all healthcare providers covered by the policy, the amount of the annual premium, the effective and expiration dates of the coverage and such other information as the board of governors shall require. A copy of the notice required by this subsection shall be furnished to the named insured.

(2) In the event of termination of basic coverage by cancellation, nonrenewal, expiration or otherwise by either the insurer or named insured, notice of such termination shall be furnished by the insurer to the board of governors, the state agency which licenses, registers or certifies the named insured and the named insured. Such notice shall be provided no less than 30 days prior to the effective date of any termination initiated by the insurer or within 10 business days after the date coverage is terminated at the request of the named insured and shall include the name and address of the healthcare provider or providers for whom basic coverage is terminated and the date basic coverage will cease to be in effect. No basic coverage shall be terminated by cancellation or failure to renew by the insurer unless such insurer provides a notice of termination as required by this subsection.

(3) Any professional liability insurance policy issued, delivered or in effect in this state on and after July 1, 1976, shall contain or be endorsed to provide basic coverage as required by subsection (a) ~~of this section~~. Notwithstanding any omitted or inconsistent language, any contract of professional liability insurance shall be construed to obligate the insurer to meet all the mandatory requirements and obligations of this act. The liability of an insurer for claims made prior to July 1, 1984, shall not exceed those limits of insurance provided by such policy prior to July 1, 1984.

(b) A nonresident healthcare provider shall not be licensed to actively render professional service as a healthcare provider in this state unless such healthcare provider maintains continuous coverage in effect as prescribed by subsection (a), except such coverage may be provided by a nonadmitted insurer who has filed the form required by subsection (b)(1). This provision shall not apply to optometrists and pharmacists on ~~or~~ and after July 1, 1991 ~~nor~~, or to physical therapists on and after July 1, 1995.

(1) Every insurance company authorized to transact business in this state, that is authorized to issue professional liability insurance in any jurisdiction, shall file with the commissioner, as a condition of its continued transaction of business within this state, a form prescribed by the commissioner declaring that its professional liability insurance policies, wherever issued, shall be deemed to provide at least the insurance required by

this subsection when the insured is rendering professional services as a nonresident healthcare provider in this state. Any nonadmitted insurer may file such a form.

(2) Every nonresident healthcare provider ~~who that~~ is required to maintain basic coverage pursuant to this subsection shall pay the surcharge levied by the board of governors pursuant to ~~subsection (a)~~ of K.S.A. 40-3404(a), and amendments thereto, directly to the board of governors and shall furnish to the board of governors the information required in subsection (a)(1).

(c) Every healthcare provider that is a self-insurer, the university of Kansas medical center for persons engaged in residency training, as described in ~~subsection (r)(1)~~ of K.S.A. 40-3401(r)(1), and amendments thereto, the employers of persons engaged in residency training, as described in ~~subsection (r)(2)~~ of K.S.A. 40-3401(r)(2), and amendments thereto, the private practice corporations or foundations and their full-time physician faculty employed by the university of Kansas medical center or a medical care facility or mental health center for self-insurers under ~~subsection (e)~~ of K.S.A. 40-3414(e), and amendments thereto, shall pay the surcharge levied by the board of governors pursuant to ~~subsection (a)~~ of K.S.A. 40-3404(a), and amendments thereto, directly to the board of governors and shall furnish to the board of governors the information required in ~~subsection~~ subsections (a)(1) and (a)(2).

(d) In lieu of a claims made policy otherwise required under this section, a person engaged in residency training who is providing services as a healthcare provider but, while providing such services, is not covered by the self-insurance provisions of ~~subsection (d)~~ of K.S.A. 40-3414(d), and amendments thereto, may obtain basic coverage under an occurrence form policy, if such policy provides professional liability insurance coverage and limits ~~which that~~ are substantially the same as the professional liability insurance coverage and limits required by ~~subsection (a)~~ of K.S.A. 40-3402(a), and amendments thereto. Where such occurrence form policy is in effect, the provisions of the healthcare provider insurance availability act referring to claims made policies shall be construed to mean occurrence form policies.

(e) In lieu of a claims made policy otherwise required under this section, a nonresident healthcare provider employed pursuant to a locum tenens contract to provide services in this state as a healthcare provider may obtain basic coverage under an occurrence form policy, if such policy provides professional liability insurance coverage and limits ~~which that~~ are substantially the same as the professional liability insurance coverage and limits required by K.S.A. 40-3402, and amendments thereto. Where such occurrence form policy is in effect, the provisions of the healthcare provider insurance availability act referring to claims made policies shall be construed to mean occurrence form policies.

Sec. 14. K.S.A. 2020 Supp. 40-3403 is hereby amended to read as follows: 40-3403. (a) For the purpose of paying damages for personal injury or death arising out of the rendering of or the failure to render professional services by a healthcare provider, self-insurer or inactive health care provider subsequent to the time that such healthcare provider or self-insurer has qualified for coverage under the provisions of this act, there is hereby established the healthcare stabilization fund. The fund shall be held in trust in the state treasury and accounted for separately from other state funds. The board of governors shall administer the fund or contract for the administration of the fund with an insurance company authorized to do business in this state.

(b) (1) There is hereby created a board of governors that shall be composed of such

members and shall have such powers, duties and functions as are prescribed by this act. The board of governors shall:

(A) Administer the fund and exercise and perform other powers, duties and functions required of the board under the healthcare provider insurance availability act;

(B) provide advice, information and testimony to the appropriate licensing or disciplinary authority regarding the qualifications of a healthcare provider;

(C) prepare and publish, on or before October 1 of each year, a report for submission to the healthcare stabilization fund oversight committee that includes a summary of the fund's activity during the preceding fiscal year, including, but not limited to, the amount collected from surcharges, the highest and lowest surcharges assessed, the amount paid from the fund, the number of judgments paid from the fund, the number of settlements paid from the fund and the fund balance at the end of the fiscal year; and

(D) have the authority to grant temporary exemptions from the provisions of K.S.A. 40-3402 and 40-3404, and amendments thereto, to healthcare providers who have exceptional circumstances and verify in writing that the healthcare provider will not render professional services in this state during the period of exemption. Whenever the board grants such an exemption, the board shall notify the state agency that licenses the exempted healthcare provider.

(2) The board shall consist of 11 persons appointed by the commissioner of insurance, as provided by this subsection and as follows:

(A) Three members who are on a list of nominees submitted to the commissioner by the Kansas medical society, at least two of whom are doctors of medicine who are licensed to practice medicine and surgery in Kansas~~who are doctors of medicine and who are on a list of nominees submitted to the commissioner by the Kansas medical society;~~

(B) three members who are on a list of nominees submitted to the commissioner by the Kansas hospital association and who are representatives of Kansas hospitals~~and who are on a list of nominees submitted to the commissioner by the Kansas hospital association;~~

(C) two members who are on a list of nominees submitted to the commissioner by the Kansas association of osteopathic medicine, who are licensed to practice medicine and surgery in Kansas and who are doctors of osteopathic medicine~~and who are on a list of nominees submitted to the commissioner by the Kansas association of osteopathic medicine;~~

(D) one member who is on a list of nominees submitted to the commissioner by the Kansas chiropractic association and who is licensed to practice chiropractic in Kansas~~and who is on a list of nominees submitted to the commissioner by the Kansas chiropractic association;~~

(E) one member who is on a list of nominees submitted to the commissioner by the Kansas association of nurse anesthetists and who is a licensed professional nurse authorized to practice as a registered nurse anesthetist~~who is on a list of nominees submitted to the commissioner by the Kansas association of nurse anesthetists;~~ and

(F) one member who is on a list of nominees submitted to the commissioner by statewide associations comprised of members who represent adult care homes and who is a representative of adult care homes~~who is on a list of nominees submitted to the commissioner by statewide associations comprised of members who represent adult~~

care homes.

(3) When a vacancy occurs in the membership of the board of governors created by this act, the commissioner shall appoint a successor of like qualifications from a list of three nominees submitted to the commissioner by the professional society or association prescribed by this section for the category of healthcare provider required for the vacant position on the board of governors. All appointments made shall be for a term of office of four years, but no member shall be appointed for more than two successive four-year terms. Each member shall serve until a successor is appointed and qualified. Whenever a vacancy occurs in the membership of the board of governors created by this act for any reason other than the expiration of a member's term of office, the commissioner shall appoint a successor of like qualifications to fill the unexpired term. In each case of a vacancy occurring in the membership of the board of governors, the commissioner shall notify the professional society or association that represents the category of healthcare provider required for the vacant position and request a list of three nominations of healthcare providers from which to make the appointment.

(4) The board of governors shall organize in July of each year and shall elect a chairperson and vice-chairperson from among its membership. Meetings shall be called by the chairperson or by a written notice signed by three members of the board.

(5) The board of governors, in addition to other duties imposed by this act, shall study and evaluate the operation of the fund and make such recommendations to the legislature as may be appropriate to ensure the viability of the fund.

(6) (A) The board shall appoint an executive director who shall be in the unclassified service under the Kansas civil service act and may employ attorneys and other employees who shall also be in the unclassified service under the Kansas civil service act. Such executive director, attorneys and other employees shall receive compensation fixed by the board, in accordance with appropriation acts of the legislature, not subject to approval of the governor.

(B) The board may provide all office space, services, equipment, materials and supplies, and all budgeting, personnel, purchasing and related management functions required by the board in the exercise of the powers, duties and functions imposed or authorized by the healthcare provider insurance availability act or may enter into a contract with the commissioner of insurance for the provision, by the commissioner, of all or any part thereof.

(7) The commissioner shall:

(A) Provide technical and administrative assistance to the board of governors with respect to administration of the fund upon request of the board; and

(B) provide such expertise as the board may reasonably request with respect to evaluation of claims or potential claims.

(c) Except as otherwise provided by any other provision of this act, the fund shall be liable to pay:

(1) Any amount due from a judgment or settlement that is in excess of the basic coverage liability of all liable resident healthcare providers or resident self-insurers for any personal injury or death arising out of the rendering of or the failure to render professional services within or without this state;

(2) subject to the provisions of ~~subsections (f) and (m)~~ subsection (f), any amount due from a judgment or settlement that is in excess of the basic coverage liability of all liable nonresident healthcare providers or nonresident self-insurers for any such injury

or death arising out of the rendering or the failure to render professional services within this state but in no event shall the fund be obligated for claims against nonresident healthcare providers or nonresident self-insurers who have not complied with this act or for claims against nonresident healthcare providers or nonresident self-insurers that arose outside of this state;

(3) subject to the provisions of ~~subsections~~ subsection (f) and (m), any amount due from a judgment or settlement against a resident inactive healthcare provider for any such injury or death arising out of the rendering of or failure to render professional services;

(4) subject to the provisions of ~~subsections~~ subsection (f) and (m), any amount due from a judgment or settlement against a nonresident inactive healthcare provider for any injury or death arising out of the rendering or failure to render professional services within this state, but in no event shall the fund be obligated for claims against nonresident inactive healthcare providers:

(A) ~~Nonresident inactive healthcare providers~~ Who have not complied with this act;

or

(B) ~~nonresident inactive healthcare providers~~ for claims that arose outside of this state, unless such healthcare provider was a resident healthcare provider or resident self-insurer at the time such act occurred;

(5) subject to K.S.A. 40-3411(b), and amendments thereto, reasonable and necessary expenses for attorney fees, depositions, expert witnesses and other costs incurred in defending the fund against claims, and such expenditures shall not be subject to the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto;

(6) any amounts expended for reinsurance obtained to protect the best interests of the fund purchased by the board of governors, which purchase shall be subject to the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto, but shall not be subject to the provisions of K.S.A. 75-4101, and amendments thereto;

(7) reasonable and necessary actuarial expenses incurred in administering the act, including expenses for any actuarial studies contracted for by the legislative coordinating council, and such expenditures shall not be subject to the provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto;

(8) periodically to the plan or plans, any amount due pursuant to K.S.A. 40-3413(a) (3), and amendments thereto;

(9) reasonable and necessary expenses incurred by the board of governors in the administration of the fund or in the performance of other powers, duties or functions of the board under the healthcare provider insurance availability act;

(10) surcharge refunds payable when the notice of cancellation requirements of K.S.A. 40-3402, and amendments thereto, are met;

(11) subject to K.S.A. 40-3411(b), and amendments thereto, reasonable and necessary expenses for attorney fees and other costs incurred in defending a person engaged or who was engaged in residency training or the private practice corporations or foundations and their full-time physician faculty employed by the university of Kansas medical center or any nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine from claims for personal injury or death arising out of the rendering of or the failure to render professional services by such healthcare provider;

(12) ~~notwithstanding the provisions of subsection (m),~~ any amount due from a judgment or settlement for an injury or death arising out of the rendering of or failure to render professional services by a person engaged or who was engaged in residency training or the private practice corporations or foundations and their full-time physician faculty employed by the university of Kansas medical center or any nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine;

(13) subject to the provisions of K.S.A. 65-429, and amendments thereto, reasonable and necessary expenses for the development and promotion of risk management education programs and for the medical care facility licensure and risk management survey functions carried out under K.S.A. 65-429, and amendments thereto;

(14) ~~notwithstanding the provisions of subsection (m),~~ any amount, but not less than the required basic coverage limits, owed pursuant to a judgment or settlement for any injury or death arising out of the rendering of or failure to render professional services by a person, other than a person described in paragraph (12), who was engaged in a postgraduate program of residency training approved by the state board of healing arts but who, at the time the claim was made, was no longer engaged in such residency program;

(15) subject to K.S.A. 40-3411(b), and amendments thereto, reasonable and necessary expenses for attorney fees and other costs incurred in defending a person described in paragraph (14);

(16) expenses incurred by the commissioner in the performance of duties and functions imposed upon the commissioner by the healthcare provider insurance availability act, and expenses incurred by the commissioner in the performance of duties and functions under contracts entered into between the board and the commissioner as authorized by this section; and

(17) periodically to the state general fund reimbursements of amounts paid to members of the healthcare stabilization fund oversight committee for compensation, travel expenses and subsistence expenses pursuant to K.S.A. 40-3403b(e), and amendments thereto.

(d) All amounts for which the fund is liable pursuant to subsection (c) shall be paid promptly and in full except that, if the amount for which the fund is liable is ~~\$300,000~~ ~~\$500,000~~ or more, it shall be paid by installment payments of ~~\$300,000~~ ~~\$500,000~~ or 10% of the amount of the judgment including interest thereon, whichever is greater, per fiscal year, the first installment to be paid within 60 days after the fund becomes liable and each subsequent installment to be paid annually on the same date of the year the first installment was paid, until the claim has been paid in full.

(e) In no event shall the fund be liable to pay in excess of \$3,000,000 pursuant to any one judgment or settlement against any one healthcare provider relating to any injury or death arising out of the rendering of or the failure to render professional services on and after July 1, 1984, and before July 1, 1989, subject to an aggregate limitation for all judgments or settlements arising from all claims made in any one fiscal year in the amount of \$6,000,000 for each healthcare provider.

(f) In no event shall the fund be liable to pay in excess of the amounts specified in the option selected by an active or inactive healthcare provider pursuant to subsection

(l) for judgments or settlements relating to injury or death arising out of the rendering of or failure to render professional services by such healthcare provider on or after July 1, 1989.

(g) A healthcare provider shall be deemed to have qualified for coverage under the fund:

- (1) On and after July 1, 1976, if basic coverage is then in effect;
- (2) subsequent to July 1, 1976, at such time as basic coverage becomes effective; or
- (3) upon qualifying as a self-insurer pursuant to K.S.A. 40-3414, and amendments thereto.

(h) A healthcare provider who is qualified for coverage under the fund shall have no vicarious liability or responsibility for any injury or death arising out of the rendering of or the failure to render professional services inside or outside this state by any other healthcare provider who is also qualified for coverage under the fund. The provisions of this subsection shall apply to all claims filed on or after July 1, 1986.

(i) Notwithstanding the provisions of K.S.A. 40-3402, and amendments thereto, if the board of governors determines due to the number of claims filed against a healthcare provider or the outcome of those claims that an individual healthcare provider presents a material risk of significant future liability to the fund, the board of governors is authorized by a vote of a majority of the members thereof, after notice and an opportunity for hearing in accordance with the provisions of the Kansas administrative procedure act, to terminate the liability of the fund for all claims against the healthcare provider for damages for death or personal injury arising out of the rendering of or the failure to render professional services after the date of termination. The date of termination shall be 30 days after the date of the determination by the board of governors. The board of governors, upon termination of the liability of the fund under this subsection, shall notify the licensing or other disciplinary board having jurisdiction over the healthcare provider involved of the name of the healthcare provider and the reasons for the termination.

(j) (1) Subject to the provisions of paragraph (7), upon the payment of moneys from the healthcare stabilization fund pursuant to subsection (c)(11), the board of governors shall certify to the secretary of administration the amount of such payment, and the secretary of administration shall transfer an amount equal to the amount certified, reduced by any amount transferred pursuant to paragraph (3) or (4), from the state general fund to the healthcare stabilization fund.

(2) Subject to the provisions of paragraph (7), upon the payment of moneys from the healthcare stabilization fund pursuant to subsection (c)(12), the board of governors shall certify to the secretary of administration the amount of such payment that is equal to the basic coverage liability of self-insurers, and the secretary of administration shall transfer an amount equal to the amount certified, reduced by any amount transferred pursuant to paragraph (3) or (4), from the state general fund to the healthcare stabilization fund.

(3) The university of Kansas medical center private practice foundation reserve fund is hereby established in the state treasury. If the balance in such reserve fund is less than \$500,000 on July 1 of any year, the private practice corporations or foundations referred to in K.S.A. 40-3402(c), and amendments thereto, shall remit the amount necessary to increase such balance to \$500,000 to the state treasurer for credit to such reserve fund as soon after such July 1 date as is practicable. Upon receipt of each such

remittance, the state treasurer shall credit the same to such reserve fund. When compliance with the foregoing provisions of this paragraph have been achieved on or after July 1 of any year in which the same are applicable, the state treasurer shall certify to the board of governors that such reserve fund has been funded for the year in the manner required by law. Moneys in such reserve fund may be invested or reinvested in accordance with the provisions of K.S.A. 40-3406, and amendments thereto, and any income or interest earned by such investments shall be credited to such reserve fund. Upon payment of moneys from the healthcare stabilization fund pursuant to subsection (c)(11) or (c)(12) with respect to any private practice corporation or foundation or any of its full-time physician faculty employed by the university of Kansas, the secretary of administration shall transfer an amount equal to the amount paid from the university of Kansas medical center private practice foundation reserve fund to the healthcare stabilization fund or, if the balance in such reserve fund is less than the amount so paid, an amount equal to the balance in such reserve fund.

(4) The graduate medical education administration reserve fund is hereby established in the state treasury. If the balance in such reserve fund is less than \$40,000 on July 1 of any year, the nonprofit corporations organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall remit the amount necessary to increase such balance to \$40,000 to the state treasurer for credit to such reserve fund as soon after such July 1 date as is practicable. Upon receipt of each such remittance, the state treasurer shall credit the same to such reserve fund. When compliance with the foregoing provisions of this paragraph have been achieved on or after July 1 of any year in which the same are applicable, the state treasurer shall certify to the board of governors that such reserve fund has been funded for the year in the manner required by law. Moneys in such reserve fund may be invested or reinvested in accordance with the provisions of K.S.A. 40-3406, and amendments thereto, and any income or interest earned by such investments shall be credited to such reserve fund. Upon payment of moneys from the healthcare stabilization fund pursuant to subsection (c)(11) or (c)(12) with respect to any nonprofit corporations organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine the secretary of administration shall transfer an amount equal to the amount paid from the graduate medical education administration reserve fund to the healthcare stabilization fund or, if the balance in such reserve fund is less than the amount so paid, an amount equal to the balance in such reserve fund.

(5) Upon payment of moneys from the healthcare stabilization fund pursuant to subsection (c)(14) or (c)(15), the board of governors shall certify to the secretary of administration the amount of such payment, and the secretary of administration shall transfer an amount equal to the amount certified from the state general fund to the healthcare stabilization fund.

(6) Transfers from the state general fund to the healthcare stabilization fund pursuant to this subsection shall not be subject to the provisions of K.S.A. 75-3722, and amendments thereto.

(7) The funds required to be transferred from the state general fund to the healthcare stabilization fund pursuant to paragraphs (1) and (2) for the fiscal years ending June 30, 2010, June 30, 2011, June 30, 2012, and June 30, 2013, shall not be transferred prior to July 1, 2013. The secretary of administration shall maintain a record

of the amounts certified by the board of governors pursuant to paragraphs (1) and (2) for the fiscal years ending June 30, 2010, June 30, 2011, June 30, 2012, and June 30, 2013. Beginning July 1, 2013, in addition to any other transfers required pursuant to subsection (j), the state general fund transfers that are deferred pursuant to this paragraph shall be transferred from the state general fund to the healthcare stabilization fund in the following manner: On July 1, 2013, and annually thereafter through July 1, 2018, an amount equal to 20% of the total amount of state general fund transfers deferred pursuant to this paragraph for the fiscal years ending June 30, 2010, June 30, 2011, June 30, 2012, and June 30, 2013. The amounts deferred pursuant to this paragraph shall not accrue interest thereon.

(k) Notwithstanding any other provision of the healthcare provider insurance availability act, no psychiatric hospital licensed under K.S.A. 2020 Supp. 39-2001 et seq., and amendments thereto, shall be assessed a premium surcharge or be entitled to coverage under the fund if such hospital has not paid any premium surcharge pursuant to K.S.A. 40-3404, and amendments thereto, prior to January 1, 1988.

(l) (1) On or after July 1, 1989, and prior to January 1, 2022, every healthcare provider shall make an election to be covered by one of the following options provided in this subsection subparagraph (A) that shall limit the liability of the fund with respect to judgments or settlements relating to injury or death arising out of the rendering of or failure to render professional services on or after July 1, 1989. On and after January 1, 2022, every healthcare provider shall make an election to be covered by one of the following options provided in subparagraph (B) that shall limit the liability of the fund with respect to judgments or settlements relating to injury or death arising out of the rendering of or failure to render professional services on or after January 1, 2022. Such election shall be made at the time the healthcare provider renews the basic coverage ~~in effect on July 1, 1989~~, or, if basic coverage is not in effect, such election shall be made at the time such coverage is acquired pursuant to K.S.A. 40-3402, and amendments thereto. A medical care facility or a healthcare facility deemed qualified as a self-insurer under K.S.A. 40-3414(a), and amendments thereto, may opt out of the requirements set forth in subparagraph (B) if such medical care facility or healthcare facility substantially meets the minimum coverage requirements of this section through coverage provided by the captive insurance company of such medical care facility or healthcare facility. Notice of the election shall be provided by the insurer providing the basic coverage in the manner and form prescribed by the board of governors and shall continue to be effective from year to year unless modified by a subsequent election made prior to the anniversary date of the policy. The healthcare provider may at any subsequent election reduce the dollar amount of the coverage for the next and subsequent fiscal years, but may not increase the same, unless specifically authorized by the board of governors. Any election of fund coverage limits, whenever made, shall be with respect to judgments or settlements relating to injury or death arising out of the rendering of or failure to render professional services on or after the effective date of such election of fund coverage limits. Such election shall be made for persons engaged in residency training and persons engaged in other postgraduate training programs approved by the state board of healing arts at medical care facilities or mental health centers in this state by the agency or institution paying the surcharge levied under K.S.A. 40-3404, and amendments thereto, for such persons. The election of fund coverage limits for a nonprofit corporation organized to administer the graduate medical

education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be deemed to be effective at the highest option. Such options shall be as follows:

~~(A)~~ (i) *OPTION 1.* The fund shall not be liable to pay in excess of \$100,000 pursuant to any one judgment or settlement for any party against such healthcare provider, subject to an aggregate limitation for all judgments or settlements arising from all claims made in the fiscal year in an amount of \$300,000 for such provider.

~~(B)~~ (ii) *OPTION 2.* The fund shall not be liable to pay in excess of \$300,000 pursuant to any one judgment or settlement for any party against such healthcare provider, subject to an aggregate limitation for all judgments or settlements arising from all claims made in the fiscal year in an amount of \$900,000 for such provider.

~~(C)~~ (iii) *OPTION 3.* The fund shall not be liable to pay in excess of \$800,000 pursuant to any one judgment or settlement for any party against such healthcare provider, subject to an aggregate limitation for all judgments or settlements arising from all claims made in the fiscal year in an amount of \$2,400,000 for such healthcare provider.

(B) (i) *OPTION 1.* The fund shall not be liable to pay in excess of \$500,000 pursuant to any one judgment or settlement for any party against such healthcare provider, subject to an aggregate limitation for all judgments or settlements arising from all claims made in the fiscal year in an amount of \$1,500,000 for such healthcare provider.

(ii) *OPTION 2.* The fund shall not be liable to pay in excess of \$1,500,000 pursuant to any one judgment or settlement for any party against such healthcare provider, subject to an aggregate limitation for all judgments or settlements arising from all claims made in the fiscal year in an amount of \$4,500,000 for such healthcare provider.

(2) The board of governors shall have the authority to adjust the amounts provided in subparagraph (B) as the board deems necessary to effectuate the provisions of the healthcare provider insurance availability act, except that the minimum coverage for a healthcare provider shall not be less than \$1,000,000 per claim and \$3,000,000 in the aggregate.

~~(m) The fund shall not be liable for any amounts due from a judgment or settlement against resident or nonresident inactive healthcare providers who first qualify as an inactive healthcare provider on or after July 1, 1989, unless such healthcare provider has been in compliance with K.S.A. 40-3402, and amendments thereto, for a period of not less than five years. If a healthcare provider has not been in compliance for five years, such healthcare provider may make application and payment for the coverage for the period while they are nonresident healthcare providers, nonresident self-insurers or resident or nonresident inactive healthcare providers to the fund. Such payment shall be made within 30 days after the healthcare provider ceases being an active healthcare provider and shall be made in an amount determined by the board of governors to be sufficient to fund anticipated claims based upon reasonably prudent actuarial principles. The provisions of this subsection shall not be applicable to any healthcare provider that becomes inactive through death or retirement, or through disability or circumstances beyond such healthcare provider's control, if such healthcare provider notifies the board of governors and receives approval for an exemption from the provisions of this subsection. Any period spent in a postgraduate program of residency training approved by the state board of healing arts shall not be included in computation of time spent in~~

~~compliance with the provisions of K.S.A. 40-3402, and amendments thereto. The provisions of this subsection shall expire on July 1, 2014.~~

~~(n)~~—In the event of a claim against a healthcare provider for personal injury or death arising out of the rendering of or the failure to render professional services by such healthcare provider, the liability of the fund shall be limited to the amount of coverage selected by the healthcare provider at the time of the incident giving rise to the claim.

~~(n)~~ Notwithstanding anything in article 34 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, to the contrary, the fund shall in no event be liable for any claims against any healthcare provider based upon or relating to the healthcare provider's sexual acts or activity, but in such cases the fund may pay reasonable and necessary expenses for attorney fees incurred in defending the fund against such claim. The fund may recover all or a portion of such expenses for attorney fees if an adverse judgment is returned against the healthcare provider for damages resulting from the healthcare provider's sexual acts or activity.

Sec. 15. K.S.A. 2020 Supp. 40-3408 is hereby amended to read as follows: 40-3408. (a) ~~The insurer of a healthcare provider covered by the fund or self-insurer shall be liable only for the first \$200,000 of a claim for personal injury or death arising out of the rendering of or the failure to render professional services by such healthcare provider, subject to an annual aggregate of \$600,000 for all such claims against the healthcare provider. For a claim for personal injury or death arising out of the rendering of or the failure to render professional services by a healthcare provider, the insurer of a healthcare provider covered by the fund or self-insurer shall be liable only for the amount of basic coverage in effect on the date of the incident giving rise to the claim, subject to an annual aggregate amount of not less than three times the primary amount for all such claims against the healthcare provider. However,~~ If any liability insurance in excess of such amounts is applicable to any claim or would be applicable in the absence of this act, any payments from the fund shall be excess over such amounts paid, payable or that would have been payable in the absence of this act.

(b) If any inactive healthcare provider has liability insurance in effect ~~which that~~ is applicable to any claim or would be applicable in the absence of this act, any payments from the fund shall be excess over such amounts paid, payable or that would have been payable in the absence of this act.

(c) Notwithstanding anything in article 34 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, to the contrary, an insurer that provides coverage to a healthcare provider may exclude from coverage any liability incurred by such provider:

(1) From the rendering of or the failure to render professional services by any other healthcare provider who is required by K.S.A. 40-3402, and amendments thereto, to maintain professional liability insurance in effect as a condition to rendering professional services as a healthcare provider in this state; or

(2) based upon or relating to the healthcare provider's sexual acts or activity, but in such cases the insurer may provide reasonable and necessary expenses for attorney fees incurred in defending against such claim. The insurer may recover all or a portion of such expenses for attorney fees if an adverse judgment is returned against the healthcare provider for damages resulting from the healthcare provider's sexual acts or activity.

(d) The fund shall not be liable for payment of any claim excluded by an insurer pursuant to this section or any claim otherwise excluded from coverage under a

healthcare provider's professional liability insurance.

(e) Notwithstanding any provision of article 34 of chapter 40 of the Kansas Statutes Annotated, and amendments thereto, to the contrary, an insurer that provides coverage to a healthcare provider may exclude from coverage:

(1) Any liability incurred by such healthcare provider as a result of professional services rendered as a charitable healthcare provider; or

(2) any liability incurred by such healthcare provider that is covered under the federal tort claims act pursuant to chapter 171 of title 28 of the United States code.

Sec. 16. K.S.A. 40-3409 is hereby amended to read as follows: 40-3409. (a) (1) In any action filed in this state for personal injury or death arising out of the rendering of or the failure to render professional services by any ~~health care~~ healthcare provider covered by the fund or any inactive ~~health care~~ healthcare provider covered by the fund, the plaintiff shall serve a copy of the petition upon the board of governors by registered mail, certified mail, priority mail, commercial delivery service or first class mail within ~~10~~ 30 calendar days from filing the same, and if such service is not made the fund shall not be liable for any amount due from a judgment or a settlement nor, in such case, shall the ~~health care~~ healthcare provider or the provider's insurer or the inactive ~~health care~~ healthcare provider or the provider's insurer be liable for such amount that, if such service had been made, would have been paid by the fund; (2) in any action filed outside of this state for personal injury or death arising out of the rendering of or the failure to render professional services by any ~~health care~~ healthcare provider or any inactive ~~health care~~ healthcare provider covered by the fund, the inactive ~~health care~~ healthcare provider, the self-insurer or the insurer of a ~~health care~~ healthcare provider or an inactive ~~health care~~ healthcare provider shall notify the board of governors, as soon as it is reasonably practicable, that such summons or petition has been filed. If the petition names as a defendant in the action a ~~health care~~ healthcare provider who is licensed, registered or certified by the state board of healing arts, the board of governors shall forward a copy of the petition to the state board of healing arts.

(b) Such action shall be defended by the insurer or the self-insurer, but if the board of governors believes it to be in the best interests of the fund, the board of governors may employ independent counsel to represent the interests of the fund. The cost of employing such counsel shall be paid from the fund. The board of governors is authorized to employ independent counsel in any such action against an inactive ~~health care~~ healthcare provider covered by the fund.

(c) The attorneys of record and the board of governors shall submit to the state board of healing arts expert witness reports which have been made available to the opposing parties in the case and, upon the request of the state board of healing arts, any depositions, interrogatories, admissions or other relevant information concerning the case which has been made available to the opposing parties in the case shall also be submitted. The board of governors shall not be required to furnish information not in the possession of the board of governors. Any report or other information made available to the state board of healing arts in accordance with this subsection shall be subject to K.S.A. 65-2898a and amendments thereto. Reasonable expenses incurred in reproducing such reports or other information shall be paid by the state board of healing arts.

Sec. 17. K.S.A. 2020 Supp. 40-3414 is hereby amended to read as follows: 40-3414. (a) (1) Any ~~health care~~ healthcare provider or any ~~health care~~ healthcare system

organized and existing under the laws of this state which owns and operates more than one medical care facility or more than one ~~health care~~ healthcare facility, as defined in K.S.A. 40-3401, and amendments thereto, licensed by the state of Kansas, whose aggregate annual insurance premium is or would be ~~\$100,000~~ \$150,000 or more for basic coverage calculated in accordance with rating procedures approved by the commissioner pursuant to K.S.A. 40-3413, and amendments thereto, may qualify as a self-insurer by obtaining a certificate of self-insurance from the board of governors. Upon application of any such ~~health care~~ healthcare provider or ~~health care~~ healthcare system, on a form prescribed by the board of governors, the board of governors may issue a certificate of self-insurance if the board of governors is satisfied that the applicant ~~is possessed~~ possesses and will continue to ~~be possessed of~~ possess the ability to pay any judgment for which liability exists equal to the amount of basic coverage required of a ~~health care~~ healthcare provider obtained against such applicant arising from the applicant's rendering of professional services as a ~~health care~~ healthcare provider.

(2) In making such determination the board of governors shall consider:

~~(1)(A)~~ The financial condition of the applicant;

~~(2)(B)~~ the procedures adopted and followed by the applicant to process and handle claims and potential claims;

~~(3)(C)~~ the amount and liquidity of assets reserved for the settlement of claims or potential claims; and

~~(4)(D)~~ any other ~~relevant~~ the board deems relevant.

(3) Any applicant for self-insurance that owns and operates more than one medical care facility or more than one healthcare facility shall be deemed qualified by the board of governors if such applicant is insured by a captive insurance company, as defined in K.S.A. 40-4301, and amendments thereto, or under the laws of the state of domicile of any such captive insurance company.

(4) The certificate of self-insurance may contain reasonable conditions prescribed by the board of governors. Upon notice and a hearing in accordance with the provisions of the Kansas administrative procedure act, the board of governors may cancel a certificate of self-insurance upon reasonable grounds therefor. Failure to pay any judgment for which the self-insurer is liable arising from the self-insurer's rendering of professional services as a ~~health care~~ healthcare provider, the failure to comply with any provision of this act or the failure to comply with any conditions contained in the certificate of self-insurance shall be reasonable grounds for the cancellation of such certificate of self-insurance. The provisions of this subsection shall not apply to the Kansas soldiers' home, the Kansas veterans' home or to any ~~person~~ individual who is a self-insurer pursuant to subsection (d) or (e).

(b) Any such ~~health care~~ healthcare provider or ~~health care~~ healthcare system that holds a certificate of self-insurance shall pay the applicable surcharge set forth in K.S.A. 40-3402(c), and amendments thereto.

(c) The Kansas soldiers' home and the Kansas veterans' home shall be self-insurers and shall pay the applicable surcharge set forth in K.S.A. 40-3402(c), and amendments thereto.

(d) Persons~~Individuals~~ engaged in residency training as provided in K.S.A. 40-3401(r)(1) and (2), and amendments thereto, shall be self-insured by the state of Kansas for occurrences arising during such training, and such ~~person~~ individual shall be

deemed a self-insurer for the purposes of the ~~health care~~ healthcare provider insurance availability act. Such self-insurance shall be applicable to ~~a person~~ an individual engaged in residency training only when such ~~person~~ individual is engaged in medical activities which do not include extracurricular, extra-institutional medical service for which such ~~person~~ individual receives extra compensation and which have not been approved as provided in K.S.A. 40-3401(r)(1) and (2), and amendments thereto.

(e) (1) ~~A person~~ An individual engaged in a postgraduate training program approved by the state board of healing arts at a medical care facility or mental health center in this state may be self-insured by such medical care facility or mental health center in accordance with this subsection ~~(e)~~ and in accordance with such terms and conditions of eligibility therefor as may be specified by the medical care facility or mental health center and approved by the board of governors. ~~A person~~ An individual self-insured under this subsection ~~(e)~~ by a medical care facility or mental health center shall be deemed a self-insurer for purposes of the ~~health care~~ healthcare provider insurance availability act. Upon application by a medical care facility or mental health center, on a form prescribed by the board of governors, the board of governors may authorize such medical care facility or mental health center to self-insure ~~persons~~ individuals engaged in postgraduate training programs approved by the state board of healing arts at such medical care facility or mental health center if the board of governors is satisfied that the medical care facility or mental health center is possessed and will continue to be possessed of ability to pay any judgment for which liability exists equal to the amount of basic coverage required of a ~~health care~~ healthcare provider obtained against ~~a person~~ an individual engaged in such a postgraduate training program and arising from such ~~person's individual's~~ rendering of or failure to render professional services as a ~~health care~~ healthcare provider.

(2) In making such determination the board of governors shall consider:

- (A) The financial condition of the medical care facility or mental health center;
- (B) the procedures adopted by the medical care facility or mental health center to process and handle claims and potential claims;
- (C) the amount and liquidity of assets reserved for the settlement of claims or potential claims by the medical care facility or mental health center; and
- (D) any other factors the board of governors deems relevant.

The board of governors may specify such conditions for the approval of an application as the board of governors deems necessary. Upon approval of an application, the board of governors shall issue a certificate of self-insurance to each ~~person~~ individual engaged in such postgraduate training program at the medical care facility or mental health center who is self-insured by such medical care facility or mental health center.

(3) Upon notice and a hearing in accordance with the provisions of the Kansas administrative procedure act, the board of governors may cancel, upon reasonable grounds therefor, a certificate of self-insurance issued pursuant to this subsection ~~(e)~~ or the authority of a medical care facility or mental health center to self-insure ~~persons~~ individuals engaged in such postgraduate training programs at the medical care facility or mental health center. Failure of ~~a person~~ an individual engaged in such postgraduate training program to comply with the terms and conditions of eligibility to be self-insured by the medical care facility or mental health center, the failure of a medical care facility or mental health center to pay any judgment for which such medical care facility

or mental health center is liable as self-insurer of such ~~person~~ individual, the failure to comply with any provisions of the ~~health care~~ healthcare provider insurance availability act or the failure to comply with any conditions for approval of the application or any conditions contained in the certificate of self-insurance shall be reasonable grounds for cancellation of such certificate of self-insurance or the authority of a medical care facility or mental health center to self-insure such ~~persons~~ individuals.

(4) A medical care facility or mental health center authorized to self-insure ~~persons~~ individuals engaged in such postgraduate training programs shall pay the applicable surcharge set forth in K.S.A. 40-3402(c), and amendments thereto, on behalf of such ~~persons~~ individuals.

(5) As used in this subsection ~~(e)~~, "medical care facility" does not include the university of Kansas medical center or those community hospitals or medical care facilities described in K.S.A. 40-3401(r)(2), and amendments thereto.

(f) For the purposes of subsection (a), "~~health care~~ healthcare provider" may include each health care provider in any group of ~~health care~~ healthcare providers who practice as a group to provide physician services only for a health maintenance organization, any professional corporations, partnerships or not-for-profit corporations formed by such group and the health maintenance organization itself. The premiums for each such provider, health maintenance organization and group corporation or partnership may be aggregated for the purpose of being eligible for and subject to the statutory requirements for self-insurance as set forth in this section.

(g) The provisions of subsections (a) and (f), relating to ~~health care~~ healthcare systems, shall not affect the responsibility of individual ~~health care~~ healthcare providers as defined in K.S.A. 40-3401(f), and amendments thereto, or organizations whose premiums are aggregated for purposes of being eligible for self-insurance from individually meeting the requirements imposed by K.S.A. 40-3402, and amendments thereto, with respect to the ability to respond to injury or damages to the extent specified therein and K.S.A. 40-3404, and amendments thereto, with respect to the payment of the ~~health care~~ healthcare stabilization fund surcharge.

(h) Each private practice corporation or foundation and their full-time physician faculty employed by the university of Kansas medical center and each nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be deemed a self-insurer for the purposes of the ~~health care~~ healthcare provider insurance availability act. The private practice corporation or foundation of which the full-time physician faculty is a member and each nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall pay the applicable surcharge set forth in K.S.A. 40-3404(a), and amendments thereto, on behalf of the private practice corporation or foundation and their full-time physician faculty employed by the university of Kansas medical center or on behalf of a nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine.

(i) (1) Subject to the provisions of paragraph (4), for the purposes of the ~~health care~~ healthcare provider insurance availability act, each nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical

care facilities affiliated with the university of Kansas school of medicine shall be deemed to have been a ~~health care~~ healthcare provider as defined in K.S.A. 40-3401, and amendments thereto, from and after July 1, 1997.

(2) Subject to the provisions of paragraph (4), for the purposes of the ~~health care~~ healthcare provider insurance availability act, each nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be deemed to have been a self-insurer within the meaning of subsection (h), and amendments thereto, from and after July 1, 1997.

(3) Subject to the provisions of paragraph (4), for the purposes of the ~~health care~~ healthcare provider insurance availability act, the election of fund coverage limits for each nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be deemed to have been effective at the highest option, as provided in K.S.A. 40-3403(1), and amendments thereto, from and after July 1, 1997.

(4) No nonprofit corporation organized to administer the graduate medical education programs of community hospitals or medical care facilities affiliated with the university of Kansas school of medicine shall be required to pay to the fund any annual premium surcharge for any period prior to the effective date of this act. Any annual premium surcharge for the period commencing on the effective date of this act and ending on June 30, 2001, shall be prorated.

Sec. 18. K.S.A. 2020 Supp. 40-3424 is hereby amended to read as follows: 40-3424. (a) For all claims made on and after July 1, 2014, the amount of fund liability for a judgment or settlement against a resident or nonresident inactive healthcare provider shall be equal to the minimum professional liability insurance policy limits required pursuant to K.S.A. 40-3402, and amendments thereto, and in effect on the date of the incident giving rise to a claim, plus the level of coverage selected by the healthcare provider pursuant to K.S.A. 40-3403(1), and amendments thereto, at the time of the incident giving rise to a claim.

(b) The aggregate fund liability for all judgments and settlements arising from all claims made in any fiscal year against a resident or nonresident inactive healthcare provider shall not exceed \$3,000,000 in any fiscal year.

~~(b) This section shall be part of and supplemental to the healthcare provider insurance availability act~~ For all claims made for incidents occurring on or after January 1, 2022, the aggregate fund liability for all judgments and settlements made in any fiscal year against a resident or nonresident inactive healthcare provider shall not exceed three times the coverage amount in subsection (a).;

On page 74, in line 2, after "40-2513" by inserting ", 40-3409"; in line 3, after the second comma by inserting "40-2c01,"; also in line 3, after "40-3306" by inserting ", 40-3402, 40-3403, 40-3408, 40-3414, 40-3424";

And by renumbering sections accordingly;

On page 1, in the title, in line 12, after the semicolon by inserting "increasing minimum coverage requirements with regard to the healthcare stabilization fund; changing membership of the board of governors; increasing time for service of process thereon; updating the version of risk-based capital instructions in effect;"; also in line 12, after "40-22a06" by inserting ", 40-3409"; in line 13, after the third comma by

inserting "40-2c01,"; in line 14, after "40-3306" by inserting ", 40-3402, 40-3403, 40-3408, 40-3414, 40-3424";

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

STEVEN JOHNSON

CHRIS CROFT

CINDY NEIGHBOR

Conferees on part of House

JEFF LONGBINE

VIRGIL PECK

CINDY HOLSCHER

Conferees on part of Senate

Senator Longbine moved the Senate adopt the Conference Committee Report on **H Sub SB 78**.

On roll call, the vote was: Yeas 33; Nays 7; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Billinger, Bowers, Claey's, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Francisco, Gossage, Haley, Hawk, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Petersen, Pettey, Pittman, Ryckman, Suellentrop, Sykes, Thompson, Ware, Warren, Wilborn.

Nays: Baumgardner, Hilderbrand, Peck, Pyle, Steffen, Straub, Tyson.

The Conference Committee Report was adopted.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2137** 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, following line 12, by inserting:

"New Section 1. (a) Before making or causing any shipment of alcoholic liquor to Kansas residents, a fulfillment house shall pay a \$50 license fee and obtain such license that will be applicable for each location that is involved in the shipping process to Kansas residents. A fulfillment house license shall commence on the date specified on the license and expire two years after such date. The holder of a fulfillment house license may only provide services for the warehousing, packaging and shipping of alcoholic liquors produced by, and belonging to, a special order shipping licensee in accordance with K.S.A. 41-350, and amendments thereto. A fulfillment house licensee shall make reasonable efforts to confirm that any winery that they ship alcoholic liquor for holds a special order shipping license and may rely on the representations of each such winery for such assurance.

(b) As part of a fulfillment house license application, the applicant shall provide any information as required by rules and regulations adopted by the director and contained in the fulfillment house license application form established by the director.

(c) If the holder of the license is an out-of-state entity, the licensee shall be deemed to have appointed the secretary of state as the resident agent and representative of the

licensee to accept service of process from the secretary of revenue, the director and the courts of this state concerning enforcement of this section, K.S.A. 41-501 et seq., and amendments thereto, and any rules and regulations adopted thereunder and to accept service of any notice or order provided for in the liquor control act.

(d) (1) A fulfillment house licensee shall ensure all containers of alcoholic liquors shipped directly to an individual in this state are labeled with the name, address and license number of the fulfillment house licensee. All such containers shall contain a conspicuously printed statement of "SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY".

(2) All containers of alcoholic liquors shipped directly to a resident of this state shall be shipped using a common carrier pursuant to K.S.A. 41-725, and amendments thereto.

(e) (1) A fulfillment house licensee shall:

(A) Maintain records of all shipments for a minimum of three years after the shipment date, that shall include the:

- (i) Name, address and license number of the special order shipping licensee;
- (ii) name and license number of the express company or common carrier;
- (iii) date of each shipment;
- (iv) carrier tracking number;
- (v) name and address of the consignee of such alcoholic liquors; and
- (vi) weight of the package and product type of alcoholic liquors shipped.

(B) Submit these records as an electronic report to the director monthly in the form and format prescribed by the director.

(2) Reports submitted pursuant to this subsection shall be open records available for public inspection in accordance with the open records act. Any information relating to the name or address of a consignee of any alcoholic liquors shall be redacted from the reports that are made available for public inspection. The provisions of this paragraph providing for the confidentiality of certain public records shall expire on July 1, 2026, unless the legislature reviews and reenacts such provisions in accordance with K.S.A. 45-229, and amendments thereto, prior to July 1, 2026.

(f) A fulfillment house that willfully fails, neglects or refuses to file any report pursuant to subsection (e) shall be subject to a civil penalty of not more than \$100. After notice and an opportunity for hearing in accordance with the Kansas administrative procedure act, the director may refuse to issue or renew or may revoke a fulfillment house license upon a finding that the licensee has failed to comply with any provision of this section.

(g) The secretary of revenue shall adopt rules and regulations to implement, administer and enforce the provisions of this section.

(h) The provisions of this section shall be a part of and supplemental to the Kansas liquor control act.

Sec. 2. K.S.A. 2020 Supp. 41-102 is hereby amended to read as follows: 41-102. As used in this act, unless the context clearly requires otherwise:

(a) "Alcohol" means the product of distillation of any fermented liquid, whether rectified or diluted, whatever its origin, and includes synthetic ethyl alcohol but does not include denatured alcohol or wood alcohol.

(b) "Alcoholic candy" means:

- (1) For purposes of manufacturing, any candy or other confectionery product with

an alcohol content greater than 0.5% alcohol by volume; and

(2) for purposes of sale at retail, any candy or other confectionery product with an alcohol content greater than 1% alcohol by volume.

(c) "Alcoholic liquor" means alcohol, spirits, wine, beer, alcoholic candy and every liquid or solid, patented or not, containing alcohol, spirits, wine or beer and capable of being consumed by a human being, but shall not include any cereal malt beverage.

(d) "Beer" means a beverage, containing more than 3.2% alcohol by weight, obtained by alcoholic fermentation of an infusion or concoction of barley, or other grain, malt and hops in water and includes beer, ale, stout, lager beer, porter and similar beverages having such alcoholic content.

(e) "~~Caterer~~" has the meaning provided means the same as defined by K.S.A. 41-2601, and amendments thereto.

(f) "Cereal malt beverage" has the meaning provided means the same as defined by K.S.A. 41-2701, and amendments thereto.

(g) "Club" has the meaning provided means the same as defined by K.S.A. 41-2601, and amendments thereto.

(h) "Director" means the director of alcoholic beverage control of the department of revenue.

(i) "Distributor" means the person importing or causing to be imported into the state, or purchasing or causing to be purchased within the state, alcoholic liquor for sale or resale to retailers licensed under this act or cereal malt beverage for sale or resale to retailers licensed under K.S.A. 41-2702, and amendments thereto.

(j) "Domestic beer" means beer which contains not more than 15% alcohol by weight and which is manufactured in this state.

(k) "Domestic fortified wine" means wine which contains more than 14%, but not more than 20% alcohol by volume and which is manufactured in this state.

(l) "Domestic table wine" means wine which contains not more than 14% alcohol by volume and which is manufactured without rectification or fortification in this state.

(m) "Drinking establishment" has the meaning provided means the same as defined by K.S.A. 41-2601, and amendments thereto.

(n) "Farm winery" means a winery licensed by the director to manufacture, store and sell domestic table wine and domestic fortified wine.

(o) "Fulfillment house" means any location or facility for any in-state or out-of-state entity that handles logistics, including warehousing, packaging, order fulfillment or shipping services on behalf of the holder of a special order shipping license issued pursuant to K.S.A. 41-350, and amendments thereto.

(p) "Hard cider" means any alcoholic beverage that:

(1) Contains less than 8.5% alcohol by volume;

(2) has a carbonation level that does not exceed 6.4 grams per liter; and

(3) is obtained by the normal alcoholic fermentation of the juice of sound, ripe apples or pears, including such beverages containing sugar added for the purpose of correcting natural deficiencies.

~~(q)~~(q) "Manufacture" means to distill, rectify, ferment, brew, make, mix, concoct, process, blend, bottle or fill an original package with any alcoholic liquor, beer or cereal malt beverage.

~~(r)~~(r) (1) "Manufacturer" means every brewer, fermenter, distiller, rectifier, wine maker, blender, processor, bottler or person who fills or refills an original package and

others engaged in brewing, fermenting, distilling, rectifying or bottling alcoholic liquor, beer or cereal malt beverage.

(2) "Manufacturer" does not include a microbrewery, microdistillery or a farm winery.

~~(s)~~(s) "Microbrewery" means a brewery licensed by the director to manufacture, store and sell domestic beer and hard cider.

~~(t)~~(t) "Microdistillery" means a facility which produces spirits from any source or substance that is licensed by the director to manufacture, store and sell spirits.

~~(u)~~(u) "Minor" means any person under 21 years of age.

~~(v)~~(v) "Nonbeverage user" means any manufacturer of any of the products set forth and described in K.S.A. 41-501, and amendments thereto, when the products contain alcohol or wine, and all laboratories using alcohol for nonbeverage purposes.

~~(w)~~(w) "Original package" means any bottle, flask, jug, can, cask, barrel, keg, hogshead or other receptacle or container whatsoever, used, corked or capped, sealed and labeled by the manufacturer of alcoholic liquor, to contain and to convey any alcoholic liquor. Original container does not include a sleeve.

~~(x)~~(x) "Person" means any natural person, corporation, partnership, trust or association.

~~(y)~~(y) "Powdered alcohol" means alcohol that is prepared in a powdered or crystal form for either direct use or for reconstitution in a nonalcoholic liquid.

~~(z)~~(z) "Primary American source of supply" means the manufacturer, the owner of alcoholic liquor at the time it becomes a marketable product or the manufacturer's or owner's exclusive agent who, if the alcoholic liquor cannot be secured directly from such manufacturer or owner by American wholesalers, is the source closest to such manufacturer or owner in the channel of commerce from which the product can be secured by American wholesalers.

~~(aa)~~(aa) (1) "Retailer" means a person who is licensed under the Kansas liquor control act and sells at retail, or offers for sale at retail, alcoholic liquors or cereal malt beverages.

(2) "Retailer" does not include a microbrewery, microdistillery or a farm winery.

~~(bb)~~(bb) "Sale" means any transfer, exchange or barter in any manner or by any means whatsoever for a consideration and includes all sales made by any person, whether principal, proprietor, agent, servant or employee.

~~(cc)~~(cc) "Salesperson" means any natural person who:

(1) Procures or seeks to procure an order, bargain, contract or agreement for the sale of alcoholic liquor or cereal malt beverage; or

(2) is engaged in promoting the sale of alcoholic liquor or cereal malt beverage, or in promoting the business of any person, firm or corporation engaged in the manufacturing and selling of alcoholic liquor or cereal malt beverage, whether the seller resides within the state of Kansas and sells to licensed buyers within the state of Kansas, or whether the seller resides without the state of Kansas and sells to licensed buyers within the state of Kansas.

~~(dd)~~(dd) "Sample" means a serving of alcoholic liquor that contains not more than: (1) One-half ounce of distilled spirits; (2) one ounce of wine; or (3) two ounces of beer or cereal malt beverage. A "sample" of a mixed alcoholic beverage shall contain not more than ½ ounce of distilled spirits.

~~(ee)~~(ee) "Secretary" means the secretary of revenue.

~~(ee)~~(ff) (1) "Sell at retail" and "sale at retail" refer to and mean sales for use or consumption and not for resale in any form and sales to clubs, licensed drinking establishments, licensed caterers or holders of temporary permits.

(2) "Sell at retail" and "sale at retail" do not refer to or mean sales by a distributor, a microbrewery, a farm winery, a licensed club, a licensed drinking establishment, a licensed caterer or a holder of a temporary permit.

~~(ff)~~(gg) "To sell" includes to solicit or receive an order for, to keep or expose for sale and to keep with intent to sell.

~~(gg)~~(hh) "Sleeve" means a package of two or more 50-milliliter or ~~(3.2-fluid-ounce)~~ containers of spirits.

~~(hh)~~(ii) "Spirits" means any beverage which contains alcohol obtained by distillation, mixed with water or other substance in solution, and includes brandy, rum, whiskey, gin or other spirituous liquors, and such liquors when rectified, blended or otherwise mixed with alcohol or other substances.

~~(ii)~~(jj) "Supplier" means a manufacturer of alcoholic liquor or cereal malt beverage or an agent of such manufacturer, other than a salesperson.

~~(jj)~~(kk) "Temporary permit" ~~has the meaning provided~~ means the same as defined by K.S.A. 41-2601, and amendments thereto.

~~(kk)~~(ll) "Wine" means any alcoholic beverage obtained by the normal alcoholic fermentation of the juice of sound, ripe grapes, fruits, berries or other agricultural products, including such beverages containing added alcohol or spirits or containing sugar added for the purpose of correcting natural deficiencies. ~~The term-"Wine"-shall include~~ includes hard cider and any other product that is commonly known as a subset of wine.";

On page 2, in line 23, by striking "and"; in line 27, after "sales" by inserting "; and

(8) sell containers of beer, domestic beer and cereal malt beverage that are sold on the licensed premises to consumers and served in refillable and sealable containers for consumption off the licensed premises if such containers:

(A) Contain between 32 and 64 fluid ounces; and

(B) have a label affixed that clearly indicates the licensee's name and the type of alcoholic beverage contained in such container";

Also, on page 2, following line 30, by inserting:

"Sec. 4. K.S.A. 2020 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, public venues, clubs, drinking establishments, holders of temporary permits as authorized by K.S.A. 2020 Supp. 41-1201, and amendments thereto, and caterers;

(3) the manufacture for and sale of wine to holders of producer licenses as authorized by K.S.A. 2020 Supp. 41-355, and amendments thereto. Wine manufactured for a producer licensee shall be included in the farm winery licensee's annual production for purposes of subsection (c). The label for any such wine manufactured by the farm winery licensee, as filed with the alcohol and tobacco tax and trade bureau of the United States department of the treasury, may be owned by either the farm winery or the producer licensee for whom the wine was manufactured;

(4) the sale, on the licensed premises and at special events monitored and regulated

by the division of alcoholic beverage control in the original unopened container to consumers for consumption off the licensed premises, of wine manufactured by the licensee;

(5) 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 ~~(e)~~ (f), if the licensed premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments;

(6) the sale of wine manufactured by the licensee for consumption on the licensed premises, provided, the licensed premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments. Wine sold pursuant to this paragraph shall not be subject to the provisions of the club and drinking establishment act, K.S.A. 41-2601 et seq., and amendments thereto, and no drinking establishment license shall be required to make such sales;

(7) 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;

(8) 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;

(9) 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~~

(10) the sale and shipping of wine within this state pursuant to a permit issued pursuant to K.S.A. 2020 Supp. 41-350, and amendments thereto;

(11) the transfer or receipt of wine in a bulk container or packaged wine in bond to any bonded premises pursuant to 26 U.S.C. § 5362(b)(1) and 27 C.F.R. § 24.280 through 24.284, as in effect on July 1, 2021;

(12) the transfer or receipt of wine in a bulk container in bond to a distilled spirits plant for use in the manufacture of distilled spirits pursuant to 26 U.S.C. § 5362(b)(2), (b)(3) and (c)(6) and 27 C.F.R. § 24.280 through 24.290, as in effect on July 1, 2021;

(13) the receipt of distilled spirits in a bulk container pursuant to 26 U.S.C. § 5214(a)(5) and 27 C.F.R. § 19.402 through 19.407, as in effect on on July 1, 2021; and

(14) the production of fortified wine with the addition of wine spirits to domestic wine if the spirits added are produced from the same kind of fruit that was used to produce the wine pursuant to 26 U.S.C. § 5382(b)(2), as in effect on July 1, 2021.

(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 and at special events monitored and regulated by the division of alcoholic beverage control in the original unopened container to consumers for consumption off the licensed premises, of wine manufactured by the licensee;

(2) the serving on the licensed premises of samples of wine manufactured by the licensee or imported under subsection ~~(e)~~ (f), if the premises are located in a county

where the sale of alcoholic liquor is permitted by law in licensed drinking establishments; and

(3) the manufacture of domestic table wine and domestic fortified wine and the storage thereof; provided, that the aggregate quantity of wine produced by the farm winery licensee, including all winery outlets, shall not exceed 100,000 gallons per year.

(c)(1) Not less than 30% 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 production requirement of this subsection shall be determined based on the annual production of domestic table wine and domestic fortified wine by the farm winery.

(2) On and after July 1, 2021, the percentage of products utilized in the manufacture of domestic table wine and domestic fortified wine by a farm winery required to be grown in Kansas shall be not less than 15%.

(3) The provisions of this subsection shall expire on January 1, 2023.

(d) A farm winery licensee may import wine from outside Kansas for use in the production of its domestic table wine and domestic fortified wine and shall report such imports on forms prescribed by the director.

~~(d)~~(e) 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. If authorized by subsection (a), a farm winery may serve samples of wine manufactured by the licensee and wine imported under subsection ~~(e)~~ (f) 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)~~ (f) at any time when the winery outlet is authorized to sell domestic wine and domestic fortified wine.

~~(e)~~(f) 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)~~(g) 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)~~(h) 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; or

(5) transfer wine in a bulk container to the premises of a brewery pursuant to 26 U.S.C. § 5411 and 27 C.F.R. § 25.23, as in effect on July 1, 2021.

~~(h)(i)~~ 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.

~~(h)(i)~~ For purposes of this section, the terms in subsections (a)(11) through (a)(14) and (h)(5), if not otherwise defined in K.S.A. 41-102, and amendments thereto, mean the same as such terms are defined in title 27, chapter 1, subchapter A of the code of federal regulations, as in effect on July 1, 2021.

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

Sec. 5. K.S.A. 2020 Supp. 41-308b is hereby amended to read as follows: 41-308b.

(a) A microbrewery license shall allow:

(1) The manufacture of not less than 100 nor more than 60,000 barrels of domestic beer during the calendar year and the storage thereof, if, however, the licensee holds a 10% or greater ownership interest in one or more entities that also hold a microbrewery license, then the aggregate number of barrels of domestic beer manufactured by all such licensees with such common ownership shall not exceed the 60,000 barrel limit;

(2) the manufacture in the aggregate of not more than 100,000 gallons of hard cider during the calendar year and the storage thereof;

(3) the sale to beer distributors of beer and the sale to wine distributors of hard cider, manufactured by the licensee;

(4) the sale, on the licensed premises in the original unopened container to consumers for consumption off the licensed premises, of beer and hard cider manufactured by the licensee;

(5) the sale, on the licensed premises in refillable and sealable containers to consumers for consumption off the licensed premises, of beer manufactured by the licensee, subject to the following conditions:

(A) Containers described in this paragraph shall contain not less than 32 fluid ounces and not more than 64 fluid ounces of beer; and

(B) the licensee shall affix a label to all containers sold pursuant to this paragraph clearly indicating the licensee's name and the name and type of beer contained in such container;

(6) 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 beer and hard cider manufactured by the licensee, if the premises are located in a county where the sale of alcoholic liquor is permitted by law in licensed drinking establishments;

(7) if the premises is also licensed as a club or drinking establishment, the sale and transfer of domestic beer to such club or drinking establishment and the sale of domestic beer and other alcoholic liquor for consumption on the licensed premises as authorized by the club and drinking establishment act;

(8) if the premises is also licensed as a caterer, the sale of domestic beer and other

alcoholic liquor for consumption on unlicensed premises as authorized by the club and drinking establishment act;

(9) if the licensee holds a 10% or greater ownership interest in one or more entities that also hold a microbrewery license, the domestic beer may be manufactured and transferred for sale or storage among such microbrewery licensees with such common ownership; and

(10) the transfer of beer and hard cider manufactured by the licensee pursuant to a contract entered into in accordance with subsection (b) to the contracting microbrewery.

(b) (1) A microbrewery may contract with one or more microbreweries for the purpose of manufacturing beer or hard cider for such other microbreweries. A microbrewery located in this state may manufacture and package beer and hard cider for a microbrewery located within or outside of Kansas.

(2) A microbrewery manufacturing beer or hard cider for another microbrewery shall be responsible for complying with all federal and state laws dealing with the manufacturing of beer and hard cider, including labeling laws, and shall be responsible for the payment of all federal and state taxes on the beer and hard cider.

(3) Each party engaged in a contract brewing agreement must count the total amount of barrels and gallons manufactured as part of the agreement and include that total amount as part of their allowed aggregate total as provided in subsection (a).

(c)(1) Not less than 30% of the products utilized in the manufacture of hard cider by a microbrewery shall be grown in Kansas except when a lesser proportion is authorized by the director based upon the director's findings and judgment. The production requirement of this subsection shall be determined based on the annual production of domestic hard cider.

(2) On and after July 1, 2021, the percentage of products utilized in the manufacture of hard cider by a microbrewery required to be grown in Kansas shall be not less than 15%.

(3) The provisions of this subsection shall expire on January 1, 2023.

(d) Upon application and payment of the fee prescribed by K.S.A. 41-310, and amendments thereto, by a microbrewery licensee, the director may issue not to exceed one microbrewery packaging and warehousing facility license to the microbrewery licensee. A microbrewery packaging and warehousing facility license shall allow:

(1) The transfer, from the licensed premises of the microbrewery to the licensed premises of the microbrewery packaging and warehousing facility, of beer and hard cider manufactured by the licensee, for the purpose of packaging or storage, or both;

(2) the transfer, from the licensed premises of the microbrewery packaging and warehousing facility to the licensed premises of any microbrewery of such licensee, of beer manufactured by the licensee;

(3) the removal from the licensed premises of the microbrewery packaging and warehousing facility of beer manufactured by the licensee for the purpose of delivery to a licensed beer wholesaler; and

(4) the removal from the licensed premises of the microbrewery packaging and warehousing facility of hard cider manufactured by the licensee for the purpose of delivery to a licensed wine distributor.

(e) A microbrewery may sell domestic beer 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. If authorized by subsection (a), a microbrewery may serve

samples of domestic beer and serve and sell domestic beer 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.

(f) The director may issue to the Kansas state fair or any bona fide group of brewers a permit to import into this state small quantities of beer. Such beer shall be used only for bona fide educational and scientific tasting programs and shall not be resold. Such beer 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 beer to be imported, the quantity to be imported, the tasting programs for which the beer is to be used and the times and locations of such programs. The secretary shall adopt rules and regulations governing the importation of beer pursuant to this subsection and the conduct of tasting programs for which such beer is imported.

(g) A microbrewery license or microbrewery packaging and warehousing facility 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.

(h) No microbrewery 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-premises 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.

(i) Whenever a microbrewery licensee is convicted of a violation of the Kansas liquor control act, the director may revoke the licensee's license and all fees paid for the license in accordance with the Kansas administrative procedure act.":

On page 3, in line 30, by striking ", residence"; in line 31, by striking "subsection (a) (12)" and inserting "paragraph"; in line 33, by striking all after "officer"; in line 34, by striking all before the semicolon; in line 36, by striking "which" and inserting "that"; in line 43, by striking "which" and inserting "that";

On page 4, in line 3, by striking all after "(1)"; by striking all in lines 4 and 5; in line 6, by striking "(3)"; in line 26, by striking "and residence"; in line 27, by striking all after "copartners"; by striking all in lines 28 and 29; in line 30, after "be" by inserting "individually"; in line 34, after the semicolon by inserting "or"; in line 35, by striking all after "(4)"; by striking all in lines 36 and 37; in line 38, by striking "(6)";

On page 5, in line 42, by striking all after "(1)"; in line 43, by striking "(2)";

On page 6, in line 3, by striking "which" and inserting "that"; in line 19, by striking all after "(g)"; by striking all in lines 20 and 21; in line 22, by striking all before "if"; also in line 22, after "applicant" by inserting "is not a Kansas resident, no license shall be issued until the applicant";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 7, following line 5, by inserting:

"Sec. 7. K.S.A. 2020 Supp. 41-311b is hereby amended to read as follows: 41-311b. (a) If an applicant for licensure is not a resident of the state of Kansas on the date

of submission of such application ~~or has not been a resident for at least one year immediately preceding the date of submission of such application~~, the director ~~shall~~ may require the individual applicant, or if the applicant is a corporation, partnership or trust, each individual officer, director, stockholder, copartner or trustee to:

(1) Submit to a national criminal history record check and provide the director with a legible set of fingerprints;

(2) disclose to the director any substantial financial interest the applicant owns in any entity that receives proceeds from the sale of alcoholic beverages; and

(3) submit a release allowing the director to have access to and review of the applicant's financial records to verify ownership and to ensure applicant is not an agent of another person. This release shall remain in effect after the license has been issued until the license is canceled or revoked.

(b) The director shall submit the fingerprints provided under subsection (a) to the Kansas bureau of investigation and to the federal bureau of investigation and receive a reply to enable the director to verify the identity of such applicant or such individuals specified in subsection (a) and whether such applicant or such individuals have been convicted of any crimes that would disqualify the applicant or such individuals from holding a license under the liquor control act. The director is authorized to use the information obtained from the national criminal history record check to determine such applicant's or individual's eligibility to hold a license under the liquor control act.

(c) All costs incurred pursuant to this section to ensure that the applicant is qualified for licensure shall be paid by the applicant.

Sec. 8. K.S.A. 2020 Supp. 41-320a is hereby amended to read as follows: 41-320a.

(a) The director may suspend, involuntarily cancel or revoke any license issued pursuant to the Kansas liquor control act if, after notice and an opportunity for a hearing, the director determines that the licensee has:

(1) Fraudulently obtained the license by providing false information on the application therefor, or at any hearing thereon;

(2) violated any of the provisions of the Kansas liquor control act, ~~or any rules or regulations adopted pursuant to such act~~ or any lawful order issued by the director; or

(3) become ineligible to obtain a license or permit under K.S.A. 41-311 or K.S.A. 2020 Supp. 41-311b, and amendments thereto.

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

Sec. 9. K.S.A. 2020 Supp. 41-350 is hereby amended to read as follows: 41-350.

(a) For the purposes of this act, the term "winery" means any maker or producer of wine whether in this state or in any other state, who holds a valid federal basic wine manufacturing permit. The terms "director" and "secretary" have the meaning ascribed to these terms in K.S.A. 41-102, and amendments thereto.

(b) Any winery may be authorized to make direct shipments of wine to consumers in this state upon obtaining a special order shipping license from the secretary pursuant to this act.

(1) A special order shipping license shall only be issued to a winery upon compliance with all applicable provisions of this act and the regulations promulgated pursuant to this act, and upon payment of a license fee in the amount of \$100. The license term for a special order shipping license shall commence on the date ~~the license is issued by the director~~ specified on the license and shall end two years after that date.

(2) A special order shipping license shall entitle the winery to ship wine upon order

directly to consumers for personal or household use in this state. The purchaser shall pay the purchase price and all shipping costs directly to the permit holder. Enforcement taxes collected herein shall be paid solely on the purchase price and not on the shipping costs.

(c) No holder of a special order shipping license shall be permitted to ship in excess of 12 standard cases of wine of one brand or a combination of brands into this state to any one consumer or address per calendar year.

(d) (1) Before accepting an order from a consumer in this state, the holder of a special order shipping license shall require that the person placing the order to state affirmatively that he or she is 21 years of age or older and shall verify the age of such person placing the order either by the physical examination of an approved government issued form of identification or by utilizing an internet based age and identification service approved by the director of alcoholic beverage control, or the director's designee.

(2) Every shipment of wine by the holder of a special order shipping license shall be clearly marked 'Alcoholic Beverages, Adult Signature Required' and the carrier delivering such shipment shall be responsible for obtaining the signature of an adult who is at least 21 years of age as a condition of delivery.

(e) A special order shipping license shall not authorize the shipment of any wine to any premises licensed to sell alcoholic beverages pursuant to this act or the club and drinking establishment act.

(f) The failure to comply strictly with the requirements of this act and rules and regulations promulgated pursuant to this act shall be grounds for the revocation of a special order shipping license or other disciplinary action by the director. After notice and an opportunity for hearing in accordance with the provisions of the Kansas administrative procedure act, the director may refuse to issue or renew or may revoke a shipping permit upon a finding that the permit holder has failed to comply with any provision of this section or K.S.A. 41-501 et seq., and amendments thereto, or any rules and regulations adopted pursuant to such statutes. Upon revocation of a special order shipping license for shipment of wine to a person not of legal age as required herein such winery shall not be issued any special order shipping license pursuant to this act for a period of one year from the date of revocation.

(g) The holder of a special order shipping license shall collect all gallonage taxes imposed by K.S.A. 41-501 et seq., and amendments thereto, shall on a quarterly basis electronically remit such taxes ~~annually~~ in a manner prescribed by the secretary and shall accompany such remittance with ~~such any~~ reports, documentation ~~and or~~ other information as may be required by the secretary. In addition, an applicant for and a holder of a special order shipping license, as a condition of receiving and holding a valid license, shall:

(1) Collect and pay the applicable Kansas enforcement tax on each sale shipped to a consumer in Kansas imposed by K.S.A. 79-4101 et seq., and amendments thereto;

(2) accompany each remittance with such sales tax reports, documentation and other information as may be required by the director of taxation; and

(3) if the holder of the license is an out-of-state shipper, the licensee shall be deemed to have appointed the secretary of state as the resident agent and representative of the licensee to accept service of process from the secretary of revenue, the director and the courts of this state concerning enforcement of this section, K.S.A. 41-501 et

seq., and amendments thereto, and any related laws and rules and regulations and to accept service of any notice or order provided for in the liquor control act.

(h) The secretary of revenue may adopt rules and regulations to implement, administer and enforce the provisions of this section.

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

Sec. 10. K.S.A. 2020 Supp. 41-352 is hereby amended to read as follows: 41-352.

(a) Any manufacturer or supplier of alcoholic liquor or cereal malt beverage, whether licensed in this state or any other state, or a holder of a distilled spirits plant permit issued by the alcohol and tobacco tax and trade bureau of the United States department of treasury may apply for an annual packaging and warehousing facility permit. The application shall be on a form prescribed by the director and shall include all information the director deems necessary.

(b) A packaging and warehousing facility permit shall allow the:

(1) ~~The~~ Transfer of alcoholic liquor or cereal malt beverage to the licensed premises of a packaging and warehousing facility for the purpose of packaging or storage, or both;

(2) ~~the~~ sale and transfer from the licensed premises of a packaging and warehousing facility to the licensed premises of a spirits, wine or beer distributor licensed in Kansas or to a Kansas supplier; ~~and~~

(3) ~~the~~ transfer from the licensed premises of a packaging and warehousing facility to another state; and

(4) receipt and transfer of alcoholic liquor in a bulk container from any manufacturer, supplier, farm winery, microbrewery or microdistillery of alcoholic liquor or cereal malt beverage, whether licensed in this state or any other state, for purposes of packaging in cans or bottles.

(c) The annual fee for a packaging and warehousing facility permit shall be \$2,500.

(d) Each brand and label of alcoholic liquor or cereal malt beverage that is intended for sale to distributors in Kansas and is transported, packaged or stored at a licensed packaging and warehousing facility must be registered in accordance with the provisions of K.S.A. 41-331, and amendments thereto.

(e) The tax imposed pursuant to K.S.A. 41-501, and amendments thereto, shall be paid on alcoholic liquor or cereal malt beverage imported into this state under a packaging and warehousing facility permit only if the alcoholic liquor or cereal malt beverage is sold to a distributor for sale at wholesale in this state and shall be paid by the distributor who purchases the alcoholic liquor or cereal malt beverage for sale at wholesale.

(f) For purposes of this section, the terms in subsections (a) and (b)(4), if not otherwise defined in K.S.A. 41-102, and amendments thereto, mean the same as such terms are defined in title 27, chapter I, subchapter A of the code of federal regulations, as in effect on July 1, 2021.

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

Sec. 11. K.S.A. 2020 Supp. 41-712 is hereby amended to read as follows: 41-712.

(a) Within any city where the days of sale at retail of alcoholic liquor in the original package have not been expanded as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, or have been so expanded and subsequently restricted as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, ~~and within any township where the days of sale at retail of alcoholic liquor in the original package have not been~~

expanded as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, or have been so expanded and subsequently restricted as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, no person shall sell at retail any alcoholic liquor in the original package: (1) On Sunday; (2) on ~~Memorial Day, Independence Day, Labor Day,~~ Thanksgiving Day or Christmas Day; or (3) before 9 a.m. or after 11 p.m. on any day when the sale is permitted. The governing body of any city by ordinance may require the closing of premises prior to 11 p.m., but such ordinance shall not require closing prior to 8 p.m.

(b) Within any city where the days of sale at retail of alcoholic liquor in the original package have been expanded as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, and have not been subsequently restricted as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, and within any township where the days of sale at retail of alcoholic liquor in the original package have been expanded as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, and have not been subsequently restricted as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, no person shall sell at retail alcoholic liquor in the original package: (1) On Sunday ~~before 12 noon or after not earlier than 9 a.m. and not later than 8 p.m.;~~ (2) on Easter Sunday, Thanksgiving Day or Christmas Day; or (3) before 9 a.m. or after 11 p.m. on any day when the sale is permitted. The governing body of any city by ordinance may require the closing of premises prior to 11 p.m., but such ordinance shall not require closing prior to 8 p.m.

Sec. 12. K.S.A. 2020 Supp. 41-718 is hereby amended to read as follows: 41-718. (a) No person except a manufacturer, distributor, microbrewery, microdistillery, farm winery or wholesaler shall fill or refill, in whole or in part, any original package of alcoholic liquor with the same or any other kind or quality of alcoholic liquor.

(b) No person shall have in the person's possession for sale at retail any bottles, casks or other containers containing alcoholic liquor, except in original packages.

(c) This section shall not apply to the sale of beer, domestic beer or cereal malt beverage by a retailer in accordance with K.S.A. 41-308(c)(8), and amendments thereto.;

Also on page 7, in line 35, by striking "they are" and inserting "such permit is";

On page 8, in line 9, after "(1)" by inserting "(A)"; in line 11, by striking "(A)" and inserting "(i)"; in line 13, by striking "(B)" and inserting "(ii)"; in line 16, by striking "(C)" and inserting "(iii)"; in line 18, before "The" by inserting "(B)"; in line 19, by striking the first "which" and inserting "that";

On page 10, in line 23, by striking "the age of"; also in line 23, after "years" by inserting "of age"; in line 25, by striking "the age of"; also in line 25, after "years" by inserting "of age"; in line 27, by striking "the age of"; also in line 27, after "21" by inserting "years of age";

On page 13, in line 17, by striking "(" and inserting a comma; in line 18, by striking ")" and inserting a comma; also in line 18, after "them" by inserting ", as provided in K.S.A. 41-2637, and amendments thereto"; in line 26, after the period by inserting "The term "; also in line 26, after "establishment" by inserting ";

On page 17, in line 1, by striking "this" and inserting "the club and drinking establishment"; also in line 1, by striking "or" and inserting a comma; in line 2, by striking "hereunder" and inserting "pursuant to such act or any lawful order issued by the director"; in line 25, after "and" by inserting ";

(1)";

Also on page 17, in line 28, after "final" by inserting a semicolon; also in line 28, after "or" by inserting:

"(2)";

On page 19, in line 2, by striking all after "(3)"; by striking all in line 3; in line 4, by striking "(4)"; following line 26, by inserting:

"(F) Any person who has a beneficial interest in a manufacturer licensed pursuant to the Kansas liquor control act may be issued one drinking establishment license."; in line 32, by striking all after "citizenship"; by striking all in line 43;

On page 20, by striking all in line 1; in line 7, by striking the colon; in line 8, by striking "(1)"; by striking all in lines 15 and 16;

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

Also on page 20, following line 16, by inserting:

"Sec. 26. K.S.A. 41-2632 is hereby amended to read as follows: 41-2632. (a) As used in this section:

(1) ~~The word "Distributor" means a person, firm, association or corporation which that~~ is the holder of an alcoholic liquor distributor's license issued under the Kansas liquor control act;

(2) ~~the word "retailer" means a person, copartnership or association which that~~ is the holder of a retailer's license issued under the Kansas liquor control act; and

(3) ~~the word "manufacturer" shall have the meaning ascribed to it by means the same as such term is defined in K.S.A. 41-102, and amendments thereto.~~

(b) It shall be unlawful for a distributor of alcoholic liquor, or a manufacturer, or any officer, agent or employee thereof, to influence, coerce or induce or attempt to influence, coerce or induce, either directly or indirectly, any holder of a license issued under this act, or any officer, agent or employee of the holder of such a license, to: (1) Purchase any particular brand or kind of alcoholic liquor to be dispensed by the licensee, except that a distributor or manufacturer may provide to a licensee information regarding the availability of brands in the market and things of value as authorized by ~~subsection (d) of~~ K.S.A. 41-703(d), and amendments thereto; or (2) purchase from a particular retailer alcoholic liquor to be dispensed by the licensee.

(c) Violation of this section is a misdemeanor punishable by a fine of not less than \$100 nor more than \$1,000 or by imprisonment for not more than six months, or by both.

(d) The provisions of this section shall not apply to any manufacturer who holds a drinking establishment license with respect to purchases made by such drinking establishment.";

Also on page 20, in line 21, by striking the second "and"; in line 23, after "them" by inserting "; and

(3) offer for sale, sell and serve alcoholic liquor for consumption on the licensed premises by individuals other than those individuals specified in paragraph (1) during an event held in accordance with subsection (d)";

Also on page 20, in line 24, before "No" by inserting "(b)"; in line 29, by striking the first "(b)" and inserting "(c)"; also in line 29, by striking "(b)(2)" and inserting "(c)(2)"; in line 42, by striking "(c)" and inserting "(d) (1) A licensee may offer for sale, sell and serve alcoholic liquor for consumption on the licensed premises by individuals

other than members of the licensee, their families or guests during an event. The licensee shall provide electronic notification to the director at least 48 hours prior to any such event. The director shall make the electronic notification available to local law enforcement. Such notice shall consist of the date, time, location and the names of the contracting parties of the event. The licensee shall retain all documents for a period of three years for inspection by the director. The documents retained shall include agreements, receipts and records of alcohol purchased.

(2) For purposes of this subsection, the term "event" means any function, occasion, celebration or other event held on the licensed premises for a specified duration of time and during which individuals who are not members of the licensee, their families or guests are permitted to enter and use the licensed premises pursuant to an agreement between the licensee and the contracting party.

(e)";

On page 21, following line 3, by inserting:

"Sec. 28. K.S.A. 2020 Supp. 41-2640 is hereby amended to read as follows: 41-2640. (a) No club, drinking establishment, caterer or holder of a temporary permit, nor any person acting as an employee or agent thereof, shall:

(1) Offer or serve any free cereal malt beverage or alcoholic liquor in any form to any person;

(2) offer or serve to any person an individual drink at a price that is less than the acquisition cost of the individual drink to the licensee or permit holder;

(3) sell, offer to sell or serve to any person an unlimited number of individual drinks during any set period of time for a fixed price, except at private functions not open to the general public or to the general membership of a club;

(4) encourage or permit, on the licensed premises, any game or contest which involves drinking alcoholic liquor or cereal malt beverage or the awarding of individual drinks as prizes;

(5) sell, offer to sell or serve free of charge any form of powdered alcohol, as defined in K.S.A. 41-102, and amendments thereto; or

(6) advertise or promote in any way, whether on or off the licensed premises, any of the practices prohibited under subsections (a)(1) through (5).

(b) No public venue, nor any person acting as an employee or agent thereof, shall:

(1) Offer or serve any free cereal malt beverage or alcoholic liquor in any form to any person;

(2) offer or serve to any person a drink or original container of alcoholic liquor or cereal malt beverage at a price that is less than the acquisition cost of the drink or original container of alcoholic liquor or cereal malt beverage to the licensee;

(3) sell or serve alcoholic liquor in glass containers to customers in the general admission area;

(4) sell or serve more than two drinks per customer at any one time in the general admission area;

(5) encourage or permit, on the licensed premises, any game or contest which involves drinking alcoholic liquor or cereal malt beverage or the awarding of drinks as prizes;

(6) sell, offer to sell or serve free of charge any form of powdered alcohol, as defined in K.S.A. 41-102, and amendments thereto; or

(7) advertise or promote in any way, whether on or off the licensed premises, any of

the practices prohibited under subsections (b)(1) through (6).

(c) A public venue, club, drinking establishment, caterer or holder of a temporary permit may:

- (1) Offer free food or entertainment at any time;
- (2) sell or deliver wine by the bottle or carafe;
- (3) sell, offer to sell and serve individual drinks at different prices throughout any day;
- (4) sell or serve beer ~~or~~ cereal malt beverage ~~or mixed alcoholic beverage~~ in a pitcher ~~capable of containing not more than 64 fluid ounces; or~~
- (5) offer samples of alcohol liquor free of charge as authorized by this act; ~~or~~
- (6) ~~sell or serve margarita, sangria, daiquiri, mojito or other mixed alcoholic beverages as approved by the director in a pitcher containing not more than 64 fluid ounces.~~

(d) A hotel of which the entire premises is licensed as a drinking establishment may, in accordance with rules and regulations adopted by the secretary, distribute to its guests coupons redeemable on the hotel premises for drinks containing alcoholic liquor. The hotel shall remit liquor drink tax in accordance with the provisions of the liquor drink tax act, K.S.A. 79-41a01 et seq., and amendments thereto, on each drink served based on a price which is not less than the acquisition cost of the drink.

(e) (1) A public venue, club or drinking establishment may offer customer self-service of beer or wine, or both, from automated devices on licensed premises so long as the licensee monitors and has the ability to control the dispensing of such beer or wine, or both, from the automated devices.

(2) (A) For purposes of this subsection, "automated device" ~~shall mean means~~ any mechanized device capable of dispensing wine or beer, or both, directly to a customer in exchange for compensation that a licensee has received directly from the customer.

(B) No licensee shall allow an automated device to be used on its licensed premises without first providing written or electronic notification to the director of the licensee's intent to use the automated device. The licensee shall provide this notification at least 48 hours before any automated device is used on the licensed premises.

(C) Each licensee offering customer self-service of wine or beer, or both, from any automated device shall provide constant video monitoring of the automated device at all times during which the licensee is open to the public. The licensee shall keep recorded footage from the video monitoring for at least 60 days and shall provide the footage, upon request, to any agent of the director or other authorized law enforcement agent.

(D) The compensation required by subsection (a) shall be in the form of a programmable, prepaid access card containing a fixed amount of monetary credit that may be directly exchanged for beer or wine dispensed from the automated device. Access cards may be sold, used or reactivated only during a business day. Each access card shall be purchased from the licensee by a customer. A licensee shall not issue more than one active access card to a customer. For purposes of this subsection, an access card shall be deemed active if the access card contains monetary credit or has not yet been used to dispense 15 ounces of wine or 32 ounces of beer. Each purchase of an access card under this subparagraph shall be subject to the liquor drink tax imposed by K.S.A. 79-41a02, and amendments thereto.

(E) In order to obtain a prepaid access card from a licensee, each customer shall produce a valid driver's license, identification card or other government-issued

document that contains a photograph of the individual and demonstrates that the individual is at least 21 years of age. Each access card shall be programmed to require the production of the customer's valid identification before the access card can be used for the first time during any business day or for any subsequent reactivation as provided in subparagraph (D).

(F) Each access card shall become inactive at the end of each business day.

(G) Each access card shall be programmed to allow the dispensing of no more than 15 ounces of wine or 32 ounces of beer to a customer. Once an access card has been used to dispense 15 ounces of wine or 32 ounces of beer to a customer, the access card shall become inactive. Any customer in possession of an inactive access card may, upon production of the customer's valid identification to the licensee or licensee's employee, have the access card reactivated to allow the dispensing of an additional 15 ounces of wine or 32 ounces of beer from an automated device.

Subparagraph (D), (E), (F) or (G) shall not apply to wine or beer that is dispensed directly to the licensee or the licensee's agent or employee.

(3) The secretary shall adopt rules and regulations prior to January 1, 2019, as necessary to implement the provisions of this subsection.

(4) Notwithstanding any other provision of law, all laws and rules and regulations applicable to the sale of alcoholic liquor to persons under the legal age of consumption shall be applicable to the sales transaction of the prepaid access card.

(f) A hotel of which the entire premises is not licensed as a drinking establishment may, in accordance with rules and regulations adopted by the secretary, through an agreement with one or more clubs or drinking establishments, distribute to its guests coupons redeemable at such clubs or drinking establishments for drinks containing alcoholic liquor. Each club or drinking establishment redeeming coupons issued by a hotel shall collect from the hotel the agreed price, which shall be not less than the acquisition cost of the drink plus the liquor drink tax for each drink served. The club or drinking establishment shall collect and remit the liquor drink tax in accordance with the provisions of the liquor drink tax act, K.S.A. 79-41a01 et seq., and amendments thereto.

(g) Violation of any provision of this section is a misdemeanor punishable as provided by K.S.A. 41-2633, and amendments thereto.

(h) Violation of any provision of this section shall be grounds for suspension or revocation of the licensee's license as provided by K.S.A. 41-2609, and amendments thereto, and for imposition of a civil fine on the licensee or temporary permit holder as provided by K.S.A. 41-2633a, and amendments thereto.

(i) For the purposes of this section, ~~the term:~~

(1) "Day" means from 6:00 a.m. until 2:00 a.m. the following calendar day;

(2) "mixed alcoholic beverage" means a beverage that is made by combining alcoholic liquor with a non-alcoholic liquid or other edible substance and that is comprised of at least 25% non-alcoholic liquid or other edible substance, including, but not limited to, margarita, sangria, daiquiri or mojito; and

(3) "pitcher" means any container that is capable of containing more than 32 fluid ounces but not more than 64 fluid ounces that is used to serve alcoholic liquor or cereal malt beverage to one or more individuals.";

On page 23, in line 38, after "(d)" by inserting "(1)"; following line 41, by inserting:

"(2) If the drinking establishment licensee also holds a manufacturer's license

issued under the Kansas liquor control act, the licensed premises specified in the drinking establishment license shall not be the same as the licensed premises specified in the manufacturer's license, but such specified premises shall be located not more than two miles by the usually traveled road from the licensed premises specified in the manufacturer's license.";

On page 24, following line 16, by inserting:

"(g) If the drinking establishment licensee also holds a manufacturer's license issued under the Kansas liquor control act, the drinking establishment shall not sell alcoholic liquor manufactured by such manufacturer's licensee to the exclusion of other alcoholic liquor. All beer and cereal malt beverage sold by the drinking establishment shall be acquired from a distributor or retailer licensed under the Kansas liquor control act, and all wine and spirits sold by the drinking establishment shall be acquired from a retailer or farm winery licensed under the Kansas liquor control act and who possesses a federal wholesaler's basic permit.";

On page 28, in line 7, after "(b)" by inserting "A patron may remove one or more containers of beer, domestic beer and cereal malt beverage, as those terms are defined in K.S.A. 41-102, and amendments thereto, that are sold on the licensed premises to consumers and served in refillable and sealable containers for consumption off the licensed premises if such containers:

- (1) Contain between 32 and 64 fluid ounces;
- (2) have a label affixed that clearly indicates the licensee's name and the type of alcoholic beverage contained in such container; and
- (3) are not sold or removed from the premises after 11:00 p.m.
- (d) All alcoholic liquor, cereal malt beverage and nonalcoholic malt beverage sold by a licensee shall be subject to the tax imposed by K.S.A. 79-41a02, and amendments thereto.

(e)";

On page 31, following line 35, by inserting:

"Sec. 36. K.S.A. 2020 Supp. 41-2703 is hereby amended to read as follows: 41-2703. (a) After examination of an application for a retailer's license, the board of county commissioners or the director shall, if they approve the same, issue a license to the applicant. The governing body of the city shall, if the applicant is qualified as provided by law, issue a license to such applicant.

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

~~(1) A person who is not a resident of the county in which the place of business covered by the license is located, has not been a resident of such county for at least six months or has not been a resident in good faith of the state of Kansas;~~

~~(2) A person who has not been a resident of this state for at least one year immediately preceding application for a retailer's license;~~

~~(3) A person who is not of good character and reputation in the community in which the person resides.~~

~~(4)(2) A person who is not a citizen of the United States.~~

~~(5)(3) A person who, within two years immediately preceding the date of application approval, has been convicted of, released from incarceration for or released from probation or parole for a felony or any crime involving moral turpitude, drunkenness, driving a motor vehicle while under the influence of intoxicating liquor or violation of any other intoxicating liquor law of any state or of the United States.~~

~~(6)~~(4) A partnership, unless all the members of the partnership are otherwise qualified to obtain a license.

~~(7)~~(5) A corporation, if any manager, officer or director thereof, or any stockholder owning in the aggregate more than 25% of the stock of such corporation, would be ineligible to receive a license hereunder for any reason other than the citizenship ~~and residency~~ requirements.

~~(8)~~(6) A person whose place of business is conducted by a manager or agent unless the manager or agent possesses all the qualifications of a licensee.

~~(9)~~(7) A person whose spouse would be ineligible to receive a retailer's license for any reason other than citizenship, ~~residence~~ requirements or age, except that this ~~subsection (b)(9) paragraph~~ shall not apply in determining eligibility for a renewal license.

~~(10)~~(8) A person whose spouse has been convicted of a felony or other crime ~~which that~~ 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.

(c) After examination of an application for a retailer's license, the board of county commissioners or the governing body of a city may deny a license to a person, partnership or corporation if any manager, officer or director thereof, or any stockholder owning in the aggregate more than 25% of the stock of such corporation, has been an officer, manager, director or a stockholder owning in the aggregate more than 25% of the stock, of a corporation ~~which that~~ has:

(1) Had a retailer's license revoked under K.S.A. 41-2708, and amendments thereto; or

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

(d) If an applicant has been issued a producer's license pursuant to K.S.A. 41-355, and amendments thereto, an application for a retailers' license shall be approved by the board of county commissioners or the director, subject to the requirements of subsections (b) and (c).

(e) Retailers' licenses shall be issued either on an annual basis or for the calendar year. If such licenses are issued on an annual basis, the board of county commissioners or the governing body of the city shall notify the distributors supplying the county or city on or before April 1 of the year if a retailer's license is not renewed.

~~(f)~~(f) In addition to, and consistent with the requirements of K.S.A. 41-2701 et seq., and amendments thereto, the board of county commissioners of any county or the governing body of any city may provide by resolution or ordinance for the issuance of a special event retailers' permit ~~which that~~ shall allow the permit holder to offer for sale, sell and serve cereal malt beverage for consumption on unpermitted premises, ~~which that~~ may be open to the public, subject to the following:

(1) A special event retailers' permit shall specify the premises for which the permit is issued;

(2) a special event retailers' permit shall be issued for the duration of the special event, the dates and hours of which shall be specified in the permit;

(3) ~~no~~ not more than four special event retailers' permits may be issued to any one applicant in a calendar year; and

(4) a special event retailers' permit shall not be transferable or assignable.

~~(f)~~(g) A special event retailers' permit holder shall not be subject to the provisions

of the beer and cereal malt beverage keg registration act, K.S.A. 41-2901 et seq., and amendments thereto.

Sec. 37. K.S.A. 2020 Supp. 41-2704 is hereby amended to read as follows: 41-2704. (a) In addition to and consistent with the requirements of the Kansas cereal malt beverage act, the board of county commissioners of any county or the governing body of any city may prescribe hours of closing, standards of conduct and rules and regulations concerning the moral, sanitary and health conditions of places licensed pursuant to this act and may establish zones within which no such place may be located.

(b) Within any city where the days of sale at retail of cereal malt beverage in the original package have not been expanded as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, or have been so expanded and subsequently restricted as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, ~~and within any township where the hours and days of sale at retail of cereal malt beverage in the original package have not been expanded as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, or have been so expanded and subsequently restricted as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto,~~ no cereal malt beverages or beer containing not more than 6% alcohol by volume may be sold:

(1) Between the hours of 12 midnight and 6 a.m.; or

(2) on Sunday, except in a place of business which is licensed to sell cereal malt beverage for consumption on the premises, which derives not less than 30% of its gross receipts from the sale of food for consumption on the licensed premises and which is located in a county where such sales on Sunday have been authorized by resolution of the board of county commissioners of the county or in a city where such sales on Sunday have been authorized by ordinance of the governing body of the city.

(c) Within any city where the days of sale at retail of cereal malt beverage in the original package have been expanded as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, and have not been subsequently restricted as provided in K.S.A. 2020 Supp. 41-2911, and amendments thereto, ~~and within any township where the days of sale at retail of cereal malt beverage in the original package have been expanded as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto, and have not been subsequently restricted as provided by K.S.A. 2020 Supp. 41-2911, and amendments thereto,~~ no person shall sell at retail cereal malt beverage or beer containing not more than 6% alcohol by volume:

(1) Between the hours of 12 midnight and 6 a.m.;

(2) in the original package ~~before 12 noon or after~~ not earlier than 9 a.m. and not later than 8 p.m. on Sunday;

(3) on Easter Sunday; or

(4) for consumption on the licensed premises on Sunday, except in a place of business which is licensed to sell cereal malt beverage for consumption on the premises, which derives not less than 30% of its gross receipts from the sale of food for consumption on the licensed premises and which is located in a county where such sales on Sunday have been authorized by resolution of the board of county commissioners of the county or in a city where such sales on Sunday have been authorized by ordinance of the governing body of the city.

(d) No private rooms or closed booths shall be operated in a place of business, but this provision shall not apply if the licensed premises also are licensed as a club pursuant to the club and drinking establishment act.

(e) Each place of business shall be open to the public and to law enforcement officers at all times during business hours, except that a premises licensed as a club pursuant to the club and drinking establishment act shall be open to law enforcement officers and not to the public.

(f) Except as otherwise provided by this subsection, no licensee shall permit a person under the legal age for consumption of cereal malt beverage or beer containing not more than 6% alcohol by volume to consume or purchase any cereal malt beverage in or about a place of business. A licensee's employee who is not less than 18 years of age may dispense or sell cereal malt beverage or beer containing not more than 6% alcohol by volume, if:

(1) The licensee's place of business is licensed only to sell at retail cereal malt beverage or beer containing not more than 6% alcohol by volume in the original package and not for consumption on the premises; or

(2) the licensee's place of business is a licensed food service establishment, as defined by K.S.A. 36-501, and amendments thereto, and not less than 50% of the gross receipts from the licensee's place of business is derived from the sale of food for consumption on the premises of the licensed place of business.

(g) No person shall have any alcoholic liquor, except beer containing not more than 6% alcohol by volume, in such person's possession while in a place of business, unless the premises are currently licensed as a club or drinking establishment pursuant to the club and drinking establishment act.

(h) Cereal malt beverages may be sold on premises ~~which~~ that are licensed pursuant to both the Kansas cereal malt beverage act and the club and drinking establishment act at any time when alcoholic liquor is allowed by law to be served on the premises.

Sec. 38. K.S.A. 2020 Supp. 41-2911 is hereby amended to read as follows: 41-2911. (a) (1) The board of county commissioners of any county may, by resolution:

(A) Expand the days of sale at retail of cereal malt beverage in the original package to allow such sale within the unincorporated area of the county on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. as established in the resolution~~ and expand the days of sale at retail of alcoholic liquor in the original package, if licensing of such sale of alcoholic liquor is authorized within the unincorporated area of the county, to allow such sale within the unincorporated area of the county on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. and on Memorial Day, Independence Day and Labor Day as established in the resolution;~~ or

(B) restrict the days of sale at retail of cereal malt beverage in the original package to prohibit such sale within the unincorporated area of the county on Sunday and restrict the days of sale at retail of alcoholic liquor in the original package, if licensing of such sale of alcoholic liquor is authorized within the unincorporated area of the county, to prohibit such sale within the unincorporated area of the county on Sunday, ~~Memorial Day, Independence Day and Labor Day.~~

Such resolution shall be published once, within two weeks after its adoption, in the official county newspaper. Such resolution shall not become effective earlier than 60 days following the date of its publication ~~or November 15, 2005, whichever is later.~~ If, within 60 days following publication of the resolution, a petition requesting that a proposition be submitted for approval by the voters is filed in accordance with

subsection (a)(2), such resolution shall not become effective until a proposition is submitted to and approved at an election as provided by this subsection (a).

(2) A petition to submit a proposition to the qualified voters of a county pursuant to this subsection (a) shall be filed with the county election officer. The petition shall be signed by qualified voters of the county who reside within the unincorporated area of the county equal in number to not less than 5% of the voters of the county residing within the unincorporated area of the county who voted for the office of president of the United States at the last preceding general election at which such office was elected. The appropriate version of the following shall appear on the petition:

(A) If licensing of sale at retail of alcoholic liquor in the original package is not authorized within the unincorporated area of the county, the petition shall read: "We request an election to determine whether sale at retail of cereal malt beverage in the original package shall be (allowed on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. as established in the petition~~) (prohibited on Sunday) within the unincorporated area of _____ county."

(B) If licensing of sale at retail of alcoholic liquor is authorized within the unincorporated area of the county, the petition shall read: "We request an election to determine whether sale at retail of cereal malt beverage in the original package shall be (allowed on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. as established in the petition~~) (prohibited on Sunday) within the unincorporated area of _____ county and whether sale at retail of alcoholic liquor in the original package shall be (allowed on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. and on Memorial Day, Independence Day and Labor Day as established in the petition~~) (prohibited on Sunday, ~~Memorial Day, Independence Day and Labor Day~~) within the unincorporated area of _____ county."

(3) Upon submission of a valid petition calling for an election pursuant to this subsection (a), the county commission shall call a special election to be held not later than 45 days after submission of the petition unless a countywide primary or general election is to be held within 90 days after submission of the petition, in which case the proposition shall be submitted at such countywide election. Thereupon, the county election officer shall cause the appropriate version of the following proposition to be placed on the ballot in the unincorporated area of the county at such election:

(A) If licensing of sale at retail of alcoholic liquor is not authorized within the unincorporated area of the county, the following proposition shall be placed on the ballot: "Within the unincorporated area of _____ county shall sale at retail of cereal malt beverage in the original package be (allowed on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. as established in the petition~~) (prohibited on Sunday)?"

(B) If licensing of sale at retail of alcoholic liquor is authorized within the unincorporated area of the county, the following proposition shall be placed on the ballot: "Within the unincorporated area of _____ county shall sale at retail of cereal malt beverage in the original package be (allowed on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. as established in the petition~~) (prohibited on Sunday) and shall the sale at retail of alcoholic liquor in the original package be (allowed on any Sunday, except Easter,

~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. and on Memorial Day, Independence Day and Labor Day as established in the petition) (prohibited on Sunday, Memorial Day, Independence Day and Labor Day)?"~~

(b) (1) The governing body of any city may, by ordinance:

(A) Expand the days of sale at retail of cereal malt beverage in the original package to allow such sale within the city on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. as established in the ordinance~~ and expand the days of sale at retail of alcoholic liquor in the original package, if licensing of such sale of alcoholic liquor is authorized within the city, to allow such sale within the city on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. and on Memorial Day, Independence Day and Labor Day as established in the ordinance;~~ or

(B) restrict the days of sale at retail of cereal malt beverage in the original package to prohibit such sale within the city on Sunday and restrict the days of sale at retail of alcoholic liquor in the original package, if licensing of such sale of alcoholic liquor is authorized within the city, to prohibit such sale within the city on Sunday, ~~Memorial Day, Independence Day and Labor Day.~~

Such ordinance shall be published at least once each week for two consecutive weeks in the official city newspaper. Such ordinance shall not become effective earlier than 60 days following the date of its publication ~~or November 15, 2005, whichever is later.~~ If, within 60 days following publication of the ordinance, a petition requesting that a proposition be submitted for approval by the voters is filed in accordance with subsection (b)(2), such ordinance shall not become effective until a proposition is submitted to and approved at an election as provided by this subsection (b).

(2) A petition to submit a proposition to the qualified voters of a city pursuant to this subsection (b) shall be filed with the county election officer. The petition shall be signed by qualified voters of the city equal in number to not less than 5% of the voters of the city who voted for the office of president of the United States at the last preceding general election at which such office was elected. The appropriate version of the following shall appear on the petition:

(A) If licensing of sale at retail of alcoholic liquor in the original package is not authorized within the city, the petition shall read: "We request an election to determine whether sale at retail of cereal malt beverage in the original package shall be (allowed on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. as established in the petition)~~ (prohibited on Sunday) within the city of _____."

(B) If licensing of sale at retail of alcoholic liquor is authorized within the city, the petition shall read: "We request an election to determine whether sale at retail of cereal malt beverage in the original package shall be (allowed on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. as established in the petition)~~ (prohibited on Sunday) within the city of _____ and whether sale at retail of alcoholic liquor in the original package shall be (allowed on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. and on Memorial Day, Independence Day and Labor Day as established in the petition)~~ (prohibited on Sunday, ~~Memorial Day, Independence Day and Labor Day)~~ within the city of _____."

(3) Upon submission of a valid petition calling for an election pursuant to this

subsection (b), the city governing body shall call a special election to be held not later than 45 days after submission of the petition unless a citywide primary or general election is to be held within 90 days after submission of the petition, in which case the proposition shall be submitted at such citywide election. Thereupon, the county election officer shall cause the appropriate version of the following proposition to be placed on the ballot in the city at such election:

(A) If licensing of sale at retail of alcoholic liquor is not authorized within the city, the following proposition shall be placed on the ballot: "Within the city of _____ shall sale at retail of cereal malt beverage in the original package be (allowed on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. as established in the petition~~) (prohibited on Sunday)?"

(B) If licensing of sale at retail of alcoholic liquor is authorized within the city, the following proposition shall be placed on the ballot: "Within the city of _____ shall sale at retail of cereal malt beverage in the original package be (allowed on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. as established in the petition~~) (prohibited on Sunday) and shall the sale at retail of alcoholic liquor in the original package be (allowed on any Sunday, except Easter, ~~between the hours of 12 noon and not earlier than 9 a.m. and not later than 8 p.m. and on Memorial Day, Independence Day and Labor Day as established in the petition~~) (prohibited on Sunday, ~~Memorial Day, Independence Day and Labor Day~~)?"

(c) The county election officer shall transmit to the director a copy of the results of an election pursuant to this section.

(d) An election provided for by this section shall be called and held in the manner provided by the general bond law.";

Also on page 31, in line 36, by striking all after "Sec. 24."; by striking all in lines 37 through 39; in line 40, by striking all before "are" and inserting "K.S.A. 41-2604, 41-2619 and 41-2632 and K.S.A. 2020 Supp. 41-102, 41-308, 41-308a, 41-308b, 41-311, 41-311b, 41-320a, 41-350, 41-352, 41-712, 41-718, 41-1201, 41-1202, 41-1203, 41-1204, 41-2601, 41-2608, 41-2610, 41-2611, 41-2613, 41-2614, 41-2623, 41-2632, 41-2637, 41-2640, 41-2641, 41-2642, 41-2643, 41-2653, as amended by section 1 of 2021 Senate Bill No. 14, 41-2655, 41-2658, 41-2659, 41-2703, 41-2704 and 41-2911";

And by renumbering sections accordingly;

On page 1, in the title, in line 3, by striking all before the semicolon and inserting "eliminating the requirement of Kansas residency for licensure; providing for suspension or revocation of licenses for violations of orders issued by the director; authorizing sales on Sunday and certain holidays; authorizing the issuance of fulfillment house licenses; reducing the Kansas grown product requirement for wine and hard cider; allowing the transfer and receipt of bulk wine; allowing the transfer and receipt of bulk alcoholic liquor and cereal malt beverage for canning and bottling purposes; requiring electronic submission of gallonage taxes by special order shipping licensees; authorizing the issuance of a drinking establishment license to manufacturers under certain conditions; authorizing the sale of alcoholic liquor by class A clubs at special events; specifying requirements for serving alcoholic liquor in pitchers; requiring issuance of a cereal malt beverage retailers' license to licensed producers; allowing the sale and removal of beer and cereal malt beverage in certain containers";

Also on page 1, in the title, by striking all in lines 6 through 9; in line 10, by striking all before the second "and" and inserting "K.S.A. 41-2604, 41-2619 and 41-2632 and

K.S.A. 2020 Supp. 41-102, 41-308, 41-308a, 41-308b, 41-311, 41-311b, 41-320a, 41-350, 41-352, 41-712, 41-718, 41-1201, 41-1202, 41-1203, 41-1204, 41-2601, 41-2608, 41-2610, 41-2611, 41-2613, 41-2614, 41-2623, 41-2632, 41-2637, 41-2640, 41-2641, 41-2642, 41-2643, 41-2653, as amended by section 1 of 2021 Senate Bill No. 14, 41-2655, 41-2658, 41-2659, 41-2703, 41-2704 and 41-2911";

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

LARRY ALLEY
 RICHARD HILDERBRAND
 OLETHA FAUST-GOUDEAU
Conferees on part of Senate

JOHN BARKER
 TORY MARIE ARNBERGER
 LOUIS RUIZ
Conferees on part of House

Senator Alley moved the Senate adopt the Conference Committee Report on **HB 2137**.

On roll call, the vote was: Yeas 30; Nays 9; Present and Passing 1; Absent or Not Voting 0.

Yeas: Alley, Billinger, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Gossage, Haley, Hilderbrand, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Petersen, Pettey, Pyle, Straub, Suellentrop, Sykes, Thompson, Warren, Wilborn.

Nays: Baumgardner, Francisco, Hawk, Peck, Pittman, Ryckman, Steffen, Tyson, Ware.

Present and Passing: Holland.

The Conference Committee Report was adopted.

EXPLANATION OF VOTE

Mr. Vice President: I vote "NO" on the Conference Committee Report on **HB 2137** because a provision in the bill reduces and then eliminates the requirement to include Kansas-grown products in the manufacture of domestic wine and hard cider by a farm winery. The proposal to eliminate the requirement did not have a hearing; it was an amendment to the bill in committee. Since farm wineries are granted special privileges for their sales, the legislature should consider this issue carefully. I do understand that there is a constitutional question and agree that the State should identify the legislative intent and compelling interest in providing for farm winery licenses. This discussion should come before, not after, changes are made.—MARCI FRANCISCO

Senator Hawk requests the record to show he concurs with the "Explanation of Vote" offered by Senator Francisco on **HB 2137**.

On motion of Senator Alley, the Senate recessed until 4:00 p.m.

The Senate met pursuant to recess with Vice President Wilborn in the chair.

INTRODUCTION OF BILLS AND SENATE RESOLUTIONS

SENATE CONCURRENT RESOLUTION No. 1615—

By Senator Pyle

A PROPOSITION to amend section 13 of article 2 of the constitution of the state of Kansas, relating to vote requirements for passage of bills or concurrent resolutions.

Be it resolved by the Legislature of the State of Kansas, two-thirds of the members elected (or appointed) and qualified to the Senate and two-thirds of the members elected (or appointed) and qualified to the House of Representatives concurring therein:

Section 1. The following proposition to amend the constitution of the state of Kansas shall be submitted to the qualified electors of the state for their approval or rejection: Section 13 of article 2 of the constitution of the state of Kansas is hereby amended to read as follows:

"§ 13. Majority for passage of bills. *Except as provided in article 14 of the constitution of the state of Kansas, a majority of the members then elected (or appointed) and qualified of each house, voting in the affirmative, shall be necessary to pass any bill or concurrent resolution. Two-thirds (2/3) of the members then elected (or appointed) and qualified in each house, voting in the affirmative, shall be necessary to ratify any amendment to the Constitution of the United States or to make any application for congress to call a convention for proposing amendments to the Constitution of the United States."*

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

"Explanatory statement. The purpose of this amendment is to remove the constitutional provision that requires two-thirds of members then elected (or appointed) and qualified in each house, voting in the affirmative, shall be necessary to ratify any amendment to the Constitution of the United States or to make any application for congress to call a convention for proposing amendments to the Constitution of the United States and provide that a majority of such members, voting in the affirmative, shall be necessary to pass such measures.

"A vote for this proposition would amend the constitution to provide that a majority of the members then elected (or appointed) and qualified of each house, voting in the affirmative, shall be necessary to pass any bill or concurrent resolution, except as provided in article 14 of the constitution of the state of Kansas. This would lower the vote requirement from two-thirds to a majority of such members for any bill or concurrent resolution to ratify any amendment to the Constitution of the United States or to make any application for congress to call a convention for proposing amendments to the Constitution of the United States.

"A vote against this proposition would not make any changes to the constitution and would maintain the current provisions related to vote requirements for passage of bills or concurrent resolutions."

Sec. 3. This resolution, if approved by two-thirds of the members elected (or appointed) and qualified to the Senate and two-thirds of the members elected (or appointed) and qualified to the House of Representatives, shall be entered on the journals, together with the yeas and nays. The secretary of state shall cause this resolution to be published as provided by law and shall cause the proposed amendment to be submitted to the electors of the state at the general election in November in the year 2022, unless a special election is called at a sooner date by concurrent resolution of the legislature, in which case it shall be submitted to the electors of the state at the special election.

MESSAGE FROM THE HOUSE

The House adopts the Conference Committee report on **SB 159**.

ORIGINAL MOTION

Senator Senator Alley moved that subsection 4(k) of the Joint Rules of the Senate and House of Representatives be suspended for the purpose of considering the following bills: **HB 2134**.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2134** 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 9 through 36;

By striking all on pages 2 through 59;

On page 60, by striking all in lines 1 through 33; following line 33, by inserting the following:

"New Section 1.

DEPARTMENT OF EDUCATION

(a) On the effective date of this act, of the \$3,306,581 appropriated for the above agency for the fiscal year ending June 30, 2021, by section 2(a) of chapter 19 of the 2019 Session Laws of Kansas from the state general fund in the KPERS – employer contributions – non-USDs account (652-00-1000-0100), the sum of \$2,015,931 is hereby lapsed.

(b) On the effective date of this act, of the \$21,247,425 appropriated for the above agency for the fiscal year ending June 30, 2021, by section 2(a) of chapter 19 of the 2019 Session Laws of Kansas from the state general fund in the KPERS – employer contributions – USDs account (652-00-1000-0110), the sum of \$6,869,706 is hereby lapsed.

(c) On the effective date of this act, of the \$12,673,886 appropriated for the above agency for the fiscal year ending June 30, 2021, by section 79(a) of chapter 5 of the 2020 Session Laws of Kansas from the state general fund in the mental health intervention team pilot account (652-00-1000-0150), the sum of \$1,215,004 is hereby

lapsed.

(d) On the effective date of this act, any unencumbered balance in the education super highway account (652-00-1000-0180) of the state general fund is hereby lapsed.

(e) On the effective date of this act, of the \$5,060,528 appropriated for the above agency for the fiscal year ending June 30, 2021, by section 79(a) of chapter 5 of the 2020 Session Laws of Kansas from the state general fund in the school district juvenile detention facilities and Flint Hills job corps center grants account (652-00-1000-0290), the sum of \$782,064 is hereby lapsed.

(f) On the effective date of this act, of the \$360,693 appropriated for the above agency for the fiscal year ending June 30, 2021, by section 79(a) of chapter 5 of the 2020 Session Laws of Kansas from the state general fund in the governor's teaching excellence scholarships and awards account (652-00-1000-0770), the sum of \$140,755 is hereby lapsed.

(g) On the effective date of this act, of the \$89,659,017 appropriated for the above agency for the fiscal year ending June 30, 2021, by section 2(a) of chapter 19 of the 2019 Session Laws of Kansas from the state general fund in the state foundation aid account (652-00-1000-0820), the sum of \$18,897,038 is hereby lapsed.

New Sec. 2.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Operating expenditures (including official hospitality) (652-00-1000-0053).....\$14,109,493

Provided, That any unencumbered balance in the operating expenditures (including official hospitality) account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022.

KPERS-school employer contributions-non-USDs (652-00-1000-0100).....\$41,853,675

Provided, That any unencumbered balance in the KPERS-school employer contributions-non-USDs account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022.

KPERS-school employer contributions-USDs (652-00-1000-0110).....\$537,971,506

Provided, That any unencumbered balance in the KPERS-school employer contributions-USDs account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022.

KPERS layering payment (652-00-1000-0120).....\$6,400,000

KPERS layering payment #2 (652-00-1000-0121).....\$19,400,000

ACT and workkeys assessments program (652-00-1000-0140).....\$2,800,000

Mental health intervention team pilot (652-00-1000-0150).....\$7,534,722

Education commission of the states (652-00-1000-0220).....\$67,700

School safety hotline (652-00-1000-0230).....\$10,000

School district juvenile detention facilities and Flint Hills job corps center grants (652-00-1000-0290).....\$5,060,528

Provided, That any unencumbered balance in the school district juvenile detention facilities and Flint Hills job corps center grants account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022: *Provided further*, That expenditures shall be made from the school district juvenile detention facilities and Flint Hills job corps center grants account for grants to school districts in amounts determined pursuant to and in accordance with the provisions of K.S.A. 72-1173, and amendments thereto.

School food assistance (652-00-1000-0320).....	\$2,510,486
Mentor teacher (652-00-1000-0440).....	\$1,300,000
Educable deaf-blind and severely handicapped children's programs aid (652-00-1000-0630).....	\$110,000
Special education services aid (652-00-1000-0700).....	\$512,880,818

Provided, That any unencumbered balance in the special education services aid account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022: *Provided further*, That expenditures shall not be made from the special education services aid account for the provision of instruction for any homebound or hospitalized child, unless the categorization of such child as exceptional is conjoined with the categorization of the child within one or more of the other categories of exceptionality: *And provided further*, That expenditures shall be made from this account for grants to school districts in amounts determined pursuant to and in accordance with the provisions of K.S.A. 72-3425, and amendments thereto: *And provided further*, That expenditures shall be made from the amount remaining in this account, after deduction of the expenditures specified in the foregoing provisos, for payments to school districts in amounts determined pursuant to and in accordance with the provisions of K.S.A. 72-3422, and amendments thereto.

Supplemental state aid (652-00-1000-0840).....	\$2,400,000
Center for READING project manager.....	\$80,000

Provided, That notwithstanding section 30(c) of 2021 House Bill No. 2007, for the fiscal year ending June 30, 2022, on or before July 15, 2021, the above agency shall determine the amount of moneys from moneys appropriated from any special revenue fund or funds for fiscal year 2022 from the federal CARES act, public law 116-136, the federal coronavirus preparedness and response supplemental appropriation act, 2020, public law 116-123, the federal families first coronavirus response act, public law 116-127, the federal paycheck protection program and health care enhancement act, public law 116-139, the federal consolidated appropriations act, 2021, public law 116-260, the American rescue plan act of 2021, public law 117-2, or any other federal law that appropriates moneys to the state for aid for coronavirus relief, expenditures shall be made by the above agency from such moneys that may be used for such purpose to provide a project manager grant to the center for READING at Pittsburg state university; *Provided further*, That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute for House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by the legislature during the 2021 regular session and enacted into law, the above agency shall determine the remaining moneys available in special revenue funds: *And provided further*, That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2022 to be used for the purposes of this proviso, the director of the budget shall certify the amount of

such federal coronavirus relief moneys to the director of accounts and reports and on the date of such certification, the sum of up to \$80,000 appropriated for the above agency for the fiscal year ending June 30, 2022, by this section from the state general fund in the center for READING project manager account, an amount equal to such certified amount is hereby lapsed: *And provided further*; That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research: *And provided further*; That the above agency shall expend moneys in such account to provide a project manager grant to the center for reading at Pittsburg state university to: (1) Assist in the development and support of a science of reading curricula for the state educational institutions and colleges based on the knowledge and practice standards that have been adopted by the state department of education; (2) develop and support a recommended dyslexia textbook list for in-class learning for school districts to use; (3) develop and support a recommended dyslexia resources list for in-class learning for school districts to use; (4) provide knowledge and support for a train the trainer program and professional development curriculum for school districts to use; and (5) provide knowledge and support for developing a list of qualified trainers for school districts to hire.

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2022, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law and transfers to other state agencies shall not exceed the following:

School district capital outlay state aid fund.....No limit
 Educational technology coordinator fund (652-00-2157-2157).....No limit

Provided, That expenditures shall be made by the above agency for the fiscal year ending June 30, 2022, from the educational technology coordinator fund of the department of education to provide data on the number of school districts served and cost savings for those districts in fiscal year 2022 in order to assess the cost effectiveness of the position of educational technology coordinator.

Communities in schools program fund (652-00-2221-2400).....No limit
 Inservice education workshop fee fund (652-00-2230-2010).....No limit

Provided, That expenditures may be made from the inservice education workshop fee fund for operating expenditures, including official hospitality, incurred for inservice workshops and conferences: *Provided further*; That the state board of education is hereby authorized to fix, charge and collect fees for inservice workshops and conferences: *And provided further*; That such fees shall be fixed in order to recover all or part of such operating expenditures incurred for inservice workshops and conferences: *And provided further*; That all fees received for inservice workshops and conferences shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the inservice education workshop fee fund.

Federal indirect cost reimbursement fund (652-00-2312-2200).....	No limit
Conversion of materials and equipment fund (652-00-2420-2020).....	No limit
School bus safety fund (652-00-2532-2300).....	No limit
State safety fund (652-00-2538-2030).....	No limit
<i>Provided</i> , That notwithstanding the provisions of K.S.A. 8-272, and amendments thereto, or any other statute, funds shall be distributed during fiscal year 2022 as soon as moneys are available.	
Motorcycle safety fund (652-00-2633-2050).....	No limit
Teacher and administrator fee fund (652-00-2723-2060).....	No limit
Service clearing fund (652-00-2869-2800).....	No limit
School district capital improvements fund (652-00-2880-2880).....	No limit
<i>Provided</i> , That expenditures from the school district capital improvements fund shall be made only for the payment of general obligation bonds approved by voters under the authority of K.S.A. 72-5457, and amendments thereto.	
Reimbursement for services fund (652-00-3056-3200).....	No limit
ESSA – student support academic enrichment – federal fund (652-00-3113-3113).....	No limit
Educationally deprived children – state operations – federal fund (652-00-3131-3130).....	No limit
Food assistance – federal fund (652-00-3230-3020).....	No limit
Elementary and secondary school aid – federal fund (652-00-3233-3040).....	No limit
Education of handicapped children fund – federal (652-00-3234-3050).....	No limit
Community-based child abuse prevention – federal fund (652-00-3319-7400).....	No limit
TANF children's programs – federal fund (652-00-3323-0531).....	No limit
21 st century community learning centers – federal fund (652-00-3519-3890).....	No limit
State assessments – federal fund (652-00-3520-3800).....	No limit
Rural and low-income schools program – federal fund (652-00-3521-3810).....	No limit
Language assistance state grants – federal fund (652-00-3522-3820).....	No limit
State grants for improving teacher quality – federal fund (652-00-3526-3860).....	No limit
State grants for improving teacher quality – federal fund – state operations (652-00-3527-3870).....	No limit
Food assistance – school breakfast program – federal fund (652-00-3529-3490).....	No limit
Food assistance – national school lunch program – federal fund (652-00-3530-3500).....	No limit
Food assistance – child and adult care food program – federal fund (652-00-3531-3510).....	No limit

Elementary and secondary school aid – federal fund – local education agency fund (652-00-3532-3520).....	No limit
Education of handicapped children fund – state operations – federal fund (652-00-3534-3540).....	No limit
Education of handicapped children fund – preschool – federal fund (652-00-3535-3550).....	No limit
Education of handicapped children fund – preschool state operations – federal (652-00-3536-3560).....	No limit
Elementary and secondary school aid – federal fund – migrant education fund (652-00-3537-3570).....	No limit
Elementary and secondary school aid – federal fund – migrant education – state operations (652-00-3538-3580).....	No limit
Vocational education title I – federal fund (652-00-3539-3590).....	No limit
Vocational education title I – federal fund – state operations (652-00-3540-3600).....	No limit
Educational research grants and projects fund (652-00-3592-3070).....	No limit
Coronavirus relief fund – federal fund (652-00-3753).....	No limit
Local school district contribution program checkoff fund (652-00-7005-7005).....	No limit
Governor's teaching excellence scholarships program repayment fund (652-00-7221-7200).....	No limit
<i>Provided</i> , That all expenditures from the governor's teaching excellence scholarships program repayment fund shall be made in accordance with K.S.A. 72-2166, and amendments thereto: <i>Provided further</i> ; That each such grant shall be required to be matched on a \$1-for-\$1 basis from nonstate sources: <i>And provided further</i> ; That award of each such grant shall be conditioned upon the recipient entering into an agreement requiring the grant to be repaid if the recipient fails to complete the course of training under the national board for professional teaching standards certification program: <i>And provided further</i> ; That all moneys received by the department of education for repayment of grants made under the governor's teaching excellence scholarships program shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the governor's teaching excellence scholarships program repayment fund.	
Private donations, gifts, grants and bequests fund (652-00-7307-5000).....	No limit
Family and children investment fund (652-00-7375).....	No limit
State school district finance fund (652-00-7393).....	No limit
Mineral production education fund (652-00-7669-7669).....	No limit
(c) There is appropriated for the above agency from the children's initiatives fund for the fiscal year ending June 30, 2022, the following:	
Children's cabinet accountability fund (652-00-2000-2402).....	\$375,000

Provided, That any unencumbered balance in the children's cabinet accountability fund account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022.

CIF grants (652-00-2000-2408).....\$18,129,848

Provided, That any unencumbered balance in the CIF grants account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022.

Quality initiative infants and toddlers (652-00-2000-2420).....\$500,000

Provided, That any unencumbered balance in the quality initiative infants and toddlers account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022.

Early childhood block grant autism diagnosis (652-00-2000-2422).....\$50,000

Provided, That any unencumbered balance in the early childhood block grant autism diagnosis account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022.

Parent education program (652-00-2000-2510).....\$8,437,635

Provided, That any unencumbered balance in the parent education program account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022:

Provided further, That expenditures from the parent education program account for each such grant shall be matched by the school district in an amount that is equal to not less than 50% of the grant.

Communities aligned in early development and education (652-00-2000-2550).....\$1,000,000

Pre-K pilot (652-00-2000-2535).....\$4,200,000

(d) On July 1, 2021, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 8-1,148 or 38-1808, and amendments thereto, or any other statute, the director of accounts and reports shall transfer \$50,000 from the family and children trust account of the family and children investment fund (652-00-7375-7900) of the department of education to the communities in schools program fund (652-00-2221-2400) of the department of education.

(e) On March 30, 2022, and June 30, 2022, or as soon thereafter as moneys are available, notwithstanding the provisions of K.S.A. 8-267 or 8-272, and amendments thereto, or any other statute, the director of accounts and reports shall transfer \$550,000 from the state safety fund (652-00-2538-2030) to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the state safety fund to the state general fund as prescribed by law: *Provided further*, That the amount transferred from the state safety fund to the state general fund pursuant to this subsection is to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services that are performed on behalf of the department of education by other state agencies that receive appropriations from the state general fund to provide such services.

(f) On July 1, 2021, and quarterly thereafter, the director of accounts and reports shall transfer \$73,750 from the state highway fund of the department of transportation to the school bus safety fund (652-00-2532-2300) of the department of education.

(g) On July 1, 2021, the director of accounts and reports shall transfer an amount certified by the commissioner of education from the motorcycle safety fund (652-00-

2633-2050) of the department of education to the motorcycle safety fund (561-00-2366-2360) of the state board of regents: *Provided*, That the amount to be transferred shall be determined by the commissioner of education based on the amounts required to be paid pursuant to K.S.A. 8-272(b)(2), and amendments thereto.

(h) On July 1, 2021, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$70,000 from the USAC E-rate program federal fund (561-00-3920-3920) of the state board of regents to the education technology coordinator fund (652-00-2157-2157) of the department of education.

(i) There is appropriated for the above agency from the Kansas endowment for youth fund for the fiscal year ending June 30, 2022, the following:

Children's cabinet administration (652-00-7000-7001).....\$260,535

Provided, That any unencumbered balance in the children's cabinet administration account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022.

(j) During the fiscal year ending June 30, 2022, the commissioner of education, with the approval of the director of the budget, may transfer any part of any item of appropriation for fiscal year 2022 from the state general fund for the department of education to another item of appropriation for fiscal year 2022 from the state general fund for the department of education. The commissioner of education shall certify each such transfer to the director of accounts and reports and shall transmit a copy of each such certification to the director of legislative research.

(k) There is appropriated for the above agency from the expanded lottery act revenues fund for the fiscal year ending June 30, 2022, the following:

KPERS – school employer contribution (652-00-1700-1700).....\$41,143,515

Provided, That during the fiscal year ending June 30, 2022, the amount appropriated from the expanded lottery act revenues fund in the KPERS – school employer contribution account (652- 00-1700-1700) for the department of education shall be for the purpose of reducing the unfunded actuarial liability of the Kansas public employees retirement system attributable to the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, in accordance with K.S.A. 74-8768, and amendments thereto.

(l) On July 1, 2021, of the \$2,440,966,522 appropriated for the above agency for the fiscal year ending June 30, 2022, by section 80(a) of chapter 5 of the 2020 Session Laws of Kansas from the state general fund in the state foundation aid account (652-00-1000-0820), the sum of \$3,344,193 is hereby lapsed.

(m) Notwithstanding the provisions of any other statute, any appropriation act or any other provision of this act, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from any special revenue fund or funds for fiscal year 2022 from moneys received from the federal CARES act, public law 116-136, the federal coronavirus preparedness and response supplemental appropriation act, 2020, public law 116-123, the federal families first coronavirus response act, public law 116-127, the federal paycheck protection program and health care enhancement act, public law 116-139, the federal consolidated appropriations act, 2021, public law 116-260, the American rescue plan act of 2021, public law 117-2, or any other federal law that appropriates moneys to the state for aid for coronavirus relief, expenditures shall be made by the above agency from such moneys that may be used for

such purpose to provide school safety and security grants: *Provided*, That such expenditures shall not exceed \$5,000,000: *Provided further*, That expenditures shall be made for fiscal year 2022 for disbursements of grant moneys approved by the state board of education for the acquisition and installation of security cameras and any other systems, equipment and services necessary for security monitoring of facilities operated by a school district and for securing doors, windows and any entrances to such facilities: *Provided further*, That all moneys expended for school safety and security grants for fiscal year 2022 shall be matched by the receiving school district on a \$1-for-\$1 basis from other moneys of the district that may be used for such purpose as permitted under federal law: *Provided further*, That if the above agency determines such moneys may not be used for such purposes, expenditures shall not be made and the agency shall send a copy of such determination to the director of the budget and the director of legislative research.

(n) Notwithstanding the provisions of any other statute, any appropriation act or any other provision of this act, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from any special revenue fund or funds for fiscal year 2022 from moneys received from the federal CARES act, public law 116-136, the federal coronavirus preparedness and response supplemental appropriation act, 2020, public law 116-123, the federal families first coronavirus response act, public law 116-127, the federal paycheck protection program and health care enhancement act, public law 116-139, the federal consolidated appropriations act, 2021, public law 116-260, the American rescue plan act of 2021, public law 117-2, or any other federal law that appropriates moneys to the state for aid for coronavirus relief, expenditures shall be made by the above agency from such moneys that may be used for such purpose for the mental health intervention team pilot program: *Provided*, That such expenditures shall not exceed \$3,924,160: *Provided further*, That if the above agency determines such moneys may not be used for such purposes, expenditures shall not be made and the agency shall send a copy of such determination to the director of the budget and the director of legislative research.

(o) Notwithstanding the provisions of any other statute, any appropriation act or any other provision of this act, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from any special revenue fund or funds for fiscal year 2022 from moneys received from the federal CARES act, public law 116-136, the federal coronavirus preparedness and response supplemental appropriation act, 2020, public law 116-123, the federal families first coronavirus response act, public law 116-127, the federal paycheck protection program and health care enhancement act, public law 116-139, the federal consolidated appropriations act, 2021, public law 116-260, the American rescue plan act of 2021, public law 117-2, or any other federal law that appropriates moneys to the state for aid for coronavirus relief, expenditures shall be made by the above agency from such moneys that may be used for such purpose for the communities in schools program: *Provided*, That such expenditures shall not exceed \$100,000: *Provided further*, That if the above agency determines such moneys may not be used for such purposes, expenditures shall not be made and the agency shall send a copy of such determination to the director of the budget and the director of legislative research.

(p) In addition to the other purposes for which expenditures may be made by the above agency from the moneys appropriated from the state general fund or from any

special revenue fund or funds for fiscal year 2022, expenditures shall be made by the above agency from such moneys to recommend additional compensation to each classroom teacher, paraprofessional and hourly employee who was employed by the board of education of a school district throughout school year 2020-2021 and who continues to be employed by the school district in school year 2021-2022; *Provided*, That the additional compensation recommended pursuant to this subsection shall not exceed \$500 and is intended to recognize and compensate the classroom teachers, paraprofessionals and hourly employees for the duties beyond the normal scope of employment during a pandemic, including, but not limited to, creation of new lesson plans for remote and distance instruction modes, classroom modifications for social distancing, maintaining sanitary conditions and conducting home visits: *Provided further*, That each board of education of a school district shall review the moneys received from the federal CARES act, public law 116-136, the federal coronavirus preparedness and response supplemental appropriation act, 2020, public law 116-123, the federal families first coronavirus response act, public law 116-127, the federal paycheck protection program and health care enhancement act, public law 116-139, the federal consolidated appropriations act, 2021, public law 116-260, the American rescue plan act of 2021, public law 117-2, or any other federal law that appropriates moneys to the state for aid for coronavirus relief, to determine if such funds may be available for such purpose: *And provided further*, That for the purposes of this section, "classroom teacher" means any person who holds a certificate to teach and is under contract to teach on a full-time basis by a board of education and any person who is under contract to teach on a full-time basis by a board of education but who does so pursuant to a licensure waiver granted pursuant to rules and regulations of the state department of education, and does not include any superintendent, assistant superintendent, supervisor or principal employed pursuant to K.S.A. 72-1134, and amendments thereto.

New Sec. 3.

DEPARTMENT OF EDUCATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2023, the following:

State foundation aid (652-00-1000-0820).....	\$2,524,235,833
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Provided, That any unencumbered balance in the state foundation aid account in excess of \$100 as of June 30, 2022, is hereby reappropriated for fiscal year 2023.

Supplemental state aid (652-00-1000-0840).....	\$534,100,000
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Provided, That any unencumbered balance in the supplemental state aid account in excess of \$100 as of June 30, 2022, is hereby reappropriated for fiscal year 2023.

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2023, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law and transfers to other state agencies shall not exceed the following:

State school district finance fund (652-00-7393).....	No limit
Mineral production education fund (652-00-7669-7669).....	No limit

New Sec. 4. (a) The state department of education and the department for children and families shall collaborate to prepare a Kansas foster care children annual academic report card. The annual report card shall include the following data for the preceding school year:

- (1) The graduation rate of students in foster care;
 - (2) the number and percentage of students in foster care who were promoted to the next grade level;
 - (3) the number and percentage of students in foster care who were suspended during the school year and the average length of time of such suspensions;
 - (4) the number and percentage of students in foster care who were expelled during the school year;
 - (5) state standardized assessment scores for students in foster care, including the number and percentage of students meeting academic standards as determined by the state board of education;
 - (6) the number and percentage of students in foster care enrolled in any preschool-aged at-risk program, Kansas preschool pilot program or early childhood special education program under section 619 of part B of the individuals with disabilities act;
 - (7) the number and percentage of students in foster care who participated in the mental health intervention team pilot program or a similar mental health program;
 - (8) the total number of students in foster care enrolled in a school district or nonpublic school and the disaggregated number and percentage of students in foster care enrolled in school districts and accredited nonpublic schools;
 - (9) de-identified disaggregated race and ethnicity data for each data set required in paragraphs (1) through (8); and
 - (10) any additional data elements that both the state department of education and the department for children and families deem appropriate for inclusion.
- (b) On or before January 15 of each year, the state department of education and the department for children and families shall prepare and submit the Kansas foster care children annual academic report card to the senate standing committee on education and the house of representatives standing committee on education.
- (c) As used in this section:
- (1) "School" means any school of a school district or any nonpublic school accredited by the state board of education.
 - (2) "Student in foster care" means any individual who was in the custody of the Kansas department for children and families at any time when such student attended a school during the school year for which the report required pursuant to this section is to be completed.
- (d) This section shall take effect and be in force from and after July 1, 2021.
- New Sec. 5. (a) To assist students identified as eligible to receive at-risk educational programs and services in meeting state board of education outcome goals, the state board of education shall require school districts to implement at-risk educational programs and services that provide additional educational opportunities, interventions and evidence-based instruction using the at-risk best practices identified pursuant to K.S.A. 72-5153, and amendments thereto.
- (b) A student shall be identified as eligible to receive at-risk programs and services if the student meets one or more of the following criteria:
- (1) Is not working on academic grade level;
 - (2) is not meeting the requirements necessary for promotion to the next grade or is failing subjects or courses of study;
 - (3) is not meeting the requirements necessary for graduation from high school or has the potential to drop out of school;

- (4) has insufficient mastery of skills or is not meeting state standards;
 - (5) has been retained;
 - (6) has a high rate of absenteeism;
 - (7) has repeated suspensions or expulsions from school;
 - (8) is homeless or migrant;
 - (9) is identified as an English language learner;
 - (10) has social-emotional needs that cause the student to be unsuccessful in school;
- or

(11) is identified as a student with dyslexia or characteristics of dyslexia.

(c) This section shall be a part of and supplemental to the Kansas school equity and enhancement act.

(d) This section shall take effect and be in force from and after July 1, 2021.

New Sec. 6. (a) Commencing in the 2021-2022 school year, except as otherwise provided in this section, no school district shall provide or offer to any student enrolled in the district more than a total of 40 school term hours of remote learning unless:

(1) The board of education of the school district has authorized a student to temporarily attend school through remote learning in excess of the 40-hour limitation pursuant to a temporary individual exemption granted pursuant to subsection (b); or

(2) due to a disaster, the state board of education has authorized the school district to conduct remote learning in excess of the 40-hour limitation pursuant to subsection (c) or has waived the limitations provided in subsection (d).

(b) The board of education of a school district may temporarily suspend the remote learning limitation provided in subsection (a) on an individual student basis for any student who cannot reasonably attend school in person due to an illness, medical condition, injury or any other extraordinary circumstance that would necessitate remote learning to allow the student to continue to receive an education during the existence of such circumstance. The board of education of the school district shall notify the state board of any individual exemptions provided pursuant to this subsection and the reason for such exemption.

(c) The state board of education may authorize a school district to exceed the 40-hour remote learning limitation upon application by the school district. The application may be granted by the state board of education upon:

(1) Certification by a school district that, due to a disaster, conditions resulting from widespread or severe property damage caused by the disaster or other conditions restricting the operation of public schools will exist in the school district for an inordinate period of time; and

(2) a determination by the state board that the school district cannot reasonably adjust its schedule to comply with the requirements of this section unless remote learning is conducted for a period of time not to exceed 240 school term hours, unless such limitation is waived by the state board pursuant to subsection (d).

(d) The state board of education may waive the requirements of law relating to the remote learning limitations pursuant to subsection (c) in any school year upon application for such waiver by a school district. The waiver may be granted by the state board of education upon:

(1) Certification by a board of education that, due to a disaster, conditions resulting from widespread or severe property damage caused by the disaster or other conditions restricting the operation of public schools will exist in the school district for an

inordinate period of time; and

(2) a determination by the state board that the school district cannot reasonably adjust its schedule to comply with such requirements of law and that remote learning beyond the limitations provided in subsection (c) is necessary to allow the school district to continue to provide education to students during such conditions.

(e) (1) Any student who attends a school of a school district through remote learning in excess of the remote learning limitations provided pursuant to this section shall be deemed a remote learning student and shall be counted as a remotely enrolled student for state aid purposes.

(2) On or before June 30 of each school year:

(A) A school district that offers remote learning during the school year shall determine the remote enrollment of the district based on the number of students remotely enrolled in accordance with this section;

(B) the clerk or superintendent of each school district shall certify under oath to the state board a report showing the remote enrollment of the school district determined pursuant to this subsection by the grades maintained in the schools of the school district. The state board shall examine such reports upon receipt, and if the state board finds any errors in any such report, the state board shall consult with the school district officer furnishing the report and make any necessary corrections in the report; and

(C) the state board shall determine the number of students who were included in the remote enrollment of each school district and recompute the enrollment of the school district as required pursuant to this subsection.

(3) A school district that offers remote learning and is determined to have remotely enrolled students pursuant to this section shall receive remote enrollment state aid. The state board shall determine the amount of remote enrollment state aid a school district is to receive by multiplying the remote enrollment of the school district by \$5,000. No remote enrollment state aid shall be provided for any student who participates in remote learning on a part-time basis during the school day.

(4) The state board shall notify each school district of the amount of remote enrollment state aid the district shall receive pursuant to this section and, pursuant to K.S.A. 72-5136, and amendments thereto, shall:

(A) Require the district to remit any such amount of overpayment made to the district in the current school year; or

(B) deduct the excess amounts paid to the district from future payments made to the school district.

(5) If a student is included in the remote enrollment of a district pursuant to this subsection, such student shall not be included in the adjusted enrollment of the district in the current school year.

(f) Each school district that determines remote enrollment pursuant to this section shall submit any documentation or information required by the state board.

(g) As used in this section, "disaster" means a state of disaster emergency declared by proclamation of the governor pursuant to K.S.A. 48-924, and amendments thereto, closure of schools by order issued by a county or joint board of health, a local health officer pursuant to K.S.A. 65-119, and amendments thereto, or the secretary of health and environment pursuant to K.S.A. 65-126, and amendments thereto, or 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, an epidemic, air contamination, blight, drought, infestation or explosion.

(h) This section shall be a part of and supplemental to the Kansas school equity and enhancement act.

(i) This section shall take effect and be in force from and after July 1, 2021.

New Sec. 7. (a) Each eligible postsecondary educational institution that accepts students for enrollment pursuant to the Kansas challenge to secondary school students act shall submit a report annually to the state board of regents. Such report shall include, but not be limited to, the following:

(1) The number of students from each school district enrolled in the eligible postsecondary educational institution, including the number of students in the custody of the secretary for children and families;

(2) the number of students who successfully complete the courses in which such students are enrolled at the eligible postsecondary educational institution;

(3) the tuition rate charged for students compared to the tuition rate charged to individuals who are regularly enrolled and attending the eligible postsecondary educational institution; and

(4) the amount and percentage of tuition each school district is paying pursuant to K.S.A. 72-3223, and amendments thereto.

(b) The state board of regents shall compile and prepare a summary report of the reports submitted pursuant to subsection (a) and shall submit such report to the house standing committee on education and the senate standing committee on education on or before February 15 of each year commencing in 2022.

(c) This section shall take effect and be in force from and after July 1, 2021.

Sec. 8. On and after July 1, 2021, K.S.A. 72-1163 is hereby amended to read as follows: 72-1163. (a) Each year the board of education of a school district shall conduct an assessment of the educational needs of each attendance center in the district. Information obtained from such needs-assessment shall be used by the board when preparing the budget of the school district to ensure improvement in student academic performance. The budget of the school district shall allocate sufficient moneys in a manner reasonably calculated such that all students may achieve the goal set forth in K.S.A. 72-3218(c), and amendments thereto. The board also shall prepare a summary of the budget for the school district. The budgets and summary shall be in the form prescribed by the director pursuant to K.S.A. 79-2926, and amendments thereto.

(b) The budgets and the summary of the proposed budget shall be on file at the administrative offices of the school district. Copies of such budgets and summary shall be available upon request.

(c) The notice required to be published by K.S.A. 79-2929, and amendments thereto, shall include a statement that the budgets and the summary of the proposed budget is on file at the administrative offices of the district and that copies of such budgets and summary are available upon request.

Sec. 9. On and after July 1, 2021, K.S.A. 2020 Supp. 72-3117 is hereby amended to read as follows: 72-3117. (a) The state board of education may waive the requirements of law relating to the duration of the school term in any school year upon application for such waiver by a school district. The waiver may be granted by the state board of education upon:

(1) Certification by a board of education that, due to a disaster, conditions resulting from widespread or severe property damage caused by the disaster ~~or other conditions~~

restricting the operation of public schools will exist in the school district for an inordinate period of time; and

(2) a determination by the state board that the school district cannot reasonably adjust its schedule to comply with such requirements of law. The period of time school is not maintained during any school year due to conditions resulting from a disaster, upon granting of the waiver by the state board of education, shall be considered a part of the school term.

(b) As used in this section, the term "disaster" means the ~~declaration of a state of disaster emergency by the governor pursuant to K.S.A. 48-924, and amendments thereto, closure of schools by order issued by a county or joint board of health, a local health officer pursuant to K.S.A. 65-119, and amendments thereto, or the secretary of health and environment pursuant to K.S.A. 65-126, and amendments thereto, or~~ 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, epidemics an epidemic, air contamination, blight, drought, infestation or explosion.

Sec. 10. On and after July 1, 2021, K.S.A. 72-3220 is hereby amended to read as follows: 72-3220. ~~(a) K.S.A. 72-3220 through 72-3224, and amendments thereto, and~~ section 7, and amendments thereto, shall be known and may be cited as the Kansas challenge to secondary school ~~pupils~~ students act.

~~(b) The provisions of this section shall take effect and be in force from and after July 1, 1993.~~

Sec. 11. On and after July 1, 2021, K.S.A. 72-3221 is hereby amended to read as follows: 72-3221. ~~(a) The legislature hereby declares that secondary school pupils~~ students should be challenged continuously in order to maintain their interests in the pursuit of education and skills critical to success in the modern world. ~~Therefore, It is the purpose and intention of the Kansas challenge to secondary school pupils~~ students act to provide a means ~~whereby that~~ school districts, in cooperation with institutions of postsecondary education, may provide new and exciting challenges to secondary school ~~pupils~~ students by encouraging ~~them such~~ students to take full advantage of the wealth of postsecondary ~~education~~ educational opportunities available in this state.

~~(b) The provisions of this section shall take effect and be in force from and after July 1, 1993.~~

Sec. 12. On and after July 1, 2021, K.S.A. 72-3222 is hereby amended to read as follows: 72-3222. As used in the Kansas challenge to secondary school ~~pupils~~ students act:

(a) ~~"Concurrent enrollment pupil"~~ "Student" means a person who: (1) Is enrolled in grades 10, 11 or 12 maintained by a school district, or a gifted child who is enrolled in any of the grades 9 through 12 maintained by a school district; (2) has an individualized plan of study or an individualized education program; (3) has demonstrated the ability to benefit from participation in the regular curricula of eligible postsecondary ~~education~~ educational institutions; (4) has been authorized by the principal of the school attended to apply for enrollment at an eligible postsecondary ~~education~~ educational institution; and (5) is acceptable or has been accepted for enrollment at an eligible postsecondary ~~education~~ educational institution.

(b) ~~"Eligible postsecondary education~~ educational institution" means any state educational institution, community college, municipal university, technical college or

accredited independent institution.

(c) "State educational institution" ~~has the meaning ascribed thereto~~ means the same as defined in K.S.A. 76-711, and amendments thereto.

(d) "Community college" means any community college organized and operating under the laws of this state.

(e) "Municipal university" means a municipal university established under the provisions of article 13a of chapter 13 of the Kansas Statutes Annotated, and amendments thereto.

(f) "Accredited independent institution" means ~~an a not-for-profit~~ institution of postsecondary education the main campus of which is located in Kansas ~~and which that:~~ (1) Is operated independently and not controlled or administered by any state agency or any subdivision of the state;; (2) maintains open enrollment;; and (3) is accredited by ~~the north central association of colleges and secondary schools accrediting agency based on its requirements as of April 1, 1985~~ a nationally recognized accrediting agency for higher education in the United States.

(g) "Technical college" ~~has the meaning ascribed thereto~~ means the same as defined in K.S.A. 74-32,407, and amendments thereto.

(h) "Gifted child" ~~has the meaning ascribed thereto~~ means the same as defined in K.S.A. 72-3404, and amendments thereto, or in rules and regulations adopted pursuant thereto.

Sec. 13. On and after July 1, 2021, K.S.A. 72-3223 is hereby amended to read as follows: 72-3223. (a) The board of education of any school district and any eligible postsecondary ~~education~~ educational institution may enter into a cooperative agreement regarding the dual or concurrent enrollment of ~~concurrent enrollment pupils~~ students in courses of instruction for college credit at the eligible postsecondary ~~education~~ educational institution. The agreement shall include, but need not be limited to, the following:

(1) The academic credit to be granted for course work successfully completed by the ~~pupil student~~ at the institution, which credit shall qualify ~~as college credit and may qualify~~ as both high school and college credit;

(2) the requirement that such course work qualify as credit applicable toward the award of a degree or certificate at the institution;

(3) except as otherwise provided in subsection (b), the requirement that the pupil shall pay to the institution the student shall pay the negotiated amount of tuition and related costs charged by the institution for the student's enrollment ~~of the pupil; and~~

(4) the requirement that the eligible postsecondary educational institution shall notify the student or the student's parent or guardian if the course the student enrolled in at the eligible postsecondary educational institution is not a systemwide transfer course approved by the state board of regents and, as a result, the student may not receive credit for such course if the student transfers to or attends another state postsecondary educational institution.

(b) ~~The provisions of this section shall take effect and be in force from and after July 1, 1993. The board of education of a school district, in its discretion, may pay all or a portion of the negotiated amount of tuition and related costs, including fees, books, materials and equipment, charged by an eligible postsecondary educational institution for a student's enrollment in such institution. As part of any agreement entered into pursuant to this section, the board of education of a school district shall not be required~~

to pay any amount of tuition and required fees that are waived for an eligible foster child pursuant to the foster child educational assistance act, K.S.A. 75-53,111 et seq., and amendments thereto, except that the board, in its discretion, may pay any related costs that are not waived pursuant to such act, including fees, books, materials and equipment, charged by an eligible postsecondary educational institution for the student's enrollment in such institution. Any such payment shall be paid directly to the eligible postsecondary educational institution and shall be credited to such student's account.

Sec. 14. On and after July 1, 2021, K.S.A. 72-3224 is hereby amended to read as follows: 72-3224. (a) ~~No school district shall be responsible for the payment of tuition charged to concurrent enrollment pupils by eligible education institutions or for the provision of transportation for such pupils. Except as otherwise provided in K.S.A. 72-3223(b), and amendments thereto, each student dually or concurrently enrolled in an eligible postsecondary educational institution pursuant to K.S.A. 72-3220 et seq., and amendments thereto, shall be responsible for the payment of the negotiated tuition and related costs, including fees, books, materials and equipment, charged by such institution for the student's enrollment.~~

(b) The board of education of a school district, in its discretion, may provide for the transportation of a student to or from any eligible postsecondary-education educational institution.

~~(b) Each concurrent enrollment pupil shall be responsible for payment of tuition for enrollment at an eligible postsecondary education institution and for payment of the costs of books and equipment and any other costs of enrollment.~~

(c) Each concurrent enrollment pupil student dually or concurrently enrolled in an eligible postsecondary educational institution pursuant to K.S.A. 72-3220 et seq., and amendments thereto, who satisfactorily completes course work at an eligible postsecondary education such institution shall be granted appropriate credit toward fulfillment of the requirements for graduation from high school unless such credit is denied by the school district in which the pupil is enrolled on the basis that high school credit is inappropriate for such course work.

~~(d) The provisions of this section shall take effect and be in force from and after July 1, 1993. In order to remain eligible for participation in the program, a student shall remain in good standing at the eligible postsecondary educational institution or shall show satisfactory progress as determined by the school district.~~

(e) The provisions of the Kansas challenge to secondary school students act shall not apply to any career technical education courses or programs that receive financial assistance or funding pursuant to K.S.A. 72-3810 or 72-3819, and amendments thereto.

Sec. 15. On and after July 1, 2021, K.S.A. 2020 Supp. 72-4352 is hereby amended to read as follows: 72-4352. As used in the tax credit for low income students scholarship program act:

(a) "Contributions" means monetary gifts or donations and in-kind contributions, gifts or donations that have an established market value.

(b) "Department" means the Kansas department of revenue.

(c) "Educational scholarship" means an amount not to exceed \$8,000 per school year provided to an eligible student, or to a qualified school with respect to an eligible student, to cover all or a portion of the costs of education including tuition, fees and expenses of a qualified school and, if applicable, the costs of transportation to a qualified school if provided by such qualified school.

(d) "Eligible student" means a child who:

~~(1) (A) Is an at-risk student, as defined in K.S.A. 72-5132, and amendments thereto, and who is attending a public school; or (B) has been eligible to receive an educational scholarship under this program and has not graduated from high school or reached 21 years of age;~~

~~(2) Resides in Kansas while eligible for an educational scholarship; and~~

~~(3) (A)(2) (A) (i) Is eligible for free or reduced-price meals under the national school lunch act; and~~

~~(ii) (a) was enrolled in kindergarten or any of the grades one through eight in any public school in the previous school year in which an educational scholarship is first sought for the child; or~~

~~(B)(b) is eligible to be enrolled in any public school in the school year in which an educational scholarship is first sought for the child and the child is under the age of six years; or~~

~~(B) has received an educational scholarship under the program and has not graduated from high school or reached the age of 21 years.~~

(e) "Parent" includes a guardian, custodian or other person with authority to act on behalf of the child.

(f) "Program" means the tax credit for low income students scholarship program established in K.S.A. 72-4351 through 72-4357, and amendments thereto.

~~(g) "Public school" means an elementary school that is operated by a school district, and identified by the state board as one of the lowest 100 performing elementary schools with respect to student achievement among all elementary schools operated by school districts for the current school year any school operated by a unified school district under the laws of this state.~~

(h) "Qualified school" means any nonpublic school that:

(1) Provides education to elementary or secondary students;

(2) is accredited by the state board or a national or regional accrediting agency that is recognized by the state board for the purpose of satisfying the teaching performance assessment for professional licensure;

(3) has notified the state board of its intention to participate in the program; and

(4) complies with the requirements of the program. On and after July 1, 2020, a qualified school shall be accredited by the state board or a national or regional accrediting agency that is recognized by the state board for the purpose of satisfying the teaching performance assessment for professional licensure.

(i) "Scholarship granting organization" means an organization that complies with the requirements of this program and provides educational scholarships to eligible students or to qualified schools in which parents have enrolled eligible students.

(j) "School district" or "district" means any unified school district organized and operating under the laws of this state.

(k) "School year" ~~shall have the meaning ascribed thereto~~ means the same as in K.S.A. 72-5132, and amendments thereto.

(l) "Secretary" means the secretary of revenue.

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

Sec. 16. On and after July 1, 2021, K.S.A. 2020 Supp. 72-4354 is hereby amended to read as follows: 72-4354. (a) To be eligible to participate in the program, a scholarship granting organization shall comply with the following:

(1) The scholarship granting organization shall notify the secretary and the state board of the scholarship granting organization's intent to provide educational scholarships;

(2) upon granting an educational scholarship, the scholarship granting organization shall report such information to the state board;

(3) the scholarship granting organization shall provide verification to the secretary that the scholarship granting organization is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986;

(4) upon receipt of contributions in an aggregate amount or value in excess of \$50,000 during a school year, a scholarship granting organization shall file with the state board either:

(A) A surety bond payable to the state in an amount equal to the aggregate amount of contributions expected to be received during the school year; or

(B) financial information demonstrating the scholarship granting organization's ability to pay an aggregate amount equal to the amount of the contributions expected to be received during the school year, which must be reviewed and approved of in writing by the state board;

(5) scholarship granting organizations that provide other nonprofit services in addition to providing educational scholarships shall not commingle contributions made under the program with other contributions made to such organization. A scholarship granting organization under this subsection shall also file with the state board, prior to the commencement of each school year, either:

(A) A surety bond payable to the state in an amount equal to the aggregate amount of contributions expected to be received during the school year; or

(B) financial information demonstrating the nonprofit organization's ability to pay an aggregate amount equal to the amount of the contributions expected to be received during the school year, which must be reviewed and approved of in writing by the state board;

(6) each qualified school receiving educational scholarships from the scholarship granting organization shall annually certify to the scholarship granting organization its compliance with the requirements of the program;

(7) at the end of the calendar year, the scholarship granting organization shall have its accounts examined and audited by a certified public accountant. Such audit shall include, but not be limited to, information verifying that the educational scholarships awarded by the scholarship granting organization were distributed to qualified schools with respect to eligible students determined by the state board under K.S.A. 72-4353(c), and amendments thereto, and information specified in this section. Prior to filing a copy of the audit with the state board, such audit shall be duly verified and certified by a certified public accountant; and

(8) if a scholarship granting organization decides to limit the number or type of qualified schools who will receive educational scholarships, the scholarship granting organization shall provide, in writing, the name or names of those qualified schools to any contributor and the state board.

(b) No scholarship granting organization shall provide an educational scholarship with respect to any eligible student to attend any qualified school with paid staff or paid board members, or relatives thereof, in common with the scholarship granting organization.

(c) The scholarship granting organization shall disburse not less than 90% of contributions received pursuant to the program in the form of educational scholarships within 36 months of receipt of such contributions. If such contributions have not been disbursed within the applicable 36-month time period, then the scholarship granting organization shall not accept new contributions until 90% of the received contributions have been disbursed in the form of educational scholarships. Any income earned from contributions must be disbursed in the form of educational scholarships.

(d) A scholarship granting organization may continue to provide an educational scholarship with respect to a student who was an eligible student in the year immediately preceding the current school year.

~~(e)-(f)~~ A scholarship granting organization shall direct payments of educational scholarships to the qualified school attended by the eligible student or in which the eligible student is enrolled. Payment may be made by check made payable to both the parent and the qualified school or to only the qualified school. If an eligible student transfers to a new qualified school during a school year, the scholarship granting organization shall direct payment in a prorated amount to the original qualified school and the new qualified school based on the eligible student's attendance. If the eligible student transfers to a public school and enrolls in such public school after September 20 of the current school year, the scholarship granting organization shall direct payment in a prorated amount to the original qualified school and the public school based on the eligible student's attendance. The prorated amount to the public school shall be considered a donation and shall be paid to the school district of such public school in accordance with K.S.A. 72-1142, and amendments thereto.

~~(2) As used in this subsection, the term "public school" means any school operated by a school district.~~

(f) Each qualified school shall provide a link to the state department of education's webpage where the reports prepared pursuant to K.S.A. 72-5170, and amendments thereto, and K.S.A. 2020 Supp. 72-5178, and amendments thereto, for such school are published. The link shall be prominently displayed on the school's accountability reports webpage.

(g) By June 1 of each year, a scholarship granting organization shall submit a report to the state board for the educational scholarships provided in the immediately preceding 12 months. Such report shall be in a form and manner as prescribed by the state board, approved and signed by a certified public accountant, and shall contain the following information:

- (1) The name and address of the scholarship granting organization;
- (2) the name and address of each eligible student with respect to whom an educational scholarship was awarded by the scholarship granting organization;
- (3) the total number and total dollar amount of contributions received during the 12-month reporting period; and
- (4) the total number and total dollar amount of educational scholarships awarded during the 12-month reporting period and the total number and total dollar amount of educational scholarships awarded during the 12-month reporting period with respect to eligible students who qualified under K.S.A. 72-4352(d), and amendments thereto.

~~(g)(h)~~ No scholarship granting organization shall:

- (1) Provide an educational scholarship with respect to an eligible student that is established by funding from any contributions made by any relative of such eligible

student; or

(2) accept a contribution from any source with the express or implied condition that such contribution be directed toward an educational scholarship for a particular eligible student.

Sec. 17. On and after July 1, 2021, K.S.A. 2020 Supp. 72-5131 is hereby amended to read as follows: 72-5131. K.S.A. 72-5131 ~~through 72-5176, and amendments thereto, and K.S.A. 2019 Supp. 72-5178 and 72-5179 et seq., and amendments thereto,~~ shall be known and may be cited as the Kansas school equity and enhancement act.

Sec. 18. On and after July 1, 2021, K.S.A. 2020 Supp. 72-5132 is hereby amended to read as follows: 72-5132. As used in the Kansas school equity and enhancement act, K.S.A. 72-5131 et seq., and amendments thereto:

(a) "Adjusted enrollment" means the enrollment of a school district, excluding the remote enrollment determined pursuant to section 6, and amendments thereto, adjusted by adding the following weightings, if any, to the enrollment of a school district: At-risk student weighting; bilingual weighting; career technical education weighting; high-density at-risk student weighting; high enrollment weighting; low enrollment weighting; school facilities weighting; ancillary school facilities weighting; cost-of-living weighting; special education and related services weighting; and transportation weighting.

(b) "Ancillary school facilities weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5158, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.

(c) (1) "At-risk student" means a student who is eligible for free meals under the national school lunch act, and who is enrolled in a school district that maintains an approved at-risk student assistance program.

(2) The term "at-risk student" shall not include any student enrolled in any of the grades one through 12 who is in attendance less than full time, or any student who is over 19 years of age. The provisions of this paragraph shall not apply to any student who has an individualized education program.

(d) "At-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5151(a), and amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.

(e) "Base aid for student excellence" or "BASE aid" means an amount appropriated by the legislature in a fiscal year for the designated year. The amount of BASE aid shall be as follows:

- (1) For school year 2018-2019, \$4,165;
- (2) for school year 2019-2020, \$4,436;
- (3) for school year 2020-2021, \$4,569;
- (4) for school year 2021-2022, \$4,706;
- (5) for school year 2022-2023, \$4,846; and
- (6) for school year 2023-2024, and each school year thereafter, the BASE aid shall be the BASE aid amount for the immediately preceding school year plus an amount equal to the average percentage increase in the consumer price index for all urban consumers in the midwest region as published by the bureau of labor statistics of the United States department of labor during the three immediately preceding school years

rounded to the nearest whole dollar amount.

(f) "Bilingual weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5150, and amendments thereto, on the basis of costs attributable to the maintenance of bilingual educational programs by such school districts.

(g) "Board" means the board of education of a school district.

(h) "Budget per student" means the general fund budget of a school district divided by the enrollment of the school district.

(i) "Categorical fund" means and includes the following funds of a school district: Adult education fund; adult supplementary education fund; at-risk education fund; bilingual education fund; career and postsecondary education fund; driver training fund; educational excellence grant program fund; extraordinary school program fund; food service fund; parent education program fund; preschool-aged at-risk education fund; professional development fund; special education fund; and summer program fund.

(j) "Cost-of-living weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5159, and amendments thereto, on the basis of costs attributable to the cost of living in such school districts.

(k) "Current school year" means the school year during which state foundation aid is determined by the state board under K.S.A. 72-5134, and amendments thereto.

(l) "Enrollment" means, except as provided in section 6, and amendments thereto:

(1) The number of students regularly enrolled in kindergarten and grades one through 12 in the school district on September 20 of the preceding school year plus the number of preschool-aged at-risk students regularly enrolled in the school district on September 20 of the current school year, except a student who is a foreign exchange student shall not be counted unless such student is regularly enrolled in the school district on September 20 and attending kindergarten or any of the grades one through 12 maintained by the school district for at least one semester or two quarters, or the equivalent thereof.

(2) If the enrollment in a school district in the preceding school year has decreased from enrollment in the second preceding school year, the enrollment of the school district in the current school year means the sum of:

(A) The enrollment in the second preceding school year, excluding students under paragraph (2)(B), minus enrollment in the preceding school year of preschool-aged at-risk students, if any, plus enrollment in the current school year of preschool-aged at-risk students, if any; and

(B) the adjusted enrollment in the second preceding school year of any students participating in the tax credit for low income students scholarship program pursuant to K.S.A. 72-4351 et seq., and amendments thereto, in the preceding school year, if any, plus the adjusted enrollment in the preceding school year of preschool-aged at-risk students who are participating in the tax credit for low income students scholarship program pursuant to K.S.A. 72-4351 et seq., and amendments thereto, in the current school year, if any.

(3) For any school district that has a military student, as that term is defined in K.S.A. 72-5139, and amendments thereto, enrolled in such district, and that received federal impact aid for the preceding school year, if the enrollment in such school district in the preceding school year has decreased from enrollment in the second preceding school year, the enrollment of the school district in the current school year means

whichever is the greater of:

- (A) The enrollment determined under paragraph (2); or
- (B) the sum of the enrollment in the preceding school year of preschool-aged at-risk students, if any, and the arithmetic mean of the sum of:
 - (i) The enrollment of the school district in the preceding school year minus the enrollment in such school year of preschool-aged at-risk students, if any;
 - (ii) the enrollment in the second preceding school year minus the enrollment in such school year of preschool-aged at-risk students, if any; and
 - (iii) the enrollment in the third preceding school year minus the enrollment in such school year of preschool-aged at-risk students, if any.
- (4) The enrollment determined under paragraph (1), (2) or (3), except if the school district begins to offer kindergarten on a full-time basis in such school year, students regularly enrolled in kindergarten in the school district in the preceding school year shall be counted as one student regardless of actual attendance during such preceding school year.
 - (m) "February 20" has its usual meaning, except that in any year in which February 20 is not a day on which school is maintained, it means the first day after February 20 on which school is maintained.
 - (n) "Federal impact aid" means an amount equal to the federally qualified percentage of the amount of moneys a school district receives in the current school year under the provisions of title I of public law 874 and congressional appropriations therefor, excluding amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program. The amount of federal impact aid shall be determined by the state board in accordance with terms and conditions imposed under the provisions of the public law and rules and regulations thereunder.
 - (o) "General fund" means the fund of a school district from which operating expenses are paid and in which is deposited all amounts of state foundation aid provided under this act, payments under K.S.A. 72-528, and amendments thereto, payments of federal funds made available under the provisions of title I of public law 874, except amounts received for assistance in cases of major disaster and amounts received under the low-rent housing program and such other moneys as are provided by law.
 - (p) "General fund budget" means the amount budgeted for operating expenses in the general fund of a school district.
 - (q) "High-density at-risk student weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5151(b), and amendments thereto, on the basis of costs attributable to the maintenance of at-risk educational programs by such school districts.
 - (r) "High enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5149(b), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.
 - (s) "Juvenile detention facility" means the same as such term is defined in K.S.A. 72-1173, and amendments thereto.
 - (t) "Local foundation aid" means the sum of the following amounts:
 - (1) An amount equal to any unexpended and unencumbered balance remaining in the general fund of the school district, except moneys received by the school district and

authorized to be expended for the purposes specified in K.S.A. 72-5168, and amendments thereto;

(2) an amount equal to any remaining proceeds from taxes levied under authority of K.S.A. 72-7056 and 72-7072, ~~and amendments thereto~~, prior to their repeal;

(3) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district under the provisions of K.S.A. 72-3123(a), and amendments thereto;

(4) an amount equal to the amount deposited in the general fund in the current school year from moneys received in such school year by the school district pursuant to contracts made and entered into under authority of K.S.A. 72-3125, and amendments thereto;

(5) an amount equal to the amount credited to the general fund in the current school year from moneys distributed in such school year to the school district under the provisions of articles 17 and 34 of chapter 12 of the Kansas Statutes Annotated, and amendments thereto, and under the provisions of articles 42 and 51 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto;

(6) an amount equal to the amount of payments received by the school district under the provisions of K.S.A. 72-3423, and amendments thereto;

(7) an amount equal to the amount of any grant received by the school district under the provisions of K.S.A. 72-3425, and amendments thereto; and

(8) an amount equal to 70% of the federal impact aid of the school district.

(u) "Low enrollment weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5149(a), and amendments thereto, on the basis of costs attributable to maintenance of educational programs by such school districts.

(v) "Operating expenses" means the total expenditures and lawful transfers from the general fund of a school district during a school year for all purposes, except expenditures for the purposes specified in K.S.A. 72-5168, and amendments thereto.

(w) "Preceding school year" means the school year immediately before the current school year.

(x) "Preschool-aged at-risk student" means an at-risk student who has attained the age of three years, is under the age of eligibility for attendance at kindergarten, and has been selected by the state board in accordance with guidelines governing the selection of students for participation in head start programs.

(y) "Preschool-aged exceptional children" means exceptional children, except gifted children, who have attained the age of three years but are under the age of eligibility for attendance at kindergarten. The terms "exceptional children" and "gifted children" have the same meaning as those terms are defined in K.S.A. 72-3404, and amendments thereto.

(z) "Psychiatric residential treatment facility" means the same as such term is defined in K.S.A. 72-1173, and amendments thereto.

(aa)(1) "Remote enrollment" means the number of students regularly enrolled in kindergarten and grades one through 12 in the school district who attended school through remote learning in excess of the remote learning limitations provided in section 6, and amendments thereto.

(2) This subsection shall not apply in any school year prior to the 2021-2022 school year.

(bb) (1) "Remote learning" means a method of providing education in which the student, although regularly enrolled in a school district, does not physically attend the attendance center such student would otherwise attend in person on a full-time basis and curriculum and instruction are prepared, provided and supervised by teachers and staff of such school district to approximate the student learning experience that would take place in the attendance center classroom.

(2) "Remote learning" does not include virtual school as such term is defined in K.S.A. 72-3712, and amendments thereto.

(3) This subsection shall not apply in any school year prior to the 2021-2022 school year.

(cc) "School district" means a school district organized under the laws of this state that is maintaining public school for a school term in accordance with the provisions of K.S.A. 72-3115, and amendments thereto.

~~(bb)~~(dd) "School facilities weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5156, and amendments thereto, on the basis of costs attributable to commencing operation of one or more new school facilities by such school districts.

~~(ee)~~(ee) "School year" means the 12-month period ending June 30.

~~(dd)~~(ff) "September 20" has its usual meaning, except that in any year in which September 20 is not a day on which school is maintained, it means the first day after September 20 on which school is maintained.

~~(ee)~~(gg) "Special education and related services weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5157, and amendments thereto, on the basis of costs attributable to the maintenance of special education and related services by such school districts.

~~(ff)~~(hh) "State board" means the state board of education.

~~(gg)~~(ii) "State foundation aid" means the amount of aid distributed to a school district as determined by the state board pursuant to K.S.A. 72-5134, and amendments thereto.

~~(hh)~~(jj) (1) "Student" means any person who is regularly enrolled in a school district and attending kindergarten or any of the grades one through 12 maintained by the school district or who is regularly enrolled in a school district and attending kindergarten or any of the grades one through 12 in another school district in accordance with an agreement entered into under authority of K.S.A. 72-13,101, and amendments thereto, or who is regularly enrolled in a school district and attending special education services provided for preschool-aged exceptional children by the school district.

(2) (A) Except as otherwise provided in this subsection, the following shall be counted as one student:

(i) A student in attendance full-time; and

(ii) a student enrolled in a school district and attending special education and related services, provided for by the school district.

(B) The following shall be counted as 1/2 student:

(i) A student enrolled in a school district and attending special education and related services for preschool-aged exceptional children provided for by the school district; and

(ii) a preschool-aged at-risk student enrolled in a school district and receiving

services under an approved at-risk student assistance plan maintained by the school district.

(C) A student in attendance part-time shall be counted as that proportion of one student to the nearest $\frac{1}{10}$ that the student's attendance bears to full-time attendance.

(D) A student enrolled in and attending an institution of postsecondary education that is authorized under the laws of this state to award academic degrees shall be counted as one student if the student's postsecondary education enrollment and attendance together with the student's attendance in either of the grades 11 or 12 is at least $\frac{5}{6}$ time, otherwise the student shall be counted as that proportion of one student to the nearest $\frac{1}{10}$ that the total time of the student's postsecondary education attendance and attendance in grades 11 or 12, as applicable, bears to full-time attendance.

(E) A student enrolled in and attending a technical college, a career technical education program of a community college or other approved career technical education program shall be counted as one student, if the student's career technical education attendance together with the student's attendance in any of grades nine through 12 is at least $\frac{5}{6}$ time, otherwise the student shall be counted as that proportion of one student to the nearest $\frac{1}{10}$ that the total time of the student's career technical education attendance and attendance in any of grades nine through 12 bears to full-time attendance.

(F) A student enrolled in a school district and attending a non-virtual school and also attending a virtual school shall be counted as that proportion of one student to the nearest $\frac{1}{10}$ that the student's attendance at the non-virtual school bears to full-time attendance.

(G) A student enrolled in a school district and attending special education and related services provided for by the school district and also attending a virtual school shall be counted as that proportion of one student to the nearest $\frac{1}{10}$ that the student's attendance at the non-virtual school bears to full-time attendance.

(H) A student enrolled in a school district and attending school on a part-time basis through remote learning and also attending school in person on a part-time basis shall be counted as that proportion of one student, to the nearest $\frac{1}{10}$, that the student's in-person attendance bears to full-time attendance.

(I) (i) Except as provided in clause (ii), a student enrolled in a school district who is not a resident of Kansas shall be counted as follows:

- (a) For school year 2018-2019, one student;
 - (b) for school years 2019-2020 and 2020-2021, $\frac{3}{4}$ of a student; and
 - (c) for school year 2021-2022 and each school year thereafter, $\frac{1}{2}$ of a student.
- (ii) This subparagraph ~~(H)~~ shall not apply to:
- (a) A student whose parent or legal guardian is an employee of the school district where such student is enrolled; or
 - (b) a student who attended public school in Kansas during school year 2016-2017 and who attended public school in Kansas during the immediately preceding school year.

(3) The following shall not be counted as a student:

- (A) An individual residing at the Flint Hills job corps center;
- (B) except as provided in paragraph (2), an individual confined in and receiving educational services provided for by a school district at a juvenile detention facility; and

(C) an individual enrolled in a school district but housed, maintained and receiving educational services at a state institution or a psychiatric residential treatment facility.

(4) A student enrolled in virtual school pursuant to K.S.A. 72-3711 et seq., and amendments thereto, shall be counted in accordance with the provisions of K.S.A. 72-3715, and amendments thereto.

(5) A student enrolled in a school district who attends school through remote learning shall be counted in accordance with the provisions of this section and section 6, and amendments thereto.

~~(ii)(kk)~~ "Total foundation aid" means an amount equal to the product obtained by multiplying the BASE aid by the adjusted enrollment of a school district.

~~(jj)(ll)~~ "Transportation weighting" means an addend component assigned to the enrollment of school districts pursuant to K.S.A. 72-5148, and amendments thereto, on the basis of costs attributable to the provision or furnishing of transportation.

~~(kk)(mm)~~ "Virtual school" means the same as such term is defined in K.S.A. 72-3712, and amendments thereto.

Sec. 19. On and after July 1, 2021, K.S.A. 72-5151 is hereby amended to read as follows: 72-5151. (a) The at-risk student weighting of each school district shall be determined by the state board as follows:

(1) Determine the number of at-risk students included in the enrollment of the school district; and

(2) multiply the number determined under subsection (a)(1) by 0.484. The resulting sum is the at-risk student weighting of the school district.

(b) Except as provided in subsection (b)(4), the high-density at-risk student weighting of each school district shall be determined by the state board as follows:

(1) (A) If the enrollment of the school district is at least 35% at-risk students, but less than 50% at-risk students:

(i) Subtract 35% from the percentage of at-risk students included in the enrollment of the school district;

(ii) multiply the difference determined under subsection (b)(1)(A)(i) by 0.7; and

(iii) multiply the product determined under subsection (b)(1)(A)(ii) by the number of at-risk students included in the enrollment of the school district; or

(B) if the enrollment of the school district is 50% or more at-risk students, multiply the number of at-risk students included in the enrollment of the school district by 0.105; or

(2) (A) if the enrollment of a school in the school district is at least 35% at-risk students, but less than 50% at-risk students:

(i) Subtract 35% from the percentage of at-risk students included in the enrollment of such school;

(ii) multiply the difference determined under subsection (b)(2)(A)(i) by 0.7; and

(iii) multiply the product determined under subsection (b)(2)(A)(ii) by the number of at-risk students included in the enrollment of such school; or

(B) if the enrollment of a school in the school district is 50% or more at-risk students, multiply the number of at-risk students included in the enrollment of such school by 0.105; and

(C) add the products determined under subsections (b)(2)(A)(iii) and (b)(2)(B) for each such school in the school district, respectively.

(3) The high-density at-risk student weighting of the school district shall be the

greater of the product determined under subsection (b)(1) or the sum determined under subsection (b)(2)(C).

(4) ~~Commencing in school year 2018-2019~~, School districts that qualify to receive the high-density at-risk student weighting pursuant to this section shall spend any money attributable to the school district's high-density at-risk student weighting on the at-risk best practices developed by the state board pursuant to K.S.A. 72-5153(d), and amendments thereto. If a school district that qualifies for the high-density at-risk student weighting does not spend such money on such best practices, the state board shall notify the school district that it shall ~~either spend such money on such best practices or shall show improvement within five years of notification. Improvement shall include, but not be limited to, the following: (A) The percentage of students at grade level on state math and English language arts assessments; (B) the percentage of students that are college and career ready on state math and English language arts assessments; (C) the average composite ACT score; or (D) the four-year graduation rate~~ repay such money to the school district's at-risk education fund. On or before January 15 of each year, the state board shall notify the house and senate standing committees on education, or any successor committees, which school districts had to repay such money and the amount of money such school district repaid for the preceding school year. If a school district does not spend such money on such best practices ~~and does not show improvement within five for three consecutive years~~, the school district shall not qualify to receive the high-density at-risk student weighting in the succeeding school year.

(5) The provisions of this subsection shall expire on July 1, ~~2020~~ 2024.

(c) The purpose of the at-risk student weighting and the high-density at-risk student weighting is to provide students identified as eligible to receive at-risk programs and services with evidence-based educational services in addition to regular instructional services.

(d) Upon a school district's receipt of state foundation aid, that portion of such state foundation aid that is directly attributable to such school district's at-risk student weighting and high-density at-risk student weighting, if any, shall be transferred to the district's at-risk education fund established under K.S.A. 72-5153, and amendments thereto.

Sec. 20. On and after July 1, 2021, K.S.A. 2020 Supp. 72-5153 is hereby amended to read as follows: 72-5153. (a) There is hereby established in every school district an at-risk education fund, ~~which that~~ shall consist of all moneys deposited therein or transferred thereto according to law. The expenses of a school district directly attributable to providing at-risk student assistance or programs shall be paid from the at-risk education fund.

(b) Any balance remaining in the at-risk education fund at the end of the budget year shall be carried forward into the at-risk education fund for succeeding budget years. Such fund shall not be subject to the provisions of K.S.A. 79-2925 through 79-2937, and amendments thereto. In preparing the budget of such school district, the amounts credited to and the amount on hand in the at-risk education fund, and the amount expended therefrom shall be included in the annual budget for the information of the residents of the school district. Interest earned on the investment of moneys in any such fund shall be credited to that fund.

~~(c) Commencing in school year 2018-2019~~, Expenditures from the at-risk education fund of a school district shall only be made for the following purposes:

(1) ~~At-risk and provisional at-risk educational programs based on best practices identified pursuant to subsection (d);~~

(2) ~~personnel providing educational services in conjunction with such programs; or~~

(3) ~~support for instructional classroom personnel designed to provide training for evidence-based best practices for at-risk educational programs; or~~

(4) ~~services contracted for by the school district to provide at-risk and provisional at-risk educational programs based on best practices identified pursuant to subsection (d).~~

(d) (1) The state board shall identify and approve evidence-based best practices for at-risk educational programs and instruction of students receiving at-risk program services. ~~On and after July 1, 2019,~~ Such best practices shall include, but not be limited to, programs and services provided by state-based national nonprofit organizations that:

(A) Focus on students who are identified as students eligible to receive at-risk program services or who face other identifiable barriers to success;

(B) provide evidence-based instruction and support services to such students inside and outside the school setting; and

(C) evaluate outcomes data for students, including, but not limited to, school attendance, academic progress, graduation rates, pursuit of postsecondary education or career advancement.

(2) The state board shall review and update such best practices as necessary and as part of its five-year accreditation system review process.

(3) The state board shall provide a list of approved at-risk educational programs to each school district. The department shall publish the list on the department's website with a link to such list prominently displayed on the website homepage.

(4) (A) No expenditure shall be made from a school district's at-risk education fund for any program or service that is not included on the list of approved at-risk educational programs, unless such program is a provisional at-risk educational program.

(B) Expenditures shall only be made for a provisional at-risk educational program for a period not to exceed three years after implementation of such provisional at-risk educational program by a school district. The state board shall review any such provisional at-risk educational program, and if such program satisfies the state board's requirements as an evidence-based best practice, then such program shall be included in the list of approved at-risk educational programs.

(5) The purpose of at-risk and provisional at-risk educational programs and services is to provide students identified as eligible to receive at-risk programs and services with additional educational opportunities, interventions and evidence-based instructional services above and beyond regular educational services.

(6) Delivery of at-risk and provisional at-risk programs or services by a school district may include, but shall not be limited to, the following:

(A) Extended school year;

(B) before-school programs and services;

(C) after-school programs and services;

(D) summer school;

(E) extra support within a class;

(F) tutorial assistance; and

(G) class within a class.

(e) Each year the board of education of each school district shall prepare and

submit to the state board a report on the ~~assistance or~~ at-risk and provisional at-risk educational programs provided by the school district for students identified as eligible to receive at-risk program services. Such report shall include:

(1) The number of students identified as eligible to receive at-risk or provisional at-risk educational program services who were served or provided assistance;

(2) the type of ~~service~~ at-risk and provisional at-risk educational programs and services provided, including the number of students provided assistance under the district's approved at-risk program;

(3) the data and research ~~upon which the school district relied~~ utilized in determining that a need for service or assistance existed, the results of providing such service or assistance ~~what programs and services were needed to implement the approved at-risk program;~~

(4) the district shall track and report the longitudinal performance of students that are continuously receiving at-risk programs and services in the district's approved at-risk program and, if applicable, shall include data regarding state assessment scores, Kansas English language proficiency assessment results, four-year graduation rates, progress monitoring, norm-referenced test results, criterion-based test results, individualized education program goals, attendance and average ACT composite scores; and

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

(f) In order to achieve uniform reporting of the number of students provided service or assistance by school districts in at-risk student programs, school districts shall report the number of students served or assisted in the manner required by the state board.

(g) As used in this section, ~~the term:~~

(1) "At-risk educational program" means an at-risk program or service that is identified and approved by the state board as an evidence-based best practice pursuant to subsection (d);

(2) "evidence-based instruction" means an education delivery system based on peer-reviewed research that consistently produces better student outcomes over a five-year period than would otherwise be achieved by the same students who are receiving at-risk program services; and

(3) "provisional at-risk educational program" means an evidence-based at-risk educational program or service identified or developed by a school district as producing or likely to produce measurable success that has been submitted to the state board for review pursuant to subsection (d).

Sec. 21. On and after July 1, 2021, K.S.A. 2020 Supp. 72-5173 is hereby amended to read as follows: 72-5173. The legislative post audit committee shall direct the legislative division of post audit to conduct the following performance audits in the fiscal year specified:

(a) A performance audit of transportation services funding. The audit should include a comparison of the amount of transportation services funding school districts receive to the cost of providing transportation services. This performance audit shall be conducted during fiscal year 2018, and the final audit report shall be submitted to the legislature on or before January 15, 2018.

(b) A performance audit of at-risk education funding. The audit should evaluate the method of counting students for at-risk education funding, the level of the at-risk student weighting and high-density at-risk student weighting under the act and how

school districts are expending moneys provided for at-risk education. This performance audit shall be conducted during fiscal year 2020, and the final audit report shall be submitted to the legislature on or before January 15, 2020.

(c) A performance audit of bilingual education funding. The audit should evaluate the method of counting students for bilingual education funding, the level of the bilingual weighting under the act and how school districts are expending moneys provided for bilingual education. This performance audit shall be conducted during fiscal year 2021, and the final audit report shall be submitted to the legislature on or before January 15, 2021.

(d) A study of statewide virtual school programs administered in other states. The study shall include, but not be limited to, the following:

(1) The aggregate cost incurred by each state administering a virtual school program, and the cost incurred by individual school districts or schools within each state;

(2) the resources necessary for the implementation of each virtual school program, including, but not limited to, personnel, equipment, software and facility usage;

(3) the scope of each virtual school program; and

(4) the effectiveness of each virtual school program with respect to student performance and outcomes.

The study shall be conducted during fiscal year 2023, and the final study report shall be submitted to the legislature on or before January 15, 2023.

(e) A performance audit of the unencumbered cash balances held in all funds by each school district. The audit should evaluate the annual accumulations of unencumbered cash balances for the preceding 10 years, the annual expenditures of such moneys and how school districts are expending such moneys. This performance audit shall be conducted no later than fiscal year 2021, and the final audit report shall be submitted to the legislature on or before January 15, 2021.

(f) (1) A performance audit to provide a reasonable estimate of the cost of providing educational opportunities for every public school student in Kansas to achieve the performance outcome standards adopted by the state board of education. This performance audit shall be conducted during fiscal year 2024, and the final report submitted to the legislature on or before January 15, 2024.

(2) The performance audit required under this subsection shall:

(A) Include reasonable estimates of the costs of providing specialized education services as required by law, including, but not limited to, bilingual education and at-risk programs; and

(B) account for other factors which may contribute to variations in costs incurred by school districts, including, but not limited to, total district enrollment and geographic location within the state.

(3) In conducting the performance audit required under this subsection:

(A) Any examination of historical data and expenditures shall correct any recognized inadequacy of such data or expenditure through a statistically valid method of extrapolation; and

(B) subject to the limitations of the division of legislative post audit budget and appropriations therefor, the legislative post auditor may enter into contracts with consultants as the post auditor deems necessary.

(g) A performance audit to provide a reasonable estimate of the costs of providing

special education and related services, including, but not limited to, other factors which may contribute to variations in costs incurred by school districts. This performance audit shall be conducted during fiscal year 2019, and the final audit report shall be submitted to the legislature on or before January 15, 2019.

(h) A performance audit of at-risk education expenditures. The audit should evaluate how school districts are expending moneys provided for at-risk education, whether those expenditures comply with statutory provisions and whether the state board of education and the department of education are acting in accordance with statutory provisions related to at-risk expenditures and programs. This audit should also evaluate the trends in the academic outcomes of students receiving at-risk education program services. This performance audit shall be conducted during calendar year 2023, and the final audit report shall be submitted to the legislature on or before January 15, 2024.

Sec. 22. On and after July 1, 2021, K.S.A. 2020 Supp. 72-5178 is hereby amended to read as follows: 72-5178. (a) On or before January 15 of each year, the state department of education shall prepare and submit a performance accountability report and a longitudinal achievement report for all students enrolled in any public school or accredited nonpublic school in the state, each school district ~~and~~, each school operated by a school district and each accredited nonpublic school to the governor and to the legislature.

(b) Each performance accountability report shall be prepared in a single-page format containing the information that is required to be reported under the federal elementary and secondary education act, as amended by the federal every student succeeds act, public law 114-95, or any successor federal acts, and the college and career readiness metrics developed and implemented by the state board. The report shall use the categories for achievement identified under the federal every student succeeds act, public law 114-95, or any successor achievement categories. All categories and metrics included in the report shall be clearly defined.

(c) Each longitudinal achievement report shall provide the achievement rates on the state assessments for English language arts, math and science for all students and each student subgroup and the change in achievement rate year-over-year starting with the school year in which the state board first implemented new achievement standards on such state assessments.

(d) All reports prepared pursuant to this section shall be published in accordance with K.S.A. 2020 Supp. 72-1181, and amendments thereto.

Sec. 23. On and after July 1, 2021, K.S.A. 2020 Supp. 72-5179 is hereby amended to read as follows: 72-5179. (a) The state board of education shall provide the ACT college entrance exam and the three ACT workkeys assessments that are required to earn a national career readiness certificate to each student enrolled in grades 11 and 12, and the pre-ACT college entrance exam to each student enrolled in grade nine. No student shall be required to pay any fees or costs to take any such exam or assessments. The state board shall not be required to provide more than one exam and three assessments for each student. The state board of education may enter into any contracts that are necessary to promote statewide cost savings to administer such exams and assessments.

(b) The Kansas department of education and each school district shall annually publish on their websites the times, dates and locations of the pre-ACT college entrance

exam, the ACT college entrance exam and the ACT workkeys assessments that are offered in Kansas and information for students on how to register for such exams or assessments.

(c) Participation in the pre-ACT college entrance exam, the ACT college entrance exam or the ACT workkeys assessment shall be optional. Nothing in this section shall be construed to require any student to participate in such exams or assessments.

(d) On or before the first day of each regular legislative session, the state board of education shall prepare and submit a report to the senate standing committee on education and the house standing committee or any successor committees on education that includes the aggregate exam and assessment data for all students who were provided the exams and assessments pursuant to this section.

(e) As used in this section, "student" means any person who is regularly enrolled in any public school or accredited nonpublic school located in Kansas.

Sec. 24. On and after July 1, 2021, K.S.A. 75-53,112 is hereby amended to read as follows: 75-53,112. As used in the Kansas foster child educational assistance act:

(a) "Kansas educational institution" means and includes any community college, the municipal university, state educational institution, the institute of technology at Washburn university or technical college.

(b) "Eligible foster child" means anyone who:

(1) (A) (i) is in the custody of the secretary and in a foster care placement on the date such child attained 18 years of age; ~~(B) (ii) has been released from the custody of the secretary prior to attaining 18 years of age, after having graduated from a high school or fulfilled the requirements for a general educational development (GED) certificate while in foster care placement and the custody of the secretary;~~ ~~(C) (iii) is adopted from a foster care placement on or after such child's 16th birthday; or~~ ~~(D) (iv) left a foster care placement subject to a guardianship under chapter 38 or 59 of the Kansas Statutes Annotated, and amendments thereto, on or after such child's 16th birthday; or~~

(B) is a student as defined under the Kansas challenge to secondary school students act, K.S.A. 72-3220 et seq., and amendments thereto, and was in the custody of the secretary and in foster care placement at any time such child was enrolled in grades nine through 12 at a school of a school district; and

(2) enrolls in a Kansas educational institution ~~on or after July 1, 2006.~~

(c) "Kansas foster child educational assistance program" or "program" means the program established pursuant to the provisions of the Kansas foster child educational assistance act, which shall provide for: (1) Undergraduate enrollment of eligible foster children pursuant to subsection (b)(1)(A) through the semester the eligible foster child attains 23 years of age; or (2) undergraduate enrollment of eligible foster children pursuant to subsection (b)(1)(B) through the Kansas challenge to secondary schools act, K.S.A. 72-3220 et seq., and amendments thereto.

(d) "Educational program" means a program ~~which that~~ is offered and maintained by a Kansas educational institution and leads to the award of a certificate, diploma or degree upon satisfactory completion of course work requirements.

(e) "Secretary" means the secretary for children and families.

Sec. 25. On and after July 1, 2021, K.S.A. 72-1163, 72-3220, 72-3221, 72-3222, 72-3223, 72-3224, 72-5151 and 75-53,112 and K.S.A. 2020 Supp. 72-3117, 72-4352, 72-4354, 72-5131, 72-5132, 72-5153, 72-5173, 72-5178 and 72-5179 are hereby

repealed.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "ACT"; by striking lines 2 through 5; in line 6, by striking all before the period and inserting "concerning education; relating to the instruction and financing thereof; making and concerning appropriations for the department of education for fiscal years ending June 30, 2021, June 30, 2022, and June 30, 2023; requiring a Kansas foster care children annual academic report card; authorizing limited remote learning; providing the criteria for identification of students eligible to receive at-risk programs and services; requiring boards of education to allocate sufficient school district moneys to improve student academic performance; authorizing school districts to pay tuition and fees for concurrent and dual enrollment programs; expanding student eligibility under the tax credit for low income students scholarship program; extending the high-density at-risk weighting; providing ACT college entrance exams and workkeys assessments to certain nonpublic school students; amending K.S.A. 72-1163, 72-3220, 72-3221, 72-3222, 72-3223, 72-3224, 72-5151 and 75-53,112 and K.S.A. 2020 Supp. 72-3117, 72-4352, 72-4354, 72-5131, 72-5132, 72-5153, 72-5173, 72-5178 and 72-5179 and repealing the existing sections";

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

MOLLY BAUMGARDNER

RENEE ERICKSON

DINAH SYKES

Conferees on part of Senate

KRISTEY WILLIAMS

KYLE HOFFMAN

VALDENIA WINN

Conferees on part of House

Senator Baumgardner moved the Senate adopt the Conference Committee Report on **HB 2134**.

On roll call, the vote was: Yeas 35; Nays 4; Present and Passing 1; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Billinger, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Gossage, Haley, Hawk, Hilderbrand, Holland, Holscher, Kerschen, Kloos, Longbine, Masterson, McGinn, O'Shea, Olson, Petersen, Pettey, Pittman, Pyle, Ryckman, Suellentrop, Sykes, Thompson, Ware, Warren, Wilborn.

Nays: Peck, Steffen, Straub, Tyson.

Present and Passing: Francisco.

The Conference Committee Report was adopted.

On motion of Senator Alley, the Senate recessed until 7:30 p.m.

The Senate met pursuant to recess with President Masterson in the chair.

EVENING SESSION

MESSAGE FROM THE HOUSE

The House concurs in Senate amendments to **HB 2224**, and requests return of the bill.

The House adopts the Conference Committee report on **HB 2137**.

The House adopts the Conference Committee report on **HB 2134**.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **SB 159** 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 7 through 10; following line 10 by inserting:

"Section 1. (a) For the fiscal years ending June 30, 2021, June 30, 2022, and June 30, 2023, appropriations are hereby made, restrictions and limitations are hereby imposed, and transfers, capital improvement projects, fees, receipts, disbursements, procedures and acts incidental to the foregoing are hereby directed or authorized as provided in this act.

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

(c) This act shall be known and may be cited as the omnibus appropriation act of 2021 and shall constitute the omnibus reconciliation spending limit bill for the 2021 regular session of the legislature for purposes of K.S.A. 75-6702(a), and amendments thereto.

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

On page 5, following line 37, by inserting the following:

"Sec. 14.

STATE BANK COMMISSIONER

(a) On July 1, 2021, the expenditure limitation established for the fiscal year ending June 30, 2022, by section 5(a) of 2021 House Bill No. 2007 on the bank commissioner fee fund (094-00-2811) of the state bank commissioner is hereby increased from \$11,304,273 to \$12,090,773.

(b) On July 1, 2021, the expenditure limitation established for the fiscal year ending June 30, 2023, by section 5(a) of 2021 House Bill No. 2007 on the bank commissioner fee fund (094-00-2811) of the state bank commissioner is hereby increased from \$11,649,189 to \$12,649,189.

Sec. 15.

BEHAVIORAL SCIENCES REGULATORY BOARD

(a) On July 1, 2021, the expenditure limitation established for the fiscal year ending June 30, 2022, by section 8(a) of 2021 House Bill No. 2007 on the behavioral sciences regulatory board fee fund (102-00-2730-0100) of the behavioral sciences regulatory board is hereby increased from \$959,145 to \$981,995.

Sec. 16.

STATE BOARD OF HEALING ARTS

(a) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2021, by section 9(a) of chapter 5 of the 2020 Session Laws of Kansas on the healing arts fee fund (105-00-2705-0100) of the state board of healing arts is hereby increased from \$6,419,900 to \$6,434,020.

(b) On July 1, 2021, the expenditure limitation established for the fiscal year ending June 30, 2022, by section 9(a) of 2021 House Bill No. 2007 on the healing arts fee fund (105-00-2705-0100) of the state board of healing arts is hereby increased from \$6,478,748 to \$6,527,233.

Sec. 17.

STATE BOARD OF MORTUARY ARTS

(a) On July 1, 2021, the expenditure limitation established for the fiscal year ending June 30, 2022, by section 15(a) of 2021 House Bill No. 2007 on the mortuary arts fee fund (204-00-2709-0100) of the state board of mortuary arts is hereby increased from \$304,038 to \$369,038.

Sec. 18.

STATE BOARD OF PHARMACY

(a) On July 1, 2021, the expenditure limitation established for the fiscal year ending June 30, 2022, by section 21(a) of 2021 House Bill No. 2007 on the state board of pharmacy fee fund (531-00-2718-0100) of the state board of pharmacy is hereby increased from \$2,565,656 to \$2,608,906.

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

Prescription monitoring program fund	
For the fiscal year ending June 30, 2022.....	No limit
For the fiscal year ending June 30, 2023.....	No limit

Sec. 19.

LEGISLATIVE COORDINATING COUNCIL

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2022, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Legislature employment security fund.....	No limit
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Sec. 20.

LEGISLATURE

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Operations (including official hospitality) (428-00-1000-0103).....	\$25,000
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(b) During the fiscal year ending June 30, 2022, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or from any special revenue fund or funds for the above agency for fiscal year 2022 as authorized by section 32 of 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature, subject to

the provisions of this subsection, expenditures shall be made by the above agency from such moneys for fiscal year 2022 to create an interim study committee on child support enforcement and collection: *Provided, however;* That no expenditures shall be made from such moneys until the legislative coordinating council approves such interim study committee.

(c) During the fiscal year ending June 30, 2022, in addition to the other purpose for which expenditures may be made by the above agency from moneys appropriated from the state general fund or from any special revenue fund or funds for the above agency for fiscal year 2022 as authorized by section 32 of 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature, subject to the provisions of this subsection, expenditures shall be made by the above agency from such moneys for fiscal year 2022 to create an interim study committee on the federal 340B program: *Provided,* That such committee shall review: The requirements of the federal law; the role of qualifying 340B providers, pharmacies, pharmacy benefit managers and pharmaceutical drug manufacturers in such program; the fiscal impact of such program on all participants; any recent federal or state law changes affecting such program; any recent marketplace developments of interest; and the impact of such program on healthcare payers, including insureds, self-insureds and government programs: *Provided further;* That such committee shall have 13 members appointed by the legislative coordinating council and the speaker of the house of representatives shall appoint the chairperson.

Sec. 21.

ATTORNEY GENERAL

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Operating expenditures (082-00-1000-0103).....	\$272,368
Protection from abuse (082-00-1000-0900).....	\$51,900

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2022, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Charitable organizations fee fund.....	No limit
Kansas fights addiction fund.....	No limit
Municipalities fight addiction fund.....	No limit

(c) During the fiscal year ending June 30, 2022, notwithstanding the provisions of any statute, in addition to the other purposes for which expenditures may be made from the scrap metal theft reduction fee fund for fiscal year 2022 by the attorney general as authorized by section 38 of 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature, expenditures shall be made by the attorney general from the scrap metal theft reduction fee fund for fiscal year 2022 to reimburse scrap metal dealers, as defined in K.S.A. 50-6,109, and amendments thereto, in the amount of \$1,000 for each year any such scrap metal dealer paid registration fees under the scrap metal theft reduction act and such act was not operative and to reimburse such scrap metal dealers for the costs of fingerprinting any such scrap metal dealer prior to July 1, 2020.

Sec. 22.

STATE TREASURER

(a) On July 1, 2021, the expenditure limitation established for the fiscal year ending June 30, 2022, by 41(a) of 2021 House Bill No. 2007 on the state treasurer operating fund (670-00-2374-2300) of the state treasurer is hereby increased from \$1,696,618 to \$1,795,618.

Sec. 23.

STATE BOARD OF INDIGENTS' DEFENSE SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Assigned counsel
expenditures (328-00-1000-0700).....\$3,569,164

(b) If 2021 House Bill No. 2363 or any other legislation that increases the compensation rate of assigned counsel by amending K.S.A. 22-4507, and amendments thereto, is not passed by the legislature during the 2021 regular session and enacted into law, then in addition to other purposes for which expenditures may be made by the above agency from the assigned counsel expenditures account (328-00-1000-0700) for fiscal year 2022 as authorized by this or other appropriation act of the 2021 regular session of the legislature, notwithstanding the provisions of any other statute to the contrary, the above agency shall make expenditures from such account to set the maximum rate of compensation of assigned counsel in fiscal year 2022 at \$100 per hour.

Sec. 24.

JUDICIAL BRANCH

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2021, the following:

Judiciary operations (677-00-1000).....\$7,400,000

Provided, That notwithstanding sections 2 through 4 of chapter 1 of the 2020 Special Session Laws of Kansas, for the fiscal year ending June 30, 2021, on or before June 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the state for aid for coronavirus relief that are eligible to be used for the purposes of this subsection, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: *Provided further*, That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by the legislature during the 2021 regular session and enacted into law, the director of the budget shall determine the remaining moneys available in special revenue funds: *And provided further*, That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2021 to be used for the purposes of this subsection, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on June 30, 2021, of the \$7,400,000 appropriated for the above agency for the fiscal year ending June 30, 2021, by this section from the state general fund in the judiciary operations account, an amount equal to such certified amount is hereby lapsed: *And provided further*, That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative

research.

Sec. 25.

JUDICIAL BRANCH

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Judiciary operations (677-00-1000).....\$16,990,384

Provided, however; That during the fiscal year ending June 30, 2022, any salary increase, including associated employer contributions, for nonjudicial personnel in the judicial personnel classification system shall not exceed 12%.

(b) During the fiscal year ending June 30, 2022, the justices of the supreme court, judges of the court of appeals, district court judges and district magistrate judges shall receive a 5% salary increase, including associated employer contributions.

Sec. 26.

JUDICIAL BRANCH

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2023, the following:

Judiciary operations (677-00-1000).....\$1,944,998

(b) During the fiscal year ending June 30, 2023, the justices of the supreme court, judges of the court of appeals, district court judges and district magistrate judges shall receive a 5% salary increase, including associated employer contributions.

Sec. 27.

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2021, the following:

Securities settlement (173-00-1000).....\$6,000,000

Provided, That if the state does not enter into a legal agreement to resolve *Blumer v. Kansas*, 2019-CV-00720 (3rd Judicial District), related to the securities act fee fund, by June 30, 2021, then on such date, the amount of \$6,000,000 is hereby lapsed.

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2021, by section 70(b) of chapter 5 of the 2020 Session Laws of Kansas, and transferred pursuant to executive reorganization order No. 45, published as chapter 21 of the 2020 Session Laws of Kansas, on the cafeteria benefits fund (173-00-7720-7723) for salaries and wages and other operating expenditures of the department of administration is hereby declared null and void and shall have no force and effect.

Sec. 28.

DEPARTMENT OF ADMINISTRATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

KPERS bonds debt service (173-00-1000-0440).....\$28,750,000

(b) On July 1, 2021, the amount of \$2,348,000 authorized by section 146(b) of 2021 House Bill No. 2007 to be transferred by the director of accounts and reports from the state highway fund of the department of transportation to the statehouse debt service – state highway fund of the department of administration on September 1, 2021, is hereby decreased to \$1,377,290.

Sec. 29.

DEPARTMENT OF REVENUE

(a) During the fiscal year ending June 30, 2021, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2021 as authorized by section 58 of chapter 5 of the 2020 Session Laws of Kansas, this or other appropriation act of the 2021 regular session of the legislature, expenditures shall be made by the above agency from such moneys to open and operate on or before June 1, 2021, all driver's license offices previously closed due to the COVID-19 public health emergency with the services such offices were providing immediately prior to such closure.

Sec. 30.

DEPARTMENT OF REVENUE

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Operating expenditures (565-00-1000-0303).....\$356,571

(b) During the fiscal year ending June 30, 2022, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2022 as authorized by section 65 of 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature, expenditures shall be made by the above agency from such moneys to continue operations in all driver's license offices previously closed due to the COVID-19 public health emergency with the services such offices were providing immediately prior to such closure.

Sec. 31.

KANSAS LOTTERY

(a) On the effective date of this act, the aggregate of the amounts authorized by section 66(a) of 2021 House Bill No. 2007 to be transferred from the lottery operating fund (450-00-5123-5100) to the state gaming revenues fund (173-00-9011-9100) during the fiscal year ending June 30, 2021, is hereby decreased from \$69,390,000 to \$68,690,000.

Sec. 32.

DEPARTMENT OF COMMERCE

(a) During the fiscal year ending June 30, 2021, notwithstanding the provisions of the Kansas public broadcasting council act, K.S.A. 75-4912 through 75-4926, and amendments thereto, or any other statute, the above agency shall not expend any moneys appropriated for fiscal year 2021 from the state economic development initiatives fund or from any special revenue fund or funds of such agency by chapter 5 of the 2020 Session Laws of Kansas, 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature to any public broadcasting station that moved to a different city or has a plan to move to a different city, approved by the board of directors or management of such public broadcasting station, during such fiscal year.

Sec. 33.

DEPARTMENT OF COMMERCE

(a) There is appropriated for the above agency from the state economic development initiatives fund for the fiscal year ending June 30, 2022, the following:

Reemployment implementation.....\$94,300

(b) There is appropriated for the above agency from the following special revenue

fund or funds for the fiscal year ending June 30, 2022, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Technology-enabled fiduciary financial institutions development and expansion fund.....No limit

(c) During the fiscal year ending June 30, 2022, notwithstanding the provisions of the Kansas public broadcasting council act, K.S.A. 75-4912 through 75-4926, and amendments thereto, or any other statute, the above agency shall not expend any moneys appropriated for fiscal year 2022 from the state economic development initiatives fund or from any special revenue fund or funds of such agency by 2021 House Bill No. 2007, this or other appropriation act of the 2021 or 2022 regular session of the legislature to any public broadcasting station that moved to a different city or has a plan to move to a different city, approved by the board of directors or management of such public broadcasting station, during such fiscal year.

(d) On July 1, 2021, the amount of \$15,080,736 authorized by section 70(g) of 2021 House Bill No. 2007 to be transferred by the director of accounts and reports from the state economic development initiatives fund (300-00-1900-1100) to the state general fund on July 1, 2021, is hereby decreased to \$15,032,110.

Sec. 34.

DEPARTMENT OF COMMERCE

(a) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2023, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Technology-enabled fiduciary financial institutions development and expansion fund.....No limit

(b) During the fiscal year ending June 30, 2023, notwithstanding the provisions of the Kansas public broadcasting council act, K.S.A. 75-4912 through 75-4926, and amendments thereto, or any other statute, the above agency shall not expend any moneys appropriated for fiscal year 2023 from the state economic development initiatives fund or from any special revenue fund or funds of such agency by 2021 House Bill No. 2007, this or other appropriation act of the 2021, 2022 or 2023 regular session of the legislature to any public broadcasting station that moved to a different city or has a plan to move to a different city, approved by the board of directors or management of such public broadcasting station, during such fiscal year.

Sec. 35.

DEPARTMENT OF LABOR

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Unemployment insurance modernization.....\$9,600,000

Provided, That notwithstanding section 30(c) of 2021 House Bill No. 2007, for the fiscal year ending June 30, 2022, on or before July 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the state for aid for coronavirus relief that are eligible to be used for the purposes of the unemployment insurance modernization project, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards,

and are unencumbered: *Provided further*, That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by the legislature during the 2021 regular session and enacted into law, the director of the budget shall determine the remaining moneys available in special revenue funds: *And provided further*, That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2022 to be used for the purposes of this proviso, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on the date of such certification, of the \$9,600,000 appropriated for the above agency for the fiscal year ending June 30, 2022, by this section from the state general fund in the unemployment insurance modernization account, an amount equal to such certified amount is hereby lapsed: *And provided further*, That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research: *Provided however*, That the above agency shall not expend any moneys from such account until the state finance council has reviewed federal moneys to the state for aid for coronavirus relief to determine if such moneys are available during fiscal year 2022 to be used for the purposes of this proviso: *And provided further*, That the above agency may expend up to \$250,000 from such account to conduct the audit established in section 1(g) of 2021 Senate Substitute for Substitute for House Bill No. 2196.

(b) During the fiscal year ending June 30, 2022, in addition to the other purposes for which expenditures may be made by the above agency for fiscal year 2022, as authorized by section 75 of 2021 House Bill No. 2007, this or any other appropriation act of the 2021 or 2022 regular session of the legislature, expenditures shall be made by such agency to prepare a report for national consumer reporting agencies, as defined in K.S.A. 50-702, and amendments thereto, on behalf of any claimant who filed a claim on or after March 1, 2020, and, upon request, delivered to such claimant, when such claim incurred a delay of 30 days or more in the payment of a benefit to a claimant who properly filed the claim and was entitled to receive the benefit: *Provided*, That for any such delayed payment of a benefit that was due to a claimant prior to the effective date of this act, one report for each such claimant shall be sent to such claimant within 45 days of the effective date of this act. The report shall indicate the number of benefit payments that were delayed and the number of days each benefit payment was delayed: *Provided further*, That for benefits due to a claimant after the effective date of this act, a separate report for each payment of a benefit that is delayed shall be sent to such claimant not later than 5 business days after the 30th day that the payment has been delayed and after each successive 30-day period that the payment is further delayed. The report shall indicate the total number of days that the payment of the benefit has been delayed: *And provided further*, That such report shall be provided to the claimant in electronic form if the claimant has provided an email address to the department of labor, or if the claimant has not provided an email address, such copy shall be mailed to the address provided by the claimant to the department.

Sec. 36.

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Operating expenditures – veteran services (694-00-1000-0203).....\$259,481
Sec. 37.

DEPARTMENT OF HEALTH AND ENVIRONMENT –
DIVISION OF PUBLIC HEALTH

(a) Notwithstanding any provision of law, during the fiscal year ending June 30, 2021, the above agency shall not expend any moneys appropriated from the state general fund or from any special revenue fund or funds for the above agency for fiscal year 2021 as authorized by section 68 of chapter 5 of the 2020 Session Laws of Kansas, section 77 of 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature to conduct or authorize contact tracing except as provided in subsection (b).

(b) During the fiscal year ending June 30, 2021, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or from any special revenue fund or funds for the above agency for fiscal year 2021 as authorized by section 68 of chapter 5 of the 2020 Session Laws of Kansas, section 77 of 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature, expenditures may be made from such moneys in fiscal year 2021 to employ, contract for or engage contact tracers and to adopt rules and regulations to implement, administer and enforce the provisions of this subsection: *Provided*, That persons acting as contact tracers under the authority of this subsection shall meet the qualifications and training prescribed by rules and regulations prescribed by the secretary of health and environment pursuant to this subsection: *Provided further*, That before collecting any contact data, each contact tracer shall execute, under oath, on a form prescribed by rules and regulations of the secretary of health and environment: *And provided further*, That a contact tracer shall not disclose the identity of an infected person to a contact: *And provided further*, That only contact data specifically authorized by the secretary pursuant to rules and regulations prescribed by the secretary of health and environment pursuant to this subsection may be collected as part of contact tracing: *And provided further*, That the secretary of health and environment shall not produce contact data pursuant to a subpoena unless such subpoena is issued by a court and is accompanied by a valid protective order preventing further disclosure of such data: *And provided further*, That contact data shall be: (1) Used only for the purpose of contact tracing and not for any other purpose; (2) confidential and shall not be disclosed, produced in response to any Kansas open records act request or made public, unless the disclosure is necessary to conduct contact tracing; and (3) safely and securely destroyed when no longer necessary for contact tracing, pursuant to rules and regulations adopted pursuant to this subsection: *And provided further*, That participation in contact tracing shall be voluntary, and no contact or infected person shall be compelled to participate in, nor be prohibited from participating in, contact tracing: *And provided further*, That contact tracing shall not be conducted through the use of any service or means that uses cellphone location data to identify or track, directly or indirectly, the movement of persons: *And provided further*, That no third party shall be required to collect or maintain data regarding infected persons or contacts for the purpose of contact tracing.

(c) For the purposes of this section:

(1) "Contact" means a person known to have been in association with an infected person as to have had an opportunity of acquiring an infection;

(2) "contact data" means information collected through contact tracing and includes medical, epidemiological, individual movement or mobility, names or other data;

(3) "contact tracer" means a person or entity employed, contracted or engaged by the department of health and environment to conduct contact tracing;

(4) "contact tracing" means identifying persons who may have been exposed to an infected person for the purpose of containing the spread of COVID-19 by notifying the contact that the contact may have been exposed, should be tested and should self-quarantine;

(5) "COVID-19" means the novel coronavirus identified as SARS-CoV-2; and

(6) "infected person" means a person known or reasonably suspected to be infected with COVID-19.

Sec. 38.

DEPARTMENT OF HEALTH AND ENVIRONMENT –
DIVISION OF PUBLIC HEALTH

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Operating expenditures (including official hospitality) – health (264-00-1000-0270).....\$463,680

(b) There is appropriated for the above agency from the following special revenue fund or funds for the fiscal year ending June 30, 2022, all moneys now or hereafter lawfully credited to and available in such fund or funds, except that expenditures other than refunds authorized by law shall not exceed the following:

Rural hospital innovation grant fund.....No limit

(c) Notwithstanding any provision of law, during the fiscal year ending June 30, 2022, the above agency shall not expend any moneys appropriated from the state general fund or from any special revenue fund or funds for the above agency for fiscal year 2022 as authorized by section 78 of 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature to conduct or authorize contact tracing except as provided in subsection (d).

(d) During the fiscal year ending June 30, 2022, in addition to the other purposes for which expenditures may be made by the above agency from moneys appropriated from the state general fund or from any special revenue fund or funds for the above agency for fiscal year 2022 as authorized by section 78 of 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature, expenditures may be made from such moneys in fiscal year 2022 to employ, contract for or engage contact tracers and to adopt rules and regulations to implement, administer and enforce the provisions of this subsection: *Provided*, That persons acting as contact tracers under the authority of this subsection shall meet the qualifications and training prescribed by rules and regulations prescribed by the secretary of health and environment pursuant to this subsection: *Provided further*, That before collecting any contact data, each contact tracer shall execute, under oath, on a form prescribed by rules and regulations of the secretary of health and environment: *And provided further*, That a contact tracer shall not disclose the identity of an infected person to a contact: *And provided further*, That only contact data specifically authorized by the secretary

pursuant to rules and regulations prescribed by the secretary of health and environment pursuant to this subsection may be collected as part of contact tracing: *And provided further*; That the secretary of health and environment shall not produce contact data pursuant to a subpoena unless such subpoena is issued by a court and is accompanied by a valid protective order preventing further disclosure of such data: *And provided further*; That contact data shall be: (1) Used only for the purpose of contact tracing and not for any other purpose; (2) confidential and shall not be disclosed, produced in response to any Kansas open records act request or made public, unless the disclosure is necessary to conduct contact tracing; and (3) safely and securely destroyed when no longer necessary for contact tracing, pursuant to rules and regulations adopted pursuant to this subsection: *And provided further*; That participation in contact tracing shall be voluntary, and no contact or infected person shall be compelled to participate in, nor be prohibited from participating in, contact tracing: *And provided further*; That contact tracing shall not be conducted through the use of any service or means that uses cellphone location data to identify or track, directly or indirectly, the movement of persons: *And provided further*; That no third party shall be required to collect or maintain data regarding infected persons or contacts for the purpose of contact tracing.

(e) For the purposes of this section:

(1) "Contact" means a person known to have been in association with an infected person as to have had an opportunity of acquiring an infection;

(2) "contact data" means information collected through contact tracing and includes medical, epidemiological, individual movement or mobility, names or other data;

(3) "contact tracer" means a person or entity employed, contracted or engaged by the department of health and environment to conduct contact tracing;

(4) "contact tracing" means identifying persons who may have been exposed to an infected person for the purpose of containing the spread of COVID-19 by notifying the contact that the contact may have been exposed, should be tested and should self-quarantine;

(5) "COVID-19" means the novel coronavirus identified as SARS-CoV-2; and

(6) "infected person" means a person known or reasonably suspected to be infected with COVID-19.

Sec. 39.

DEPARTMENT OF HEALTH AND ENVIRONMENT –
DIVISION OF HEALTH CARE FINANCE

(a) On the effective date of this act, of the \$729,950,000 appropriated for the above agency for the fiscal year ending June 30, 2021, by section 70(a) of chapter 5 of the 2020 Session Laws of Kansas from the state general fund in the other medical assistance account (264-00-1000-3026), the sum of \$139,000,000 is hereby lapsed.

Sec. 40.

DEPARTMENT OF HEALTH AND ENVIRONMENT –
DIVISION OF HEALTH CARE FINANCE

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Children's health insurance program (1000-0060).....\$10,054,086

(b) On July 1, 2021, of the \$759,750,000 appropriated for the above agency for the fiscal year ending June 30, 2022, by section 80(a) of 2021 House Bill No. 2007 from

the state general fund in the other medical assistance account (264-00-1000-3026), the sum of \$56,000,000 is hereby lapsed.

(c) On July 1, 2021, the expenditure limitation established for the fiscal year ending June 30, 2022, by section 80(b) of 2021 House Bill No. 2007 on the medical programs fee fund (264-00-2395-0110) of the department of health and environment – division of health care finance is hereby decreased from \$143,519,270 to \$130,519,270.

(d) During the fiscal year ending June 30, 2022, in addition to the other purposes for which expenditures may be made by the department of health and environment – division of health care finance from moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2022 by this or any other appropriation act of the 2021 regular session of the legislature, expenditures shall be made by the above agency from such moneys to set the monthly protected income level for purposes of determining the person's client obligation at an amount equal to 300% of federal supplemental security income for any person in Kansas receiving home and community-based services administered under section 1915(c) of the federal social security act and any person in Kansas receiving services from a program of all-inclusive care for the elderly administered by the Kansas department for aging and disability services: *Provided*, That on and after July 1, 2021, the provisions of section 80(e) of 2021 House Bill No. 2007 shall be null and void and have no force and effect.

Sec. 41.

KANSAS DEPARTMENT FOR
AGING AND DISABILITY SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2021, the following:

Kansas neurological institute – operating
expenditures (363-00-1000-0303).....\$141,000

Provided, That notwithstanding sections 2 through 4 of chapter 1 of the 2020 Special Session Laws of Kansas, for the fiscal year ending June 30, 2021, on or before June 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the state for aid for coronavirus relief that are eligible to be used for the February cold weather event energy bills, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: *Provided further*, That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by the legislature during the 2021 regular session and enacted into law, the director of the budget shall determine the remaining moneys available in special revenue funds: *And provided further*, That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2021 to be used for the purposes of this proviso, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on June 30, 2021, of the \$141,000 appropriated for the above agency for the fiscal year ending June 30, 2021, by this section from the state general fund in the Kansas neurological institute – operating expenditures account, an amount equal to such certified amount is hereby lapsed: *And provided further*, That at the same time as the director of the budget transmits certification to the director of

accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research.

Larned state hospital – operating
 expenditures (410-00-1000-0103).....\$441,000

Provided, That notwithstanding sections 2 through 4 of chapter 1 of the 2020 Special Session Laws of Kansas, for the fiscal year ending June 30, 2021, on or before June 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the state for aid for coronavirus relief that are eligible to be used for the February cold weather event energy bills, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: *Provided further*, That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by the legislature during the 2021 regular session and enacted into law, the director of the budget shall determine the remaining moneys available in special revenue funds: *And provided further*, That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2021 to be used for the purposes of this proviso, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on June 30, 2021, of the \$441,000 appropriated for the above agency for the fiscal year ending June 30, 2021, by this section from the state general fund in the Larned state hospital – operating expenditures account, an amount equal to such certified amount is hereby lapsed: *And provided further*, That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research.

Osawatomie state hospital – operating
 expenditures (494-00-1000-0100).....\$198,000

Provided, That notwithstanding sections 2 through 4 of chapter 1 of the 2020 Special Session Laws of Kansas, for the fiscal year ending June 30, 2021, on or before June 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the state for aid for coronavirus relief that are eligible to be used for the February cold weather event energy bills, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: *Provided further*, That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by the legislature during the 2021 regular session and enacted into law, the director of the budget shall determine the remaining moneys available in special revenue funds: *And provided further*, That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2021 to be used for the purposes of this proviso, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on June 30, 2021, of the \$198,000 appropriated for the above agency for the fiscal year ending June 30, 2021, by this section from the state

general fund in the Osawatometie state hospital – operating expenditures account, an amount equal to such certified amount is hereby lapsed: *And provided further*; That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research.

Parsons state hospital and training center –
operating expenditures (507-00-1000-0100).....\$155,000

Provided, That notwithstanding sections 2 through 4 of chapter 1 of the 2020 Special Session Laws of Kansas, for the fiscal year ending June 30, 2021, on or before June 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the state for aid for coronavirus relief that are eligible to be used for the February cold weather event energy bills, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: *Provided further*; That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by the legislature during the 2021 regular session and enacted into law, the director of the budget shall determine the remaining moneys available in special revenue funds: *And provided further*; That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2021 to be used for the purposes of this proviso, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on June 30, 2021, of the \$155,000 appropriated for the above agency for the fiscal year ending June 30, 2021, by this section from the state general fund in the Parsons state hospital and training center – operating expenditures account, an amount equal to such certified amount is hereby lapsed: *And provided further*; That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research.

(b) During the fiscal year ending June 30, 2021, in addition to the other purposes for which expenditures may be made by the above agency from the KanCare caseloads account (039-00-1000-0610) for fiscal year 2021, as authorized by section 74(a) of chapter 5 of the 2020 Session Laws of Kansas, this or any other appropriation act of the 2021 regular session of the legislature, expenditures shall be made by such agency from such account in an amount not to exceed \$13,230,000 to implement a \$15 increase to the daily reimbursement rate for nursing facilities for the period commencing January 1, 2021, through June 30, 2021: *Provided*, That on the effective date of this act, the provisions of section 83(dd) of 2021 House Bill No. 2007 requiring the expenditures to implement a \$15 increase to the daily reimbursement rate for nursing facilities for the period commencing January 1, 2021, through April 30, 2021, and requiring legislative coordinating council review and approval of such expenditures for the period commencing May 1, 2021, through June 30, 2021, are hereby declared to be null and void and shall have no force and effect.

(c) On the effective date of this act, of the \$410,661,520 appropriated for the above agency for the fiscal year ending June 30, 2021, by section 74(a) of chapter 5 of the 2020 Session Laws of Kansas from the state general fund in the KanCare caseloads

account (039-00-1000-0610), the sum of \$34,597,675 is hereby lapsed.

(d) On the effective date of this act, of the \$35,500,000 appropriated for the above agency for the fiscal year ending June 30, 2021, by section 74(a) of chapter 5 of the 2020 Session Laws of Kansas from the state general fund in the non-KanCare caseloads account (039-00-1000-0611), the sum of \$8,178,905 is hereby lapsed.

Sec. 42.

KANSAS DEPARTMENT FOR
AGING AND DISABILITY SERVICES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

State operations (039-00-1000-0801).....	\$556,710
KanCare non-caseloads (039-00-1000-0612).....	\$6,281,324
BH community aid (039-00-1000-3004).....	\$3,000,000

Provided, That notwithstanding section 30(c) of 2021 House Bill No. 2007, for the fiscal year ending June 30, 2022, on or before July 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the state for aid for coronavirus relief that are eligible to be used for the operational costs of the 988 crisis hotline, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: *Provided further*, That, of such identified moneys, the director of the budget shall determine the remaining moneys available in special revenue funds: *And provided further*, That if the above agency, in consultation with the director of the budget, determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2022 to be used for operational costs of the 988 crisis hotline, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on the date of such certification, of the \$3,000,000 appropriated for the above agency for the fiscal year ending June 30, 2022, by this section from the state general fund in the BH community aid account, an amount equal to such certified amount is hereby lapsed: *And provided further*, That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research.

(b) On July 1, 2021, of the \$460,285,911 appropriated for the above agency for the fiscal year ending June 30, 2022, by section 84(a) of 2021 House Bill No. 2007 from the state general fund in the KanCare caseloads account (039-00-1000-0610), the sum of \$83,658,569 is hereby lapsed.

(c) During the fiscal year ending June 30, 2022, in addition to the other purposes for which the above agency may make expenditures from the KanCare non-caseloads account (039-00-1000-0612) of the state general fund as authorized by section 84(a) of 2021 House Bill No. 2007, this or any other appropriation act of the 2021 regular session of the legislature, the above agency shall make expenditures from such account in an amount not to exceed \$6,198,516 to increase provider reimbursement rates for the specialized medical care services code (T1000) under the home and community-based services technology assisted waiver to \$43 per hour for in-home registered nurse and licensed practical nurse nursing services under such waiver: *Provided*, That on and after July 1, 2021, the provisions of section 84(a) of 2021 House Bill No. 2007 requiring the

above agency to make expenditures from the KanCare non-caseloads account to increase such rates to \$39 per hour shall be null and void and have no force and effect.

(d) On July 1, 2021, of the \$27,470,000 appropriated for the above agency for the fiscal year ending June 30, 2022, by section 84(a) of 2021 House Bill No. 2007 from the state general fund in the non-KanCare caseloads account (039-00-1000-0611), the sum of \$1,470,000 is hereby lapsed.

Sec. 43.

KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES

(a) On the effective date of this act, of the \$218,083,623 appropriated for the above agency for the fiscal year ending June 30, 2021, by section 76(a) of chapter 5 of the 2020 Session Laws of Kansas from the state general fund in the youth services and assistance account (629-00-1000-7020), the sum of \$3,350,000 is hereby lapsed.

Sec. 44.

KANSAS DEPARTMENT FOR CHILDREN AND FAMILIES

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Youth services and assistance account (629-00-1000-7020).....\$429,592

Provided, That in addition to other purposes for which expenditures may be made by the above agency from the youth services aid and assistance account for fiscal year 2022, an amount not to exceed \$300,000 shall be expended by the above agency from such account for fiscal year 2022 for the purposes of funding the hope ranch for women pilot program: Provided further, That in addition to other purposes for which expenditures may be made by the above agency from such account for fiscal year 2022, expenditures shall be made by the above agency from such account for fiscal year 2022 for the creation of a report detailing activities conducted during the hope ranch for women pilot program, including the number of women served, the demographics of women served, the client service needs at intake, the length of services, the reasons for any cases closing, the recidivism rate, the client costs and the average project costs, and a budget itemization report and budget transaction report: And provided further, That the secretary for children and families shall submit such report to the house of representatives committee on social services budget on or before January 31, 2022.

Sec. 45.

STATE LIBRARY

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Operating expenditures (434-00-1000-0300).....\$30,000

Provided, That in addition to the other purposes for which expenditures may be made by the above agency from the operating expenditures account (434-00-1000-0300), expenditures may be made for the relocation or remodeling of the state library.

Sec. 46.

UNIVERSITY OF KANSAS MEDICAL CENTER

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Midwest stem cell therapy center (683-00-1000-0800).....\$500,000

Provided, That expenditures may be made from the midwest stem cell therapy center account in an amount not to exceed \$500,000 for the purpose of conducting clinical trials to treat COVID-19 patients using MSCTC-0010 cells developed at the midwest stem cell therapy center: *Provided further*; That such expenditures shall be made solely under the direction and control of the director of the midwest stem cell therapy center: *And provided further*; That on June 30, 2022, if such expenditures have not been made for such purpose, then the amount of \$500,000 is hereby lapsed.

Sec. 47.

STATE BOARD OF REGENTS

(a) In addition to the other purposes for which expenditures may be made by the above agency from the tuition for technical education account (561-00-1000-0120) of the state general fund for fiscal year 2021 as authorized by section 101(a) of chapter 5 of the 2020 Session Laws of Kansas, section 114(a) of 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature, expenditures may be made by the above agency for the payment of technical education tuition for adult students who are enrolled in technical education classes while pursuing a high school equivalency (HSE) credential using the accelerating opportunity program and for the postsecondary education institution to provide a transcript to each student who completes such technical education course.

Sec. 48.

STATE BOARD OF REGENTS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Tuition waivers (561-00-1000-1650).....\$215,343

Provided, That any unencumbered balance in the tuition waivers account in excess of \$100 as of June 30, 2021, is hereby reappropriated for fiscal year 2022.

Kansas promise scholarship.....\$10,000,000

Postsecondary education operating grant (including official hospitality).....\$15,000,000

Provided, That expenditures shall be made by the above agency from such account during fiscal year 2022 for employee buyouts, reimbursement for the February cold weather event energy bills, economic development and scholarships: *Provided further*; That expenditures may also be made by the university of Kansas medical center for the purposes of employee retention and recruitment.

Municipal university operating grant (561-00-1000-1010).....\$665,000

Provided, That expenditures shall be made by the above agency from such account during fiscal year 2022 for scholarships, utilities, student success and retention, minority student engagement, financial forecasting, modeling and reporting system development and to pursue additional economic development initiatives in conjunction with surrounding community.

Comprehensive grant (561-00-1000-4500).....\$8,000,000

Community college maintenance of effort.....\$5,000,000

Provided, That any expenditures made by community colleges from such account during fiscal year 2022 shall be for non-recurring commitments.

Technical colleges equipment fund.....\$4,335,000

Provided, That expenditures shall be made by the above agency from such account during fiscal year 2022 so that the moneys are divided equally among the seven

technical colleges at \$619,285 each and used only for equipment.

Need-based aid scholarships and recruitment.....\$10,000,000

Provided, That expenditures shall be made by the above agency to the state universities and Washburn university from such account during fiscal year 2022 for need-based aid scholarships and student recruitment, following the board of regents policies on recruitment, if the state universities and Washburn university: (1) Are offering class in person, if such class was previously offered in person in the classroom; (2) have refunded any money for room, board and meal plans related to closure because of the pandemic directly to the student and not by providing a credit; and (3) are following the board of regents policies on deferred maintenance, if such university is required to follow such policies.

(b) During the fiscal year ending June 30, 2022, all expenditures in subsection (a) by the above agency shall be in adherence with federal guidelines for the maintenance of effort requirements included in the coronavirus response and relief supplemental appropriations (CRRSA) act and the American rescue plan act (ARPA): *Provided*, That in addition to the other purposes for which expenditures may be made for fiscal year 2022, expenditures shall be made to submit a request, in consultation with the governor or the commission of education, for a waiver of the maintenance of effort requirement in such federal acts: *Provided further*, That expenditures shall be made to submit a report to the legislative budget committee not later than January 10, 2022, detailing how maintenance of effort moneys were spent during fiscal year 2022.

(c) In addition to the other purposes for which expenditures may be made by the above agency from the tuition for technical education account (561-00-1000-0120) of the state general fund for fiscal year 2022 as authorized by section 115(a) of 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature, expenditures may be made by the above agency for the payment of technical education tuition for adult students who are enrolled in technical education classes while pursuing a high school equivalency (HSE) credential using the accelerating opportunity program and for the postsecondary education institution to provide a transcript to each student who completes such technical education course.

Sec. 49.

STATE BOARD OF REGENTS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2023, the following:

Kansas promise scholarship.....\$10,000,000

Provided, That any unencumbered balance in the Kansas promise scholarship account in excess of \$100 as of June 30, 2022, is hereby reappropriated for fiscal year 2023.

Sec. 50.

DEPARTMENT OF CORRECTIONS

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2021, the following:

Operating expenditures (521-00-1000-0603).....\$1,371,826

Provided, That notwithstanding sections 2 through 4 of chapter 1 of the 2020 Special Session Laws of Kansas, for the fiscal year ending June 30, 2021, on or before June 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the state for aid for coronavirus relief that are eligible

to be used for the February cold weather event energy bills, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: *Provided further*, That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by the legislature during the 2021 regular session and enacted into law, the director of the budget shall determine the remaining moneys available in special revenue funds: *And provided further*, That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2021 to be used for the purposes of this proviso, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on June 30, 2021, of the \$1,371,826 appropriated for the above agency for the fiscal year ending June 30, 2021, by this section from the state general fund in the operating expenditures account, an amount equal to such certified amount is hereby lapsed: *And provided further*, That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research.

Sec. 51.

DEPARTMENT OF CORRECTIONS

(a) Notwithstanding section 30(c) of 2021 House Bill No. 2007, for the fiscal year ending June 30, 2022, on or before July 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the state for aid for coronavirus relief that are eligible to be used for the purposes of the replacement of adult and juvenile offender management data systems, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: *Provided*, That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by the legislature during the 2021 regular session and enacted into law, the director of the budget shall determine the remaining moneys available in special revenue funds: *And provided further*, That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2022 to be used for the purposes of this subsection, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on the date of such certification, of the \$12,521,500 appropriated for the above agency for the fiscal year ending June 30, 2022, by section 117(a) of 2021 House Bill No. 2007 from the state general fund in the evidence-based programs account (521-00-1000-0050), the sum of up to \$2,000,000 is hereby lapsed: *And provided further*, That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research.

(b) Notwithstanding section 30(c) of 2021 House Bill No. 2007, for the fiscal year ending June 30, 2022, on or before July 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the

state for aid for coronavirus relief that are eligible to be used for the purposes of the replacement of adult and juvenile offender management data systems, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: *Provided*, That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by the legislature during the 2021 regular session and enacted into law, the director of the budget shall determine the remaining moneys available in special revenue funds: *Provided further*, That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2022 to be used for the purposes of this subsection, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on the date of such certification, the sum of up to \$79,182 appropriated for the above agency for the fiscal year ending June 30, 2022, by section 117(a) of 2021 House Bill No. 2007 from the state general fund in the debt service payments – data systems replacement account (521-00-1000) is hereby lapsed: *And provided further*, That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research.

(c) There is appropriated for the above agency from the state institutions building fund for the fiscal year ending June 30, 2022, the following:

Capital improvements – rehabilitation and repair of juvenile correctional facilities (521-00-8100-8000).....\$200,000

Provided, That expenditures shall be made from the capital improvements – rehabilitation and repair of juvenile correctional facilities account for a study of repurposing the Kansas juvenile correctional complex and establishing three or more smaller regional juvenile facilities: *Provided further*, That such study shall also address future plans for the former Larned juvenile correctional facility and other underutilized facilities within the correctional system: *And provided further*, That a report on such study's findings shall be submitted to the legislature prior to July 1, 2022.

Sec. 52.

ADJUTANT GENERAL

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2021, the following:

Operating expenditures (034-00-1000-0053).....\$179,519

Provided, That notwithstanding sections 2 through 4 of chapter 1 of the 2020 Special Session Laws of Kansas, for the fiscal year ending June 30, 2021, on or before June 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the state for aid for coronavirus relief that are eligible to be used for the February cold weather event energy bills, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: *Provided further*, That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by

the legislature during the 2021 regular session and enacted into law, the director of the budget shall determine the remaining moneys available in special revenue funds: *And provided further*; That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2021 to be used for the purposes of this proviso, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on June 30, 2021, of the \$179,519 appropriated for the above agency for the fiscal year ending June 30, 2021, by this section from the state general fund in the operating expenditures account, an amount equal to such certified amount is hereby lapsed: *And provided further*; That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research.

Sec. 53.

KANSAS HIGHWAY PATROL

(a) On the effective date of this act, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$44,835 from the state highway fund of the department of transportation to the Kansas highway patrol operations fund (280-00-2034-1100) of the Kansas highway patrol.

(b) On the effective date of this act, the expenditure limitation established for the fiscal year ending June 30, 2021, by section 107(a) of chapter 5 of the 2020 Session Laws of Kansas on the Kansas highway patrol operations fund (280-00-2034-1100) of the Kansas highway patrol is hereby increased from \$55,304,248 to \$55,349,083.

(c) Notwithstanding sections 2 through 4 of chapter 1 of the 2020 Special Session Laws of Kansas, for the fiscal year ending June 30, 2021, on or before June 15, 2021, the director of the budget shall determine the amount of moneys from any federal law that appropriates moneys to the state for aid for coronavirus relief that are eligible to be used for the February cold weather event energy bills, may be expended at the discretion of the state in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: *Provided further*; That, of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute House Bill No. 2196, 2021 Senate Substitute for House Bill No. 2208 or any other legislation passed by the legislature during the 2021 regular session and enacted into law, the director of the budget shall determine the remaining moneys available in special revenue funds: *And provided further*; That if the above agency in consultation with the director of the budget determines that federal moneys to the state for aid for coronavirus relief are available during fiscal year 2021 to be used for the purposes of this subsection, the director of the budget shall certify the amount of such federal coronavirus relief moneys to the director of accounts and reports and on June 30, 2021, of the \$44,835 transferred by subsection (a) for the fiscal year ending June 30, 2021, an amount equal to such certified amount is hereby lapsed: *And provided further*; That such increase in the expenditure limitation by subsection (b) for the fiscal year ending June 30, 2021, shall be decreased by such certified amount: *And provided further*; That at the same time as the director of the budget transmits certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research.

Sec. 54.

ATTORNEY GENERAL – KANSAS
BUREAU OF INVESTIGATION

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2022, the following:

Operating expenditures (083-00-1000-0083).....\$366,552

Provided, That during the fiscal year ending June 30, 2022, the director of the Kansas bureau of investigation shall certify the actual amount of expenditures from the operating expenditures account for contract vendor programming updates and responsibilities for the criminal history repository, including expungement responsibilities, relating to 2021 House Bill No. 2058 to the director of accounts and reports: *Provided further*, That upon receipt of such certification by the director of accounts and reports, of the \$366,552 appropriated for the above agency for the fiscal year ending June 30, 2022, by this section from the state general fund in the operating expenditures account, the difference between \$250,000 and such certified amount is hereby lapsed: *And provided further*, That at the same time as the director of the Kansas bureau of investigation transmits certification to the director of accounts and reports, the director of the Kansas bureau of investigation shall transmit a copy of such certification to the director of the budget and the director of legislative research.

Sec. 55.

KANSAS DEPARTMENT OF WILDLIFE AND PARKS

(a) On July 1, 2021, the expenditure limitation established for the fiscal year ending June 30, 2022, by section 136(b) of 2021 House Bill No. 2007 on the wildlife fee fund (710-00-2300-2890) of the Kansas department of wildlife and parks is hereby increased from \$34,732,891 to \$35,855,891.

Sec. 56.

DEPARTMENT OF TRANSPORTATION

(a) On the effective date of this act, or as soon thereafter as moneys are available, the director of accounts and reports shall transfer \$12,500,000 from the state highway fund (276-00-4100-4100) of the department of transportation to the special city and county highway fund (276-00-4220-4220): *Provided*, That, in addition to other purposes for which transfers and expenditures may be made from the state highway fund during fiscal year 2021 and notwithstanding the provisions of K.S.A. 68-416, and amendments thereto, or any other statute, transfers may be made from the state highway fund to the special city and county highway fund under this subsection during fiscal year 2021.

(b) In addition to the other purposes for which expenditures may be made by the above agency from the special city and county highway fund (276-00-4220-4220) for fiscal year 2021, expenditures may be made by the above agency from the special city and county highway fund for fiscal year 2021 for the purposes of an additional allocation and payment to the several counties and several cities in the state: *Provided*, That prior to July 1, 2021, the state treasurer shall apportion and pay \$12,500,000 to the several counties and several cities in the state in the manner provided in K.S.A. 79-3425c, and amendments thereto.

(c) In addition to the other purposes for which expenditures may be made by the above agency from the county equalization and adjustment fund (276-00-4210-4210) for fiscal year 2021, expenditures may be made by the above agency from the county equalization and adjustment fund for fiscal year 2021 for the purposes of an additional distribution to qualifying counties in the state: *Provided*, That prior to July 1, 2021, the

state treasurer distribute any remaining balance in the county equalization and adjustment fund in the manner provided in K.S.A. 79-3425c, and amendments thereto.

Sec. 57.

DEPARTMENT OF TRANSPORTATION

(a) On July 1, 2021, the expenditure limitation established for the fiscal year ending June 30, 2022, by section 138(b) of 2021 House Bill No. 2007 on the agency operations (276-00-4100-0403) account of the state highway fund (276-00-4100-4100) of the department of transportation is hereby increased from \$283,051,550 to \$283,077,900.

Sec. 58. (a) On June 30, 2022, notwithstanding the provisions of K.S.A. 74-8768, and amendments thereto, or any other statute, the director of accounts and reports shall transfer the amount of any unencumbered balance in the expanded lottery act revenues fund to the state general fund: *Provided*, That the transfer of such amount shall be in addition to any other transfer from the expanded lottery act revenues fund to the state general fund as prescribed by law.

(b) On June 30, 2022, the director of accounts and reports shall determine and notify the director of the budget if the amount of revenue collected in the expanded lottery act revenues fund for the fiscal year ending June 30, 2022, is insufficient to fund the appropriations and transfers that are authorized from the expanded lottery act revenues fund for the fiscal year ending June 30, 2022, in accordance with the provisions of appropriation acts. The director of the budget shall certify to the director of accounts and reports the amount necessary to be transferred from the state general fund to the expanded lottery act revenues fund in order to fund all such appropriations and transfers that are authorized from the expanded lottery act revenues fund for the fiscal year ending June 30, 2022. Upon receipt of such certification, the director of accounts and reports shall transfer the amount of moneys from the state general fund to the expanded lottery act revenues fund that is required in accordance with the certification by the director of the budget under this section. At the same time as the director of the budget transmits this certification to the director of accounts and reports, the director of the budget shall transmit a copy of such certification to the director of legislative research.

Sec. 59. (a) Notwithstanding any other provision of law, no state agency named in 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature shall expend any moneys appropriated from the state general fund or from any special revenue fund or funds for each such state agency for fiscal year 2021 as authorized by chapter 5 of the 2020 Session Laws of Kansas, 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature to: (1) Issue a COVID-19 vaccination passport to any individual without such individual's consent; (2) require an individual to use a COVID-19 vaccination passport within this state for any purpose; or (3) deny housing or refuse access to a place accessible to the general public, or separate from others in a place accessible to the general public, including entry, education, travel and services within this state, based on such individual's COVID-19 vaccination status: *Provided, however*; That nothing in this section shall prohibit a state agency from instituting COVID-19 screening protocols in accordance with state and federal law to protect the public health.

(b) As used in this section:

(1) "COVID-19 vaccination passport" means written or electronic documentation of an individual's COVID-19 vaccination status; and

(2) "screening protocol" means a non-invasive method to determine whether an individual has symptoms or other risk factors for developing COVID-19, including, but not limited to, temperature checks, self-reporting of exposure, self-reported vaccination status and questionnaires.

Sec. 60. (a) Notwithstanding any other provision of law, no state agency named in 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature shall expend any moneys appropriated from the state general fund or from any special revenue fund or funds for each such state agency for fiscal year 2022 as authorized by 2021 House Bill No. 2007, this or other appropriation act of the 2021 regular session of the legislature to: (1) Issue a COVID-19 vaccination passport to any individual without such individual's consent; (2) require an individual to use a COVID-19 vaccination passport within this state for any purpose; or (3) deny housing or refuse access to a place accessible to the general public, or separate from others in a place accessible to the general public, including entry, education, travel and services within this state, based on such individual's COVID-19 vaccination status: *Provided, however*; That nothing in this section shall prohibit a state agency from instituting COVID-19 screening protocols in accordance with state and federal law to protect the public health.

(b) As used in this section:

(1) "COVID-19 vaccination passport" means written or electronic documentation of an individual's COVID-19 vaccination status; and

(2) "screening protocol" means a non-invasive method to determine whether an individual has symptoms or other risk factors for developing COVID-19, including, but not limited to, temperature checks, self-reporting of exposure, self-reported vaccination status and questionnaires.

Sec. 61. (a) Subject to the provisions of subsection (c), in addition to the other purposes for which expenditures may be made by the department of administration from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2022, as authorized by this or other appropriation act of the 2021 regular session of the legislature, expenditures shall be made by the department of administration from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2022 to provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project to renovate building No. 3, Docking state office building. Such capital improvement project is hereby approved for the department of administration for the purposes of K.S.A. 74-8905(b), and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with such statute. The department of administration shall make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project. The aggregate principal from the issuance of any such bonds for such capital improvement project shall not exceed \$120,000,000 plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for the payment of principal and interest on the bonds, and minus any moneys identified pursuant to subsection (d). All moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants. The debt service for any such bonds for such capital improvement project shall be financed by appropriations from

the state general fund or any appropriate special revenue fund or funds. Any such bonds and interest thereon shall be an obligation only of the Kansas development finance authority, shall not constitute a debt of the state of Kansas within the meaning of section 6 or 7 of article 11 of the constitution of the state of Kansas and shall not pledge the full faith and credit or the taxing power of the state of Kansas. This capital improvement project shall be implemented using the building design-build project delivery procedures pursuant to K.S.A. 75-37,145 et seq., and amendments thereto.

(b) Subject to the provisions of subsection (c), in addition to the other purposes for which expenditures may be made by the department of health and environment from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2022, as authorized by this or other appropriation act of the 2021 regular session of the legislature, expenditures shall be made by the department of health and environment from the moneys appropriated from the state general fund or from any special revenue fund or funds for fiscal year 2022 to issue a request for proposal for a capital improvement project to construct or renovate a building and to equip a department of health and environment laboratory. Such request for proposal shall be within an eight-mile radius of the capitol complex in Topeka for location of such laboratory. Following receipt of such proposals, the department of health and environment shall present all proposals to the joint committee on state building construction for review. The joint committee on state building construction shall review and make a recommendation to the state finance council concerning the capital improvement project. Following the procedures established in this section, the department of health and environment shall provide for the issuance of bonds by the Kansas development finance authority in accordance with K.S.A. 74-8905, and amendments thereto, for a capital improvement project to construct or renovate a building and to equip a department of health and environment laboratory. Such capital improvement project is hereby approved for the department of health and environment for the purposes of K.S.A. 74-8905(b), and amendments thereto, and the authorization of the issuance of bonds by the Kansas development finance authority in accordance with that statute. The department of health and environment shall make expenditures from the moneys received from the issuance of any such bonds for such capital improvement project. The aggregate principal from the issuance of any such bonds for such capital improvement project shall not exceed \$65,000,000 plus all amounts required for costs of bond issuance, costs of interest on the bonds issued for such capital improvement project during the construction of such project, credit enhancement costs and any required reserves for the payment of principal and interest on the bonds, and minus any moneys identified pursuant to subsection (d). All moneys received from the issuance of any such bonds shall be deposited and accounted for as prescribed by applicable bond covenants. The debt service for any such bonds for such capital improvement project shall be financed by appropriations from the state general fund or any appropriate special revenue fund or funds. Any such bonds and interest thereon shall be an obligation only of the Kansas development finance authority, shall not constitute a debt of the state of Kansas within the meaning of section 6 or 7 of article 11 of the constitution of the state of Kansas and shall not pledge the full faith and credit or the taxing power of the state of Kansas.

(c) Prior to proceeding with the capital improvement projects authorized in this section, such projects shall be approved by the state finance council acting on this

matter, which is hereby characterized as a matter of legislative delegation and subject to the guidelines prescribed in K.S.A. 75-3711c(c), and amendments thereto, except that such approval also may be given while the legislature is in session. Such projects shall be approved in a single resolution of the state finance council.

(d) Prior to issuing any bonds as authorized in this section, the director of the budget, in consultation with the secretary of administration and secretary of health and environment, shall determine the amount of moneys received by the state that are identified as moneys from the federal government for aid to the state of Kansas for coronavirus relief as appropriated in the following acts that are eligible to be used for any such capital improvement projects, may be expended at the discretion of the state, in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: (1) The federal CARES act, public law 116-136; (2) the federal coronavirus preparedness and response supplemental appropriation act, 2020, public law 116-123; (3) the federal families first coronavirus response act, public law 116-127; (4) the federal paycheck protection program and health care enhancement act, public law 116-139; (5) the federal consolidated appropriations act, 2021, public law 116-260; (6) the American rescue plan act of 2021, public law 117-2; and (7) any other federal law that appropriates moneys to the state for aid for coronavirus relief. Upon the identification of such moneys, the director of the budget shall transfer such moneys into the special revenue fund or funds as determined to pay the portion of the costs of such capital improvement projects authorized by this section.

Sec. 62. (a) During the fiscal year ending June 30, 2021, subject to the provisions of K.S.A. 2020 Supp. 32-833, and amendments thereto, the secretary of wildlife, parks and tourism is hereby authorized to acquire by purchase a portion of the Southwest Quarter of Section 05 and a portion of the West Half of Section 08, Township 28 South, Range 09 West of the 6th Principal Meridian, Kingman County, Kansas, more particularly described as:

Commencing at the Southwest Corner of the Southwest Quarter of Section 05, Township 28 South, Range 09 West of the 6th Principal Meridian; thence with a bearing of North 02°07'11" West (basis of bearing is NAD 83 Kansas South Zone) along the West line of said Southwest Quarter 852.00 feet for the point of beginning; thence continuing North 02°07'11" West along the West line of said Southwest Quarter 1,792.50 feet to the Northwest corner of the Southwest Quarter of said Section 05; thence South 89°58'03" East along the North line of said Southwest Quarter 2,626.15 feet to the Northeast corner of said Southwest Quarter; thence South 01°18'12" East along the East line of said Southwest Quarter 2,642.55 feet to the Northwest corner of the Northeast Quarter of Section 08, Township 28 South, Range 09 West; thence South 89°59'10" East along the North line of said Northeast Quarter 1,293.93 feet to the Northeast corner of the Northwest Quarter of said Northeast Quarter; thence South 00°31'01" East along the East line of the West Half of said Northeast Quarter 1,995.13 feet to the Northwest corner of the South Half of the Southeast Quarter of said Northeast Quarter of said Section 08; thence South 89°57'50" East along the North line of the South Half of the Southeast Quarter of said Northeast Quarter 1,298.11 feet to the Northeast corner of the South Half of the Southeast Quarter of said Northeast Quarter; thence South 00°37'39" East along the East line of the South Half of the Southeast Quarter of said Northeast Quarter 665.22 feet to the Northeast corner of the Southeast

Quarter of said Section 08; thence South 00°38'05" East along the East line of said Southeast Quarter 2,661.12 feet to the Southeast corner of said Southeast Quarter; thence North 89°55'39" West along the South line of said Southeast Quarter 1,304.87 feet to the Southwest corner of the Southeast Quarter of said Southeast Quarter; thence North 00°31'01" West along the West line of the Southeast Quarter of said Southeast Quarter 1,330.21 feet; thence North 89°56'32" West along the South line of the Northwest Quarter of said Southeast Quarter 1,302.13 feet to the Southwest corner of the Northwest Quarter of said Southeast Quarter; thence continuing North 89°56'32" West along the South line of the North Half of the Southwest Quarter of said Section 08 a distance of 2,214.43 feet to a point that is 390.01 feet East of the Southwest corner of the North Half of said Southwest Quarter; thence North 00°10'14" West parallel with the West line of said Southwest Quarter 309.73 feet; thence South 89°49'45" West 390.00 feet to the West line of said Southwest Quarter; thence North 00°10'14" West 537.00 feet to a point that is 484.00 feet South of the Northwest corner of said Southwest Quarter; thence South 89°57'23" East 400.51 feet; thence North 26°42'54" East 523.05 feet; thence North 46°19'16" East 947.98 feet; thence North 60°03'35" East 364.25 feet; thence North 00°44'32" East 1,838.40 feet to the North line of the Northwest Quarter of said Section 08; thence North 54°39'38" West 1,472.49 feet; thence North 89°59'07" West parallel with the South line of the Southwest Quarter of Section 05 a distance of 500.35 feet to the point of beginning, containing 493.791 Acres, subject to a Road Right-of-way easement across the West 30.00 feet thereof and any other easements or restrictions of record.

(b) The provisions of K.S.A. 75-3739, and amendments thereto, shall not apply to the acquisition authorized by this section or any contracts required therefor.

(c) In the event that the secretary of wildlife, parks and tourism determines that the legal description of the parcel described by this section is incorrect, the secretary of wildlife, parks and tourism may purchase the property utilizing the correct legal description.

Sec. 63.

STATE FINANCE COUNCIL

(a) During the fiscal year ending June 30, 2022, for any expenditure requested to be made from or obligation requested to be incurred against any federal grant or other federal receipt of moneys from the federal government received by the state of Kansas for aid for coronavirus relief for which state finance council authorization is required, no such authorization shall be granted without recommendation from the strengthening people and revitalizing Kansas executive committee: *Provided*, That the strengthening people and revitalizing Kansas executive committee shall meet and review each such request and shall report such executive committee's recommendation to the state finance council: *Provided further*, That the membership of such executive committee shall consist of seven individuals, including a chairperson appointed by the governor, one public sector individual appointed by the governor, one private sector individual appointed by the governor, the president of the senate or the president's designee, one private sector individual appointed by the president of the senate, the speaker of the house of representatives or the speaker's designee and one private sector individual appointed by the speaker of the house of representatives.

Sec. 64. K.S.A. 2020 Supp. 17-12a601 is hereby amended to read as follows: 17-12a601. (a) *Administration*. (1) This act shall be administered by the securities

commissioner of Kansas.

(2) All fees herein provided for shall be collected by the administrator. All salaries and expenses necessarily incurred in the administration of this act shall be paid from the securities act fee fund.

(3) The administrator shall remit all moneys received from all fees, charges, deposits or penalties which have been collected under this act or other laws of this state regulating the issuance, sale or disposal of securities or regulating dealers in this state to the state treasurer at least monthly. Upon receipt of any such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury. In accordance with K.S.A. 75-3170a, and amendments thereto, 10% of each such deposit shall be credited to the state general fund and, except as provided in subsection (d), the balance shall be credited to the securities act fee fund.

(4) Except as provided further, on the last day of each fiscal year, the director of accounts and reports shall transfer from the securities act fee fund to the state general fund any remaining unencumbered amount in the securities act fee fund exceeding \$50,000 so that the beginning unencumbered balance in the securities act fee fund on the first day of each fiscal year is \$50,000. During the fiscal years ending June 30, 2021, and June 30, 2022, no moneys shall be transferred from the securities act fee fund to the state general fund pursuant to this paragraph. All expenditures from the securities act fee fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the administrator or by a person or persons designated by the administrator.

(5) All amounts transferred from the securities act fee fund to the state general fund under paragraph (4) are to reimburse the state general fund for accounting, auditing, budgeting, legal, payroll, personnel and purchasing services and any other governmental services which are performed on behalf of the state agency involved by other state agencies which receive appropriations from the state general fund to provide such services.

(b) *Prohibited conduct.* (1) It is unlawful for the administrator or an officer, employee, or designee of the administrator to use for personal benefit or the benefit of others records or other information obtained by or filed with the administrator that are not public under K.S.A. 17-12a607(b), and amendments thereto. This act does not authorize the administrator or an officer, employee, or designee of the administrator to disclose the record or information, except in accordance with K.S.A. 17-12a602, 17-12a607(c), or 17-12a608, and amendments thereto.

(2) Neither the administrator nor any employee of the administrator shall be interested as an officer, director, or stockholder in securing any authorization to sell securities under the provisions of this act.

(c) *No privilege or exemption created or diminished.* This act does not create or diminish a privilege or exemption that exists at common law, by statute or rule, or otherwise.

(d) *Investor education and protection.* (1) The administrator may develop and implement investor education and protection initiatives to inform the public about investing in securities and protect the public from violations of the Kansas uniform securities act, K.S.A. 17-12a101 et seq., and amendments thereto. Such initiatives shall have a particular emphasis on the prevention, detection, enforcement and prosecution of securities fraud. In developing and implementing these initiatives, the administrator

may collaborate with public and nonprofit organizations with an interest in investor education or protection. The administrator may accept a grant or donation from a person that is not affiliated with the securities industry or from a nonprofit organization, regardless of whether the organization is affiliated with the securities industry, to develop and implement investor education and protection initiatives. This subsection does not authorize the administrator to require participation or monetary contributions of a registrant in an investor education program.

(2) There is hereby established in the state treasury the investor education and protection fund. Such fund shall be administered by the administrator for the purposes described in subsection (d)(1) and for the education of registrants, including official hospitality. Moneys collected as civil penalties under this act shall be credited to the investor education and protection fund. The administrator may also receive payments designated to be credited to the investor education and protection fund as a condition in settlements of cases arising out of investigations or examinations. All expenditures from the investor education and protection fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the administrator or by a person or persons designated by the administrator.

Sec. 65. K.S.A. 74-4920 is hereby amended to read as follows: 74-4920. (1) (a) Upon the basis of each annual actuarial valuation and appraisal as provided for in K.S.A. 74-4908(3)(a), and amendments thereto, the board shall certify, on or before July 15 of each year, to the division of the budget in the case of the state and to the agent for each other participating employer an actuarially determined estimate of the rate of contribution which will be required, together with all accumulated contributions and other assets of the system, to be paid by each such participating employer to pay all liabilities which shall exist or accrue under the system, including amortization of the actuarial accrued liability as determined by the board. The board shall determine the actuarial cost method to be used in annual actuarial valuations, to determine the employer contribution rates that shall be certified by the board. Such certified rate of contribution, amortization methods and periods and actuarial cost method shall be based on the standards set forth in K.S.A. 74-4908(3)(a), and amendments thereto, and shall not be based on any other purpose outside of the needs of the system.

(b) (i) For employers affiliating on and after January 1, 1999, upon the basis of an annual actuarial valuation and appraisal of the system conducted in the manner provided for in K.S.A. 74-4908, and amendments thereto, the board shall certify, on or before July 15 of each year to each such employer an actuarially determined estimate of the rate of contribution which shall be required to be paid by each such employer to pay all of the liabilities which shall accrue under the system from and after the entry date as determined by the board, upon recommendation of the actuary. Such rate shall be termed the employer's participating service contribution and shall be uniform for all participating employers. Such additional liability shall be amortized as determined by the board. For all participating employers described in this section, the board shall determine the actuarial cost method to be used in annual actuarial valuations to determine the employer contribution rates that shall be certified by the board.

(ii) The board shall determine for each such employer separately an amount sufficient to amortize all liabilities for prior service costs which shall have accrued at the time of entry into the system. On the basis of such determination the board shall

annually certify to each such employer separately an actuarially determined estimate of the rate of contribution which shall be required to be paid by that employer to pay all of the liabilities for such prior service costs. Such rate shall be termed the employer's prior service contribution.

(2) The division of the budget and the governor shall include in the budget and in the budget request for appropriations for personal services the sum required to satisfy the state's obligation under this act as certified by the board and shall present the same to the legislature for allowance and appropriation.

(3) Each other participating employer shall appropriate and pay to the system a sum sufficient to satisfy the obligation under this act as certified by the board.

(4) Each participating employer is hereby authorized to pay the employer's contribution from the same fund that the compensation for which such contribution is made is paid from or from any other funds available to it for such purpose. Each political subdivision, other than an instrumentality of the state, which is by law authorized to levy taxes for other purposes, may levy annually at the time of its levy of taxes, a tax which may be in addition to all other taxes authorized by law for the purpose of making its contributions under this act and, in the case of cities and counties, to pay a portion of the principal and interest on bonds issued under the authority of K.S.A. 12-1774, and amendments thereto, by cities located in the county, which tax, together with any other fund available, shall be sufficient to enable it to make such contribution. In lieu of levying the tax authorized in this subsection, any taxing subdivision may pay such costs from any employee benefits contribution fund established pursuant to K.S.A. 12-16,102, and amendments thereto. Each participating employer which is not by law authorized to levy taxes as described above, but which prepares a budget for its expenses for the ensuing year and presents the same to a governing body which is authorized by law to levy taxes as described above, may include in its budget an amount sufficient to make its contributions under this act which may be in addition to all other taxes authorized by law. Such governing body to which the budget is submitted for approval, may levy a tax sufficient to allow the participating employer to make its contributions under this act, which tax, together with any other fund available, shall be sufficient to enable the participating employer to make the contributions required by this act.

(5) (a) The rate of contribution certified to a participating employer as provided in this section shall apply during the fiscal year of the participating employer which begins in the second calendar year following the year of the actuarial valuation.

(b) (i) Except as specifically provided in this section, for fiscal years commencing in calendar year 1996 and in each subsequent calendar year, the rate of contribution certified to the state of Kansas shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than 0.2% of the amount of compensation upon which members contribute during the period.

(ii) Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to the state of Kansas and to the participating employers under K.S.A. 74-4931, and amendments thereto, shall in no event exceed the state's contribution rate for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: (A) For the fiscal year commencing in calendar years 2010 through 2012, an amount not to

exceed more than 0.6% of the amount of the immediately preceding fiscal year; (B) for the fiscal year commencing in calendar year 2013, an amount not to exceed more than 0.9% of the amount of the immediately preceding fiscal year; (C) for the fiscal year commencing in calendar year 2014, an amount not to exceed more than 1% of the amount of the immediately preceding fiscal year; (D) for the fiscal year commencing in calendar year 2015, the employer rate of contribution shall be 10.91%; (E) for the fiscal year commencing in calendar year 2016, the employer rate of contribution shall be 10.81%, except as provided by section 37(b) of chapter 54 of 2017 Session Laws of Kansas, and amendments thereto, for the participating employers under K.S.A. 74-4931, and amendments thereto; (F) for the fiscal year commencing in calendar year 2017, the employer rate of contribution shall be 12.01% and for participating employers under K.S.A. 74-4931, and amendments thereto, an additional percentage of compensation corresponding to the level dollar repayment amount certified by the board pursuant to subsection (17); ~~and (G) for the fiscal year commencing in calendar year 2021, the employer rate of contribution shall be 13.33%; (H) for the fiscal year commencing in calendar year 2022, the employer rate of contribution shall be 13.11%;~~ and (I) in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year and for participating employers under K.S.A. 74-4931, and amendments thereto, an additional percentage of compensation corresponding to the level dollar repayment amount certified by the board pursuant to subsections (17) and (18).

(iii) Except as specifically provided in this section, for fiscal years commencing in calendar year 1997 and in each subsequent calendar year, the rate of contribution certified to participating employers other than the state of Kansas shall in no event exceed such participating employer's contribution rate for the immediately preceding fiscal year by more than 0.15% of the amount of compensation upon which members contribute during the period.

(iv) Except as specifically provided in this subsection, for the fiscal years commencing in the following calendar years, the rate of contribution certified to participating employers other than the state of Kansas shall in no event exceed the contribution rate for such employers for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which members contribute during the period: (A) For the fiscal year commencing in calendar years 2010 through 2013, an amount not to exceed more than 0.6% of the amount of the immediately preceding fiscal year; (B) for the fiscal year commencing in calendar year 2014, an amount not to exceed more than 0.9% of the amount of the immediately preceding fiscal year; (C) for the fiscal year commencing in calendar year 2015, an amount not to exceed more than 1% of the amount of the immediately preceding fiscal year; (D) for the fiscal year commencing in calendar year 2016, an amount not to exceed more than 1.1% of the amount of the immediately preceding fiscal year; and (E) for the fiscal year commencing in calendar year 2017, and in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year.

(v) As part of the annual actuarial valuation, there shall be a separate employer rate of contribution calculated for the state of Kansas, a separate employer rate of contribution calculated for participating employers under K.S.A. 74-4931, and amendments thereto, a combined employer rate of contribution calculated for the state

of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, and a separate employer rate of contribution calculated for all other participating employers.

(vi) There shall be a combined employer rate of contribution certified to the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto. There shall be a separate employer rate of contribution certified to all other participating employers.

(vii) If the combined employer rate of contribution calculated for the state of Kansas and participating employers under K.S.A. 74-4931, and amendments thereto, is greater than the separate employer rate of contribution for the state of Kansas, the difference in the two rates applied to the actual payroll of the state of Kansas for the applicable fiscal year shall be calculated. This amount shall be certified by the board for deposit as additional employer contributions to the retirement benefit accumulation reserve for the participating employers under K.S.A. 74-4931, and amendments thereto.

(6) The actuarial cost of any legislation enacted in the 1994 session of the Kansas legislature will be included in the June 30, 1994, actuarial valuation in determining contribution rates for participating employers.

(7) The actuarial cost of the provisions of K.S.A. 74-4950i, and amendments thereto, will be included in the June 30, 1998, actuarial valuation in determining contribution rates for participating employers. The actuarial accrued liability incurred for the provisions of K.S.A. 74-4950i, and amendments thereto, shall be amortized over 15 years.

(8) Except as otherwise provided by law, the actuarial cost of any legislation enacted by the Kansas legislature, except the actuarial cost of K.S.A. 74-49,114a, and amendments thereto, shall be in addition to the employer contribution rates certified for the employer contribution rate in the fiscal year immediately following such enactment. Such actuarial cost shall be determined by the qualified actuary employed or retained by the system pursuant to K.S.A. 74-4908, and amendments thereto, and reported to the system and the joint committee on pensions, investments and benefits.

(9) Notwithstanding the provisions of subsection (8), the actuarial cost of the provisions of K.S.A. 74-49,109 et seq., and amendments thereto, shall be first reflected in employer contribution rates effective with the first day of the first payroll period for the fiscal year 2005. The actuarial accrued liability incurred for the provisions of K.S.A. 74-49,109 et seq., and amendments thereto, shall be amortized over 10 years.

(10) The cost of the postretirement benefit payment provided pursuant to the provisions of K.S.A. 74-49,114b, and amendments thereto, for retirants other than local retirants as described in subsection (11) or insured disability benefit recipients shall be paid in the fiscal year commencing on July 1, 2007.

(11) The actuarial accrued liability incurred for the provisions of K.S.A. 74-49,114b, and amendments thereto, for the KPERs local group and retirants who were employees of local employers which affiliated with the Kansas police and firemen's retirement system shall be amortized over 10 years.

(12) The cost of the postretirement benefit payment provided pursuant to the provisions of K.S.A. 74-49,114c, and amendments thereto, for retirants other than local retirants as described in subsection (13) or insured disability benefit recipients shall be paid in the fiscal year commencing on July 1, 2008.

(13) The actuarial accrued liability incurred for the provisions of K.S.A. 74-

49,114c, and amendments thereto, for the KPERS local group and retirants who were employees of local employers which affiliated with the Kansas police and firemen's retirement system shall be amortized over 10 years.

(14) The board with the advice of the actuary may fix the contribution rates for participating employers joining the system after one year from the first entry date or for employers who exercise the option contained in K.S.A. 74-4912, and amendments thereto, at rates different from the rate fixed for employers joining within one year of the first entry date.

(15) Employer contributions shall in no way be limited by any other act which now or in the future establishes or limits the compensation of any member.

(16) Notwithstanding any provision of law to the contrary, each participating employer shall remit quarterly, or as the board may otherwise provide, all employee deductions and required employer contributions to the executive director for credit to the Kansas public employees retirement fund within three days after the end of the period covered by the remittance by electronic funds transfer. Remittances of such deductions and contributions received after such date are delinquent. Delinquent payments due under this subsection shall be subject to interest at the rate established for interest on judgments under K.S.A. 16-204(a), and amendments thereto. At the request of the board, delinquent payments which are due or interest owed on such payments, or both, may be deducted from any other moneys payable to such employer by any department or agency of the state.

(17) The actuarial cost of the reduction of employer contributions for eligible employers as specified in K.S.A. 74-4931(1), (2) and (3), and amendments thereto, pursuant to the provisions of section 37 of chapter 54 of the 2017 session laws of Kansas, and amendments thereto, shall be amortized over 20 years as a level dollar amount, as certified by the board upon recommendation of the consulting actuary, through an additional percentage of compensation for participating employers under K.S.A. 74-4931, and amendments thereto. This additional percentage of compensation shall first be reflected in employer contribution rates for participating employers under K.S.A. 74-4931, and amendments thereto, effective on the first day of the first payroll period for the fiscal year 2018.

(18) The actuarial cost of \$194,022,683 shall be amortized over 20 years as a level dollar amount, as certified by the board upon recommendation of the consulting actuary, through an additional percentage of compensation for participating employers under K.S.A. 74-4931, and amendments thereto. This additional percentage of compensation shall first be reflected in employer contribution rates for participating employers under K.S.A. 74-4931, and amendments thereto, effective on the first day of the first payroll period for the fiscal year 2020.

Sec. 66. *Severability.* If any provision or clause of this act or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the act that can be given effect without the invalid provision or application, and to this end the provisions of this act are declared to be severable.

Sec. 67. *Appeals to exceed expenditure limitations.* (a) Upon written application to the governor and approval of the state finance council, expenditures from special revenue funds may exceed the amounts specified in this act.

(b) This section shall not apply to the expanded lottery act revenues fund, the state

economic development initiatives fund, the children's initiatives fund, the state water plan fund or the Kansas endowment for youth fund, or to any account of any of such funds.

Sec. 68. If any fund or account name described by words and the numerical accounting code that follows such fund or account name do not match, it shall be conclusively presumed that the legislature intended that the fund or account name described by words is the correct fund or account name, and such fund or account name described by words shall control over a contradictory or incorrect numerical accounting code.

Sec. 69. K.S.A. 74-4920 and K.S.A. 2020 Supp. 17-12a601 are hereby repealed.";

And by renumbering remaining sections accordingly;

On page 1, in the title, in line 1, by striking all after "ACT"; by striking all in lines 2 through 3; in line 4, by striking all before the period and inserting "making and concerning appropriations for the fiscal years ending June 30, 2021, June 30, 2022, and June 30, 2023, for state agencies; authorizing and directing payment of certain claims against the state; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 74-4920 and K.S.A. 2020 Supp. 17-12a601 and repealing the existing sections";

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

TROY WAYMASTER

KYLE HOFFMAN

KATHY WOLFE MOORE

Conferees on part of House

RICK BILLINGER

J. R. CLAEYS

TOM HAWK

Conferees on part of Senate

Senator Billinger moved the Senate adopt the Conference Committee Report on **SB 159**.

On roll call, the vote was: Yeas 26; Nays 12; Present and Passing 1; Absent or Not Voting 1.

Yeas: Alley, Billinger, Bowers, Claeys, Corson, Dietrich, Erickson, Fagg, Faust-Goudeau, Haley, Hawk, Holscher, Kerschen, Kloos, Longbine, Masterson, O'Shea, Petersen, Pettey, Pittman, Ryckman, Sykes, Thompson, Ware, Warren, Wilborn.

Nays: Baumgardner, Doll, Gossage, Hilderbrand, Holland, McGinn, Olson, Peck, Pyle, Steffen, Straub, Tyson.

Present and Passing: Francisco.

Absent or Not Voting: Suellentrop.

The Conference Committee Report was adopted.

On motion of Senator Alley, the Senate recessed until 9:00 p.m.

The Senate met pursuant to recess with President Masterson in the chair.

POINT OF PERSONAL PRIVILEGE

Senator Peck rose on a Point of Personal Privilege and submitted the following comments: "Today, May 7, 2021, at 7:07 pm., in the pink blanket, weighing in at 7lb. 3oz., Elisabeth Jane Jabben, known to me as E.J., was born to our granddaughter Libbi Jabben and her husband, John Michael Jabben. E.J. is not only the first great-grandchild for Tamara and me, but she also has many other living grandparents. She has a total of 4 grandparents, eight great-grandparents, and get this, six great-great-grandparents – meaning there are five generations in six different lines or families. E.J., Welcome to the United States of America."

CONFERENCE COMMITTEE REPORTS

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **S Sub HB 2313** 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 2, in line 5, by striking "in" and inserting "and any COVID-19 related local, state or federal funding in calendar year"; in line 6, after "to" by inserting "the gross revenue received by the claimant in calendar year"; in line 17, by striking "and healthcare providers, including, but not limited to"; in line 18, by striking all after "psychoanalysts"; in line 19, by striking all before the semicolon;

On page 3, in line 42, after "(f)" by inserting "'Restricted" means any occupancy limitation, limitation on periods of operation or the exertion by any governmental entity of other significant control on business resources or functionality related to the COVID-19 pandemic.

(g)";

On page 4, in line 23, by striking all after "year"; by striking all in lines 24 through 31 and inserting "multiplied by $\frac{1}{365}$ and further multiplied by the number of calendar days the ordered shutdown was in effect."; in line 34, by striking all after "year"; by striking all in lines 35 through 43;

On page 5, by striking all in lines 1 through 3 and inserting "multiplied by $\frac{1}{365}$ and further multiplied by the percentage of the ordered restricted operation limitation and then further multiplied by the number of calendar days the ordered restricted operation limitation was in effect."; following line 11, by inserting:

"(h) Amounts received by claimants pursuant to this act shall be exempt from Kansas income taxation under the provisions of article 32 of chapter 79 of the Kansas Statutes Annotated.";

Also on page 5, in line 26, by striking "April" and inserting "June"; in line 29, by striking "four" and inserting "two";

On page 7, in line 3, after "Each" by inserting "city or"; in line 5, after "such" by inserting "city or"; also in line 5, after the first "county" by inserting "in the event that the city or county issued a COVID-19 related order, action or declaration pursuant to section 3, and amendments thereto, that is the basis for a claimant refund pursuant to this act"; also in line 5, after "A" by inserting "city or"; also in line 5, after "the" by inserting "city or";

On page 12, in line 16, by striking "Commencing in" and inserting "For"; also in line

16, by striking "year" and inserting "years"; also in line 16, by striking all after "2021"; in line 17, by striking "thereafter" and inserting "through 2025";

On page 18, following line 33, by inserting:

"Sec. 36. K.S.A. 79-201 is hereby amended to read as follows: 79-201. The following described property, to the extent herein specified, shall be and is hereby exempt from all property or ad valorem taxes levied under the laws of the state of Kansas:

First. All buildings used exclusively as places of public worship and all buildings used exclusively by school districts and school district interlocal cooperatives organized under the laws of this state, with the furniture and books therein contained and used exclusively for the accommodation of religious meetings or for school district or school district interlocal cooperative purposes, whichever is applicable, together with the grounds owned thereby if not leased or otherwise used for the realization of profit, except that: (a) (1) Any school building, or portion thereof, together with the grounds upon which the building is located, shall be considered to be used exclusively by the school district for the purposes of this section when leased by the school district to any political or taxing subdivision of the state, including a school district interlocal cooperative, or to any association, organization or nonprofit corporation entitled to tax exemption with respect to such property; and (2) any school building, together with the grounds upon which the building is located, shall be considered to be used exclusively by a school district interlocal cooperative for the purposes of this section when being acquired pursuant to a lease-purchase agreement; and (b) any building, or portion thereof, used as a place of worship, together with the grounds upon which the building is located, shall be considered to be used exclusively for the religious purposes of this section when used as a not-for-profit day care center for children which is licensed pursuant to K.S.A. 65-501 et seq., and amendments thereto, or when used to house an area where the congregation of a church society and others may purchase tracts, books and other items relating to the promulgation of the church society's religious doctrines.

Second. All real property, and all tangible personal property, actually and regularly used exclusively for literary, educational, scientific, religious, benevolent or charitable purposes, including property used exclusively for such purposes by more than one agency or organization for one or more of such exempt purposes. Except with regard to real property which is owned by a religious organization, is to be used exclusively for religious purposes and is not used for a nonexempt purpose prior to its exclusive use for religious purposes which property shall be deemed to be actually and regularly used exclusively for religious purposes for the purposes of this paragraph, this exemption shall not apply to such property, not actually used or occupied for the purposes set forth herein, nor to such property held or used as an investment even though the income or rentals received therefrom is used wholly for such literary, educational, scientific, religious, benevolent or charitable purposes. In the event any such property which has been exempted pursuant to the preceding sentence is not used for religious purposes prior to its conveyance which results in its use for nonreligious purposes, there shall be a recoupment of property taxes in an amount equal to the tax which would have been levied upon such property except for such exemption for all taxable years for which such exemption was in effect. Such recoupment tax shall become due and payable in such year as provided by K.S.A. 79-2004, and amendments thereto. A lien for such taxes shall attach to the real property subject to the same on November 1 in the year

such taxes become due and all such taxes remaining due and unpaid after the date prescribed for the payment thereof shall be collected in the manner provided by law for the collection of delinquent taxes. Moneys collected from the recoupment tax hereunder shall be credited by the county treasurer to the several taxing subdivisions within which such real property is located in the proportion that the total tangible property tax levies made in the preceding year for each such taxing subdivision bear to the total of all such levies made in that year by all such taxing subdivisions. Such moneys shall be credited to the general fund of the taxing subdivision or if such taxing subdivision is making no property tax levy for the support of a general fund such moneys may be credited to any other tangible property tax fund of general application of such subdivision. This exemption shall not be deemed inapplicable to property which would otherwise be exempt pursuant to this paragraph because an agency or organization: (a) Is reimbursed for the provision of services accomplishing the purposes enumerated in this paragraph based upon the ability to pay by the recipient of such services; or (b) is reimbursed for the actual expense of using such property for purposes enumerated in this paragraph; or (c) uses such property for a nonexempt purpose which is minimal in scope and insubstantial in nature if such use is incidental to the exempt purposes of this paragraph; or (d) charges a reasonable fee for admission to cultural or educational activities or permits the use of its property for such activities by a related agency or organization, if any such activity is in furtherance of the purposes of this paragraph; or (e) is applying for an exemption pursuant to this paragraph for a motor vehicle that is being leased for a period of at least one year.

Third. All moneys and credits belonging exclusively to universities, colleges, academies or other public schools of any kind, or to religious, literary, scientific or benevolent and charitable institutions or associations, appropriated solely to sustain such institutions or associations, not exceeding in amount or in income arising therefrom the limit prescribed by the charter of such institution or association.

Fourth. The reserve or emergency funds of fraternal benefit societies authorized to do business under the laws of the state of Kansas.

Fifth. All buildings of private nonprofit universities or colleges which are owned and operated by such universities and colleges as student union buildings, presidents' homes and student dormitories.

Sixth. All real and tangible personal property actually and regularly used exclusively by the alumni association associated by its articles of incorporation with any public or nonprofit Kansas college or university approved by the Kansas board of regents to confer academic degrees or with any community college approved by its board of trustees to grant certificates of completion of courses or curriculum, to provide accommodations and services to such college or university or to the alumni, staff or faculty thereof.

Seventh. All parsonages owned by a church society and actually and regularly occupied and used predominantly as a residence by a minister or other clergyman of such church society who is actually and regularly engaged in conducting the services and religious ministrations of such society, and the land upon which such parsonage is located to the extent necessary for the accommodation of such parsonage.

Eighth. All real property, all buildings located on such property and all personal property contained therein, actually and regularly used exclusively by any individually chartered organization of honorably discharged military veterans of the United States

armed forces or auxiliary of any such organization, which is exempt from federal income taxation pursuant to section 501(c)(19) of the federal internal revenue code of 1986, for clubhouse, place of meeting or memorial hall purposes, and real property to the extent of not more than two acres, and all buildings located on such property, actually and regularly used exclusively by any such veterans' organization or its auxiliary as a memorial park.

Ninth. All real property and tangible personal property actually and regularly used by a community service organization for the predominant purpose of providing humanitarian services, which is owned and operated by a corporation organized not for profit under the laws of the state of Kansas or by a corporation organized not for profit under the laws of another state and duly admitted to engage in business in this state as a foreign not-for-profit corporation if: (a) The directors of such corporation serve without pay for such services; (b) the corporation is operated in a manner which does not result in the accrual of distributable profits, realization of private gain resulting from the payment of compensation in excess of a reasonable allowance for salary or other compensation for services rendered or the realization of any other form of private gain; (c) no officer, director or member of such corporation has any pecuniary interest in the property for which exemption is claimed; (d) the corporation is organized for the purpose of providing humanitarian services; (e) the actual use of property for which an exemption is claimed must be substantially and predominantly related to the purpose of providing humanitarian services, except that, the use of such property for a nonexempt purpose which is minimal in scope and insubstantial in nature shall not result in the loss of exemption if such use is incidental to the purpose of providing humanitarian services by the corporation; (f) the corporation is exempt from federal income taxation pursuant to section 501(c)(3) of the internal revenue code of 1986; and (g) contributions to the corporation are deductible under the Kansas income tax act. As used in this clause, "humanitarian services" means the conduct of activities which substantially and predominantly meet a demonstrated community need and which improve the physical, mental, social, cultural or spiritual welfare of others or the relief, comfort or assistance of persons in distress or any combination thereof including, but not limited to, health and recreation services, child care, individual and family counseling, employment and training programs for handicapped persons and meals or feeding programs. Notwithstanding any other provision of this clause, motor vehicles shall not be exempt hereunder unless such vehicles are exclusively used for the purposes described therein, except that the use of any such vehicle for the purpose of participating in a coordinated transit district in accordance with the provisions of K.S.A. 75-5032 through 75-5037, and amendments thereto, or K.S.A. 75-5051 through 75-5058, and amendments thereto, shall be deemed as exclusive use.

Tenth. For all taxable years commencing after December 31, 1986, any building, and the land upon which such building is located to the extent necessary for the accommodation of such building, owned by a church or nonprofit religious society or order which is exempt from federal income taxation pursuant to section 501(c)(3) of the federal internal revenue code of 1986, and actually and regularly occupied and used exclusively for residential and religious purposes by a community of persons who are bound by vows to a religious life and who conduct or assist in the conduct of religious services and actually and regularly engage in religious, benevolent, charitable or educational ministrations or the performance of health care services.

Eleventh. For all taxable years commencing after December 31, 1998, all property actually and regularly used predominantly to produce and generate electricity utilizing renewable energy resources or technologies when the applicant for such property, on or before December 31, 2016, has filed an application for exemption pursuant to this subsection or has received a conditional use permit to produce and generate electricity on the property from the county in which the property is located. Any exemption granted under the provisions of this subsection for such property when the applicant, after December 31, 2016, has filed such application or filed such application and received a conditional use permit, shall be in effect for the 10 taxable years immediately following the taxable year in which construction or installation of such property is completed. For purposes of this section, "renewable energy resources or technologies" shall include wind, solar, photovoltaic, biomass, hydropower, geothermal and landfill gas resources or technologies.

Twelfth. For all taxable years commencing after December 31, 2001, all personal property actually and regularly used predominantly to collect, refine or treat landfill gas or to transport landfill gas from a landfill to a transmission pipeline, and the landfill gas produced therefrom.

~~The provisions of this section, except as otherwise more specifically provided, shall apply to all taxable years commencing after December 31, 2009~~

Thirteenth. For all taxable years commencing after December 31, 2021, all real property actually and regularly used by a health club. For purposes of this section, "health club" means any corporation, partnership, unincorporated association or other business enterprise whose primary purpose is to offer facilities that contain cardio, weight training or strength and conditioning equipment, or any combination thereof, for the preservation, maintenance, encouragement or development of physical fitness in return for the payment of a fee that entitles the payer to the use of such facilities. A health club may have on such club's premises any of the following: Health spas, studios, tennis facilities, racquet facilities, basketball facilities or swimming pools that offer programs that enhance the primary purpose of the health club as specified in this subsection. A health club shall not be facilities that are primarily weight control facilities, health spas, dance studios, martial arts or self-defense studios, tennis, racquet or basketball facilities, swimming pools, golf clubs or similar activities that do not have the primary purpose as specified in this subsection. For purposes of this subsection, real property shall be considered owned and operated by a health club if the owner of the real property to be exempted from taxation and the business enterprise that operates the health club and collects the payment of the fee entitling the buyer to use the facility are the same business entity, a parent or subsidiary of the same business entity or have any direct or indirect common ownership.";

On page 21, in line 25, before "79-201x" by inserting "79-201,";

And by renumbering sections accordingly;

On page 1, in the title, in line 11, after the semicolon by inserting "providing for an exemption for health clubs;"; in line 20, after "2104," by inserting "79-201,";

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

CARYN TYSON

LARRY ALLEY

TOM HOLLAND

Conferees on part of Senate

ADAM SMITH
 JIM GARTNER
 LES MASON

Conferees on part of House

The motion of Senator Claeys to adopt the conference committee report on **S Sub HB 2313** failed.

On roll call, the vote was: Yeas 11; Nays 27; Present and Passing 2; Absent or Not Voting 0.

Yeas: Alley, Billinger, Claeys, Erickson, Masterson, Olson, Petersen, Pyle, Thompson, Warren, Wilborn.

Nays: Baumgardner, Bowers, Corson, Dietrich, Doll, Fagg, Francisco, Gossage, Haley, Hawk, Hilderbrand, Holland, Holscher, Kerschen, Kloos, Longbine, McGinn, O'Shea, Peck, Pettey, Pittman, Ryckman, Steffen, Straub, Sykes, Tyson, Ware.

Present and Passing: Faust-Goudeau, Suellentrop.

The Conference Committee Report was not adopted.

EXPLANATION OF VOTE

Mr. Vice President: Votes today have been difficult on a lot of issues, this being one of them. When I look at the bill as a whole, the good outweighs the potential bad. Even the bad which, most would say, is the property tax issue with our health clubs, the overarching principle to me is government should not be in the business of picking winners and losers. That's what this does. Government is giving tax benefits to some and not others. That is not right. Is this bill the right way to deal with it? I do not know. The principle in this bill is correct and I have confidence as we move forward we can examine it more in depth and come to the proper solution. But the parts that are good in here, the business protections, the 20-mills for schools, the provision for the elderly, to me those are key pieces and for those reasons I vote aye.—RENEE ERICKSON

Senators Masterson, Olson, Petersen, Pyle, Thompson and Warren request the record to show they concur with the "Explanation of Vote" offered by Senator Erickson on **S Sub HB 2313**.

ORIGINAL MOTION

Having voted on the prevailing side, Senator Tyson moved to not adopt the conference committee report on **S Sub HB 2313** and appoint new conferees. The motion prevailed.

The President appointed Senators Claeys, Alley and Corson as second conferees on the part of the Senate.

On motion of Senator Alley, the Senate recessed until 10:30 p.m.

The Senate met pursuant to recess with President Masterson in the chair.

On motion of Senator Alley, the Senate recessed until 12:00 a.m.

The Senate met pursuant to recess with President Wilborn in the chair.

MESSAGE FROM THE HOUSE

The House accedes to the request of the Senate for a conference on **S Sub for HB 2313** and has appointed Representatives Smith, A., Mason and Gartner as conferees on the part of the House.

On motion of Senator Alley, the Senate recessed to the sound of the gavel.

The Senate met pursuant to recess with Vice President Wilborn in the chair.

CONFERENCE COMMITTEE REPORT

MR. SPEAKER and MR. PRESIDENT: Your committee on conference on Senate amendments to **HB 2313** submits the following report:

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

On page 1, by striking all in lines 24 through 36;

By striking all on pages 2 through 6;

On page 7, by striking all in lines 1 through 9; in line 12, by striking all after "or"; in line 13, by striking "operations" and inserting "restricted"; in line 22, by striking "capacity limitation" and inserting "restriction"; in line 25, by striking "capacity limitation" and inserting "restriction"; also in line 25, after "For" by inserting "ordered"; in line 29, before "shutdown" by inserting "ordered"; also in line 29, by striking "capacity"; in line 30, by striking "limitations" and inserting "ordered restrictions"; in line 33, by striking "capacity limitation" and inserting "ordered restrictions"; in line 34, by striking "capacity limitation" and inserting "ordered restriction"; in line 36, by striking "limited in any capacity from conducting operations" and inserting "restricted"; in line 38, by striking all after "or"; in line 39, by striking all before "from" and inserting "restricted";

On page 8, in line 5, by striking "limited the capacity of" and inserting "restricted"; in line 7, by striking "limited the capacity of" and inserting "restricted"; in line 10, after "(d)" by inserting "For purposes of this section, "restriction" or "restricted" means any occupancy limitation, limitation on periods of operation or the exertion by any governmental entity of other significant control on business resources or functionality.

(e)";

Also on page 8, by striking all in lines 18 through 43;

By striking all on pages 9 through 14;

On page 15, by striking all in lines 1 through 15;

On page 18, by striking all in lines 40 through 43;

On page 19, by striking all in lines 1 through 28;

On page 21, in line 25, by striking the first comma; also in line 25, before "79-201x" by inserting "and"; also in line 25, by striking "and 79-32,263";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking "establishing"; by striking all in lines 2 and 3; in line 4, by striking all before "the" and inserting "providing for"; in line 6, by striking "capacity limitation" and inserting "restriction"; in line 15, by striking all after

the semicolon; by striking all in lines 16 through 18; in line 20, by striking ", 79-32,263";

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

J. R. CLAEYS

LARRY ALLEY

ETHAN CORSON

Conferees on part of Senate

ADAM SMITH

LES MASON

JIM GARTNER

Conferees on part of House

Senator Claeys moved the Senate adopt the Conference Committee Report on **S Sub HB 2313**.

On roll call, the vote was: Yeas 35; Nays 0; Present and Passing 5; Absent or Not Voting 0.

Yeas: Alley, Billinger, Bowers, Claeys, Corson, Dietrich, Doll, Erickson, Fagg, Faust-Goudeau, Gossage, Hawk, Hilderbrand, Holscher, Kerschen, Kloos, Longbine, Masterson, O'Shea, Olson, Peck, Petersen, Pettey, Pittman, Pyle, Ryckman, Steffen, Straub, Suellentrop, Sykes, Thompson, Tyson, Ware, Warren, Wilborn.

Present and Passing: Baumgardner, Francisco, Haley, Holland, McGinn.

The Conference Committee Report was adopted.

EXPLANATION OF VOTE

Mr. Vice President: I've had the privilege to serve on the education, judiciary and taxation and assessment committees this session. Earlier today we overwhelmingly passed a school funding bill that included a recommendation to give additional compensation to school employees of up to \$500. These are employees that kept their jobs and were paid throughout the pandemic. That was the work of the education conference committee. The interesting thing is that the judiciary and taxation committees also worked to address the needs of Kansans that had businesses that were shut down, didn't have their income coming in but still had the property tax burden of their business. There was a balance in these two pieces of legislation and we knew business owners throughout the state would be positively impacted. This morning, we just took one of these opportunities off the table without any Kansans benefiting from our efforts. To make matters worse, this is the second year in a row that a strong bipartisan vote by this body to provide property tax relief for our over-burdened retirees has been stripped away. So I did vote 'pass' and I'm going to keep my vote of 'pass' because we've passed up on these opportunities to serve Kansans.—MOLLY BAUMGARDNER

MESSAGE FROM THE HOUSE

The House adopts the Conference Committee report on **H Sub Sub SB 273**.

ORIGINAL MOTION

Senator Alley moved that subsection 4(k) of the Joint Rules of the Senate and House of Representatives be suspended for the purpose of considering the following bills:
H Sub Sub SB 273.

Senator Alley moved Joint Rule 3(f) of the Senate and House of Representatives be suspended and the 30 minute rule be waived on the conference committee report on
H Sub Sub SB 273.

CONFERENCE COMMITTEE REPORT

MR. PRESIDENT and MR. SPEAKER: Your committee on conference on House amendments to **H Sub Sub SB 273** 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 Substitute for Senate Bill No. 273, as follows:

On page 1, by striking all in lines 9 through 35;

By striking all on pages 2 through 19;

On page 20, by striking all in lines 1 through 25; and inserting:

"New Section 1. (a) Sections 1 through 7, and amendments thereto, shall be known and may be cited as the COVID-19 small business relief act.

(b) As used in sections 1 through 7, and amendments thereto:

(1) "Act" means the COVID-19 small business relief act.

(2) "Board" means the COVID-19 small business relief claims board established under section 3, and amendments thereto.

(3) (A) "Business" means a sole proprietorship, partnership, limited partnership, limited liability partnership, limited liability company or corporation that:

(i) Had 50 or fewer full-time equivalent employees during the period beginning March 12, 2021, and ending on the date such business files a claim pursuant to section 4, and amendments thereto; and

(ii) was organized under the laws of this state or authorized to do business in this state on March 12, 2020.

(B) "Business" does not include a not-for-profit corporation or business entity.

(4) "Governmental entity" means:

(A) The state of Kansas and any department or branch of state government, or any agency, authority, institution or other instrumentality thereof; and

(B) any county or city, or any agency, authority, institution or other instrumentality thereof.

(5) "Order" means any order issued by any governmental entity related to the COVID-19 pandemic.

(6) "Restriction" means any occupancy limitation, limitation on periods of operation or the exertion by any governmental entity of other significant control on business resources or functionality related to the COVID-19 pandemic. On and after May 31, 2021, any governmental entity mandating the use of face masks related to the COVID-19 pandemic that contains an enforcement requirement by Kansas businesses shall be considered a "restriction" under this act and subject to a claim for relief under this act.

(c) The provisions of this section shall expire on January 1, 2025.

New Sec. 2. (a) (1) There is hereby established in the state treasury the COVID-19 small business relief fund, which shall be administered by the legislative coordinating

council. All expenditures from such fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports pursuant to vouchers approved by the chairperson of the legislative coordinating council or the designee of the chairperson.

(2) On and after April 1, 2023, any remaining moneys in the COVID-19 small business relief fund may be used in any manner consistent with state and federal law.

(3) (A) On or before February 15, 2023, the joint committee on special claims against the state shall meet and review the claims that have been accepted by a claimant pursuant to section 4, and amendments thereto, and shall report such committee's recommendation to the legislative coordinating council.

(B) On or before February 28, 2023, after receiving recommendations from the joint committee on special claims against the state, expenditures may be authorized by the legislative coordinating council and such requests may be approved by the members of the legislative coordinating council, as provided in K.S.A. 46-1202, and amendments thereto, acting on this matter, which is hereby characterized as a matter of legislative delegation, except that such disbursements and expenditures may also be approved while the legislature is in session.

(4) After the legislative coordinating council has approved the expenditures, the chairperson shall:

(A) Authorize payment of the amount of relief to be paid to such claimant by the state from the COVID-19 small business relief fund established pursuant to this section; and

(B) notify any county or city of the relief to be paid to such claimant by such governmental entity from such entity's fund established pursuant to section 5 or 6, and amendments thereto.

(b) Except as provided in subsection (a)(2), unless prohibited by federal law, moneys in the COVID-19 small business relief fund shall be used only for the purpose of paying:

(1) Claims as provided in section 4, and amendments thereto;

(2) compensation and other expenses paid to members of the board;

(3) administrative costs of the board and the office of the attorney general related to this act; and

(4) any repayment required by the federal government.

(c) (1) Notwithstanding the provisions of sections 2 through 4 of chapter 1 of the 2020 Special Session Laws of Kansas, any other statute, section 30(c) of 2021 House Bill No. 2007, or any other appropriation act, for the fiscal years ending June 30, 2021, and June 30, 2022, on or before July 15, 2021, the director of the budget shall determine the amount of moneys received by the state that are identified as moneys from the federal government for aid to the state of Kansas for coronavirus relief as appropriated in the following acts that are eligible to be used for the purposes of this act, may be expended at the discretion of the state, in compliance with the office of management and budget's uniform administrative requirements, cost principles and audit requirements for federal awards, and are unencumbered: (A) The federal CARES act, public law 116-136; (B) the federal coronavirus preparedness and response supplemental appropriation act, 2020, public law 116-123; (C) the federal families first coronavirus response act, public law 116-127; (D) the federal paycheck protection program and health care enhancement act, public law 116-139; (E) the federal

consolidated appropriations act, 2021, public law 116-260; (F) the American rescue plan act of 2021, public law 117-2; and (G) any other federal law that appropriates moneys to the state for aid for coronavirus relief. If the state receives any such moneys from the federal government for aid to the state of Kansas for coronavirus relief after July 15, 2021, the director of the budget shall also identify such moneys for the purposes of fulfilling transfers required by this section.

(2) Of such identified moneys, following transfers required in 2021 Senate Substitute for Substitute for House Bill No. 2196 and 2021 Senate Substitute for House Bill No. 2208, the director of the budget shall transfer the amount certified in subsection (d) from the remaining moneys available in special revenue funds. The director of the budget shall certify the amount so determined from each fund to the director of accounts and reports and, at the same time as such certification is transmitted to the director of accounts and reports, shall transmit a copy of such certification to the director of legislative research. Upon receipt of each such certification, or as soon thereafter as moneys are available, the director of accounts and reports shall immediately transfer such certified amount from such funds to the COVID-19 small business relief fund of the legislative coordinating council.

(d) On or before September 15, 2021, the strengthening people and revitalizing Kansas executive committee, as established pursuant to section 63 of 2021 Senate Bill No. 159, shall meet to determine the amount of moneys necessary to pay for the claims, compensation, expenses, costs and repayments established in section 2(b), and amendments thereto. Upon making such determination, the chairperson of such executive committee shall certify such amount to the director of accounts and reports and shall transmit a copy of such certification to the director of the budget and the director of legislative research. Such amount shall be not more than 25% of such remaining moneys available in special revenue funds.

(e) The provisions of this section shall expire on January 1, 2025.

New Sec. 3. (a) (1) There is hereby established under the jurisdiction of the attorney general the COVID-19 small business relief claims board.

(2) The board shall consist of three members appointed as follows: (A) One member appointed by the governor; (B) one member appointed by the president of the senate; and (C) one member appointed by the speaker of the house of representatives. The appointments shall be made on or before July 1, 2021.

(3) Members of the board shall be: (A) Residents of the state; (B) selected with special reference to training and experience for duties imposed by this act; and (C) individuals who are recognized for outstanding knowledge and leadership in the fields of finance or business. At least one member of the board shall be an attorney regularly admitted to practice law in the state of Kansas.

(4) The board shall elect a chairperson from among its members. The board shall meet on call of the chairperson. A quorum shall consist of two members of the board. All actions of the board shall be taken by a majority of the members of the board.

(5) Members of the board attending meetings of the board shall be paid compensation, subsistence allowances, mileage and other expenses as provided in K.S.A. 75-3212, and amendments thereto, for members of the legislature.

(b) The board shall have authority to hire expert consultants to provide information and assistance and gather information as required to carry out the board's duties. Such expert consultants shall work in coordination and in compliance with staff at the Kansas

office of recovery to ensure compliance with federal guidelines and requirements for moneys received related to the COVID-19 pandemic.

(c) On or before September 15, 2021, the board shall, in coordination with the Kansas office of recovery, adopt policies and procedures in compliance with federal guidelines and requirements for moneys received related to the COVID-19 pandemic that are necessary to facilitate the settlement of claims through the processes provided by this act, including, but not limited to, the form and manner of submitting claims to the board and the procedures for review of claims by the board. The board may adopt rules and regulations to implement and administer the provisions of this act.

(d) The provisions of this section shall expire on January 1, 2025.

New Sec. 4. (a) (1) This act shall be administered by the board, with the assistance and support of the office of the attorney general, and all claims submitted pursuant to this act shall be for businesses impacted by an order making a restriction related to the COVID-19 pandemic. A business may file a claim with the board in a form and manner provided by the board.

(2) All claims brought under this act shall be filed with the board during the period beginning on October 1, 2021, and ending on December 31, 2021.

(3) Any such claim shall be accompanied by:

(A) Proof that the claimant is a business as defined in section 1, and amendments thereto;

(B) a copy of the claimant's 2019 and 2020 Kansas income tax returns, if applicable;

(C) proof of the claimant's business income in 2019, 2020 and 2021, if the claimant's business was in existence in any such years; and

(D) an affidavit as described in paragraph (4).

(4) The claimant shall submit an affidavit by an authorized representative of the business under penalty of perjury stating:

(A) Whether the claimant was ordered by a governmental entity to cease all operations or was otherwise restricted in such claimant's operation by an order making a restriction;

(B) the number of days that the claimant was ordered by a governmental entity to cease all operations and the number of days such claimant was restricted in any way in its operations due to an order making a restriction;

(C) the governmental entity that issued each applicable order making a restriction;

(D) a description of how the claimant was impacted financially by each order making a restriction;

(E) whether the claimant's operations were deemed essential or not essential under the Kansas essential functions framework pursuant to an executive order issued by the governor or an order issued by a local authority;

(F) the source and amount of any governmental grants related to the COVID-19 pandemic that were received by the claimant or governmental loans related to the COVID-19 pandemic made to the claimant that were forgiven by a governmental entity;

(G) the amount of any benefits the claimant received under the employment security law of this state;

(H) whether the claimant has received any tax refund, rebate or other tax relief related to the COVID-19 pandemic; and

(I) the percentage of the relief granted that the claimant projects to use for

employee pay, salary, compensation or benefits.

(5) The claimant shall submit any other information required by the board to resolve the claim.

(6) Any information received pursuant to this subsection shall be confidential, shall not be disclosed and shall not be subject to subpoena, discovery or introduction into evidence in any civil or criminal proceeding, except that such information may be disclosed to: (A) The board; (B) any employees of the board or the office of the attorney general in support of the board's duties; and (C) federal or state agencies, when necessary in the performance of their official duties or functions. Such information shall not be a public record and shall not be subject to the Kansas open records act, K.S.A. 45-215 et seq., and amendments thereto. The provisions of this paragraph shall not be required to be reviewed by the legislature and shall not expire in accordance with K.S.A. 45-229, and amendments thereto.

(b) (1) The board shall decide each claim based on the information submitted pursuant to this section or otherwise obtained by the board, and no hearings shall be required.

(2) Notwithstanding any other provision of law, a meeting of the board to decide a claim or conduct an informal reconsideration hearing shall not be subject to the Kansas administrative procedure act, K.S.A. 77-501 et seq., and amendments thereto, and shall not be subject to the Kansas open meetings act, K.S.A. 75-4317 et seq., and amendments thereto.

(c) In evaluating the claim award, the board shall consider the following factors for each claim:

(1) The duration and nature of the impact of each order making a restriction, including:

(A) The imposition of any curfew, occupancy restriction or other restriction on business operations; and

(B) any added duties prescribed by law on businesses in order to comply with any governmental order that applied to business operations;

(2) reasonable costs related to the filing of the claim under the procedures outlined in this act;

(3) any extraordinary contributions by the business that benefited the general public of the state;

(4) any relevant factors listed in the Kansas eminent domain procedure act, the Kansas condemnation law or the Kansas private property protection act;

(5) the moneys available for distribution from the applicable fund or funds and the number of claims against such fund or funds;

(6) any governmental grants related to the COVID-19 pandemic that were received by the claimant or governmental loans related to the COVID-19 pandemic made to the claimant that were forgiven by a governmental entity;

(7) the amount of any benefits the claimant received under the employment security law of this state;

(8) whether the claimant has received any tax refund, rebate or other tax relief related to the COVID-19 pandemic;

(9) the percentage of the relief granted that the claimant projects to use for employee pay, salary, compensation or benefits; and

(10) the extent to which non-governmental orders or restrictions and consumer

behavior contributed to the monetary loss claimed by the business. The board shall quantify the amount of the claimed loss attributable to non-governmental orders or restrictions and consumer behavior and shall not grant relief for such amount.

(d) (1) On or before September 30, 2022, the board shall decide on all claims filed pursuant to this section and issue a written decision that either grants or denies relief for each claim. The board shall issue all of the written decisions on such claims on the same date.

(2) A written decision that grants relief shall:

(A) Specify the amount of relief to be paid to the claimant as calculated under this section and approved by the board;

(B) identify the governmental entity that issued the applicable order making a restriction;

(C) assign the amount of relief to be paid to the claimant according to the governmental entity that issued the applicable order making a restriction;

(D) notify the claimant that if the claimant does not use at least the percentage of the relief such claimant projected to use for employee pay, salary, compensation or benefits for such items, such relief may be subject to repayment; and

(E) notify the claimant of the right to an informal reconsideration pursuant to subsection (e).

(3) No relief to be paid shall be assigned to a county if the applicable order issued by the county was less restrictive than an applicable order issued by the state. If the applicable order issued by the county was the same as an applicable order issued by the state, the board may assign up to 50% of the relief to be paid to the county based on availability of moneys in such county's fund established pursuant to section 5, and amendments thereto.

(4) No relief to be paid shall be assigned to a city if the applicable order issued by the city was the same or less restrictive than an applicable order issued by the state or the county where such city is located.

(5) The claimant shall notify the board in writing whether the claimant declines such relief within 15 days of receipt of the written decision. If the claimant does not make such notification, the claim shall be deemed accepted.

(6) A written decision that denies relief shall specify the reasons for such decision and notify the claimant of the right to an informal reconsideration pursuant to subsection (e). The claimant shall notify the board in writing whether the claimant challenges such decision within 15 days of receipt of the written decision.

(e) (1) A claimant may request reconsideration of the decision of the board by requesting an informal hearing to be conducted by the board. Following such hearing, the board shall issue a written decision either granting or denying relief. A written decision granting relief shall comply with the provisions of subsection (d)(2)(A) through (d)(2)(D).

(2) A claimant shall notify the board in writing whether the claimant declines such relief within 15 days of receipt of the written decision. If the claimant does not make such notification, the claim shall be deemed accepted.

(f) On or before January 31, 2023, after the board has issued all written decisions under subsection (e), the board shall report all the claims in which the relief has been accepted by the claimant to the joint committee on special claims against the state in an open meeting. The committee shall review such claims and shall make a

recommendation on such claims to the legislative coordinating council pursuant to section 2, and amendments thereto.

(g) On or before March 1, 2024, any claimant who receives relief under section 2, and amendments thereto, shall report to the attorney general the actual percentage of the relief granted such claimant used for employee pay, salary, compensation or benefits. If such percentage is less than the percentage of the relief such claimant projected to use for employee pay, salary, compensation or benefits, the attorney general shall order the claimant to pay the full projected percentage to such claimant's employees or repay the difference between the projected percentage and the actual percentage to the attorney general. Any repayment received by the attorney general shall be remitted to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the COVID-19 small business relief fund.

(h) If a claimant files a claim with the board pursuant to this act, such claimant shall be prohibited from filing any claim in a civil action against the state and all subdivisions of government and each of their officers, employees, agents and representatives seeking damages or any other monetary relief based on an order making a restriction related to the COVID-19 pandemic, including, but not limited to, a claim under K.S.A. 48-933, and amendments thereto, the Kansas private property protection act, K.S.A. 77-701 et seq., and amendments thereto, or any claim related to compensation for a governmental taking. A claimant shall not be prohibited from filing any claim in a civil action seeking injunctive, declaratory or other nonmonetary relief.

(i) (1) Nothing in this act shall create any property right or right in action. The courts shall have no jurisdiction to entertain any action against the board, the attorney general or the state of Kansas, or any officer or agent thereof, founded on a claim that the claimant should have received different or better treatment pursuant to this act.

(2) Determinations made by the board pursuant to this act, including, but not limited to, the eligibility of any business for relief and the determination of the proper amount of such relief, if any, shall be committed to the sole discretion of the board based on the information available to it and shall not be subject to appeal or judicial review.

(j) The provisions of this section shall expire on January 1, 2025.

New Sec. 5. (a) The board of county commissioners of any county that issues, or previously issued, an order making a restriction under this act shall establish, by adoption of a resolution, a county COVID-19 small business relief fund. The board of county commissioners shall designate an officer of the county as the administrator of such fund.

(b) The officer of the county designated as the administrator of such fund shall determine the amount of moneys received by the county on and after January 1, 2021, that are identified as moneys from the federal government for coronavirus relief aid to the county that may be expended at the discretion of the county and are unencumbered. Of such identified moneys, such officer shall determine 35% of such moneys available in county funds. The officer shall certify the amount so determined from each county fund to the board of county commissioners and transfer such certified amount from such county funds to the county COVID-19 small business relief fund. At the same time as such certification is transmitted to the board of county commissioners, the officer shall transmit a copy of such certification to the director of legislative research and to the

attorney general.

(c) Except as provided in subsection (d), unless prohibited by federal law, moneys in the county COVID-19 small business relief fund shall be used only for the purpose of paying relief amounts authorized by the legislative coordinating council pursuant to section 2, and amendments thereto. Upon receipt of a notification from the legislative coordinating council that relief is to be paid to a claimant by the county from such fund, the county shall pay such relief and provide notice of payment to the legislative coordinating council.

(d) On and after April 1, 2023, any remaining moneys in the county COVID-19 small business relief fund may be used in any manner consistent with state and federal law upon adoption of a resolution by the board of county commissioners. Such resolution shall abolish the county COVID-19 small business relief fund on December 31, 2024, and all pending or future claims against the fund are hereby declared to be null and void.

(e) The provisions of this section shall expire on January 1, 2025.

New Sec. 6. (a) The governing body of a city that issues, or previously issued, an order making a restriction under this act shall establish, by adoption of an ordinance, a city COVID-19 small business relief fund. The governing body of the city shall designate an officer of the city as the administrator of such fund.

(b) The officer of the city designated as the administrator of such fund shall determine the amount of moneys received by the city on and after January 1, 2021, that are identified as moneys from the federal government for coronavirus relief aid to the city that may be expended at the discretion of the city and are unencumbered. Of such identified moneys, such officer shall determine 35% of such moneys available in city funds. The officer shall certify the amount so determined from each city fund to the governing board of the city and transfer such certified amount from such city funds to the city COVID-19 small business relief fund. At the same time as such certification is transmitted to the governing body of the city, the officer shall transmit a copy of such certification to the director of legislative research and to the attorney general.

(c) Except as provided in subsection (d), unless prohibited by federal law, moneys in the city COVID-19 small business relief fund shall be used only for the purpose of paying relief amounts as authorized by the legislative coordinating council pursuant to section 2, and amendments thereto. Upon receipt of a notification from the legislative coordinating council that relief is to be paid to a claimant by the city from such fund, the city shall pay such relief and provide notice of payment to the legislative coordinating council.

(d) On and after April 1, 2023, any remaining moneys in the city COVID-19 small business relief fund may be used in any manner consistent with state and federal law upon adoption of an ordinance by the governing body of the city. Such ordinance shall abolish the city COVID-19 small business relief fund on December 31, 2024, and all pending or future claims against the fund are hereby declared to be null and void.

(e) The provisions of this section shall expire on January 1, 2025.

New Sec. 7. (a) The provisions of this act are severable. If any portion of the act is declared unconstitutional or invalid, or the application of any portion of the act to any person or circumstance is held unconstitutional or invalid, the invalidity shall not affect other portions of the act that can be given effect without the invalid portion or application, and the applicability of such other portions of the act to any person or

circumstance shall remain valid and enforceable.

(b) The provisions of this section shall expire on January 1, 2025.

New Sec. 8. (a) The legislative post audit committee shall direct the legislative division of post audit to conduct a study of the performance of the board in carrying out the actions required by section 4, and amendments thereto. Such study shall include an analysis of the methods used by the board in making recommendations to the joint committee on special claims against the state.

(b) The study shall include a randomized study of not less than 10% of the total number of claims filed under section 4, and amendments thereto. The study may include information related to the process used by the board to grant or deny reconsideration requests.

(c) The legislative division of post audit shall report to the joint committee on special claims against the state and provide a summary of the findings of such study prior to January 31, 2023.

(d) The provisions of this section shall expire on January 1, 2025.

Sec. 9. K.S.A. 48-933 is hereby amended to read as follows: 48-933. (a) Each person within this state shall act and manage the affairs of such person and such person's property in any way which reasonably will assist and not detract from the ability of the state and the public successfully to meet disasters. This obligation includes appropriate personal service and use or restriction on the use of property during a declared state of disaster emergency under K.S.A. 48-924, and amendments thereto, or a declared state of local disaster emergency under K.S.A. 48-932, and amendments thereto. This act neither increases nor decreases these obligations, but recognizes their existence under the constitution and statutes and the common law of this state. Compensation for services or for the taking or use of property shall be only to the extent that obligations recognized in this subsection are exceeded in a particular case and then only to the extent that the claimant may not be deemed to have volunteered services or property without compensation.

(b) No personal services may be compensated by the state or any subdivision or agency thereof, except pursuant to statute enacted or ordinance duly adopted therefor.

(c) Compensation for property shall be only if the property was commandeered or otherwise used in coping with a disaster and its use or destruction was ordered by the governor, adjutant general, an official of a county, city or interjurisdictional disaster agency, or some other authorized member of the emergency management forces of this state.

(d) Any person claiming compensation for the use, damage, loss or destruction of property under this act shall file a claim therefor in the district court in the same manner as any other civil action. The court shall determine the validity of such claim in the same manner and under the same conditions prescribed for condemnation actions pursuant to K.S.A. 26-501 et seq., and amendments thereto. Unless the amount of compensation on account of property damaged, lost or destroyed is agreed upon by the claimant and the adjutant general, the amount of compensation shall be calculated in the same manner as compensation due for a taking of property pursuant to the condemnation law of this state.

(e) Nothing in this section;

(1) Authorizes compensation for intangible losses occurring during the state of disaster emergency related to the COVID-19 health emergency described in K.S.A.

2020 Supp. 48-924b. and amendments thereto; or

(2) applies to or authorizes compensation for the destruction or damaging of standing timber or other property in order to provide a fire break or for the release of waters or the breach of impoundments in order to reduce pressure or other danger from actual or threatened flood.

Sec. 10. K.S.A. 48-933 is hereby repealed.";

Also on page 20, in line 27, by striking "statute book" and inserting "Kansas register";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "ACT"; by striking lines 2 through 5; in line 6, by striking all before the period and inserting "enacting the COVID-19 small business relief act; providing funds for impacted small businesses; making and concerning appropriations for the fiscal years ending June 30, 2021, and June 30, 2022, June 30, 2023, and June 30, 2024; authorizing certain transfers and imposing certain limitations; creating the COVID-19 small business relief fund and providing procedures for the administration of such fund by the legislative coordinating council; creating the COVID-19 small business relief claims board and providing for administration of this act by the board with the assistance of the attorney general; requiring certain counties to establish and administer a county COVID-19 small business relief fund and certain cities to establish and administer a city COVID-19 small business relief fund; requiring a study by the legislative division of post audit; prohibiting compensation for intangible losses related to the COVID-19 public health emergency under the Kansas emergency management act; amending K.S.A. 48-933 and repealing the existing section"; And your committee on conference recommends the adoption of this report.

FRED PATTON
BRADLEY RALPH
JOHN CARMICHAEL

Conferees on part of House

KELLIE WARREN
RICK WILBORN
DAVID HALEY

Conferees on part of Senate

Senator Warren moved the Senate adopt the Conference Committee Report on **H Sub Sub SB 273**.

On roll call, the vote was: Yeas 24; Nays 14; Present and Passing 2; Absent or Not Voting 0.

Yeas: Alley, Billinger, Bowers, Claeys, Corson, Dietrich, Erickson, Fagg, Gossage, Hilderbrand, Kerschen, Kloos, Longbine, Masterson, O'Shea, Peck, Petersen, Ryckman, Steffen, Straub, Suellentrop, Thompson, Warren, Wilborn.

Nays: Doll, Faust-Goudeau, Francisco, Haley, Hawk, Holland, Holscher, McGinn, Olson, Pettey, Pittman, Pyle, Sykes, Ware.

Present and Passing: Baumgardner, Tyson.

The Conference Committee Report was adopted.

MESSAGE FROM THE HOUSE

Announcing a line item veto message from the Governor, together with the enrolled copy of **HB 2007**, AN ACT making and concerning appropriations for fiscal years ending June 30, 2021, June 30, 2022, June 30, 2023, and June 30, 2024, for state agencies; authorizing certain transfers, capital improvement projects and fees, imposing certain restrictions and limitations, and directing or authorizing certain receipts, disbursements, procedures and acts incidental to the foregoing; amending K.S.A. 75-4209, 75-6702 and 75-6706 and K.S.A. 2020 Supp. 2-223, 12-1775a, 12-5256, 55-193, 65-180, 72-5462, 74-50,107, 74-99b34, 75-2263, 75-6707, 76-775, 76-7,107, 79-2959, 79-2964, 79-3425i, 79-34,171, 79-4804 and 82a-953a and repealing the existing sections, received on April 26, 2021 and read on May 3, 2021.

Message from the Governor

I want to thank the legislature for working together thoughtfully and expeditiously to pass this budget, which includes many enhancements to the work we began before the pandemic to restore funding through fiscally responsible tax and budget policy. There is still more work to be done, however, this budget includes significant funding to support some of the most vulnerable Kansans, including those in long-term care and those with intellectual disabilities. It also increases access to newborn screening, preventive mental health, and crisis services.

While I support the majority of the provisions in this budget, there are items that have either been resolved in existing legislation or that would be better addressed not in this budget but through better collaboration between agencies and stakeholders. Other provisions tie funding mandates or prohibitions to blanket policies that should be either more narrowly tailored or independently vetted on their own merits through the regular legislative process.

I look forward to working with the legislature to address the critical funding measures that must be passed during Omnibus. These include our constitutional obligation to adequately and equitably fund our K-12 public schools, salary increases for state employees, and restored funding for state agencies whose budgets were reduced as a precautionary measure due to the COVID-19 pandemic.

Therefore, pursuant to Article 2, Section 14(b) of the Constitution of the State of Kansas, I hereby return House Bill 2007 with my signature approving the bill, except for the items enumerated below.

State Bank Commissioner—Per Diem Increase for Kansas Banking Board Members
Section 4(b) has been line-item vetoed in its entirety.

This section would increase the per diem for members of the state banking board from \$35 to \$100 for the 2021 fiscal year, which ends in less than 70 days. The legislature should study this issue over the interim and make recommendations applicable to all boards and commissions. These recommendations should consider the fiscal impact of potential increases.

Legislative Coordinating Council—Room 221-E

Sections 29(d) and 31(a) have been line-item vetoed in their entirety. Additionally, the following portion of section 30(a) has also been vetoed:

Provided further, That notwithstanding the provisions of K.S.A. 75-3765a, and amendments thereto, or any other statute, expenditures shall be made by the above

agency from the legislative coordinating council – operations account of the state general fund for fiscal year 2022 for the designation and identification of room 221-E of the state capitol building as a meditation room.

These sections would designate Room 221-E as the meditation room in the Statehouse. I support legislative efforts to provide a meditation space in one of the many rooms in the Capitol that remain unused for much of the year and are more convenient, more accessible, and closer to the public entrance.

Room 221-E, which is adjacent to the rest of the Governor's Office and has been designated as part of the Governor's Office space in the Statehouse, is currently being used by our constituent services team to provide critical assistance to Kansans on unemployment issues, proclamations, questions regarding legislative matters, and other inquiries.

Legislative Coordinating Council—Federal Coronavirus Relief Funding

Section 30(c) has been line-item vetoed in its entirety.

This section would require recommendation by the Legislative Budget Committee and approval by the Legislative Coordinating Council before any federal coronavirus relief funds can be spent. The process for allocating federal funds should follow the agreed-upon process of approval through the State Finance Council after recommendation from the SPARK Taskforce. This will ensure that federal funds are allocated with a full understanding of the relevant federal requirements and limitations while receiving input from the private sector through a transparent process. Changing this now will create confusion and slow down the ability to make meaningful investments critical to our economic recovery.

Department of Commerce—Public Broadcasting Facility Relocation

Sections 69(j), 70(i), 71(a), and 72(a) have been line-item vetoed in their entirety.

These sections would prohibit any appropriation from the state economic development initiatives fund to a public broadcasting station that moved to a different location or has a plan to move to a different location. It has been brought to my attention that this language was broader than intended. Please work with interested parties to agree to language that is more narrowly tailored.

Department for Health and Environment – Division of Health Care Finance

Protected Income Level for the Program of All-Inclusive Care for the Elderly (PACE)

That portion of Section 80(e) that reads as follows has been line-item vetoed:

(2) 300% of federal supplemental security income for any person in Kansas receiving services from a program of all-inclusive care for the elderly administered by the Kansas department of aging and disability services.

This would increase the protected income level for those who are in the PACE program above Kansans who are served under section 1915(c) of the federal Social Security Act. When I signed House Substitute for Senate Bill 25 in 2019, I approved an increase to the protected income level for both groups to \$1,177 per month, which is reflected in rules and regulations. The protected income level should continue to be addressed in a comprehensive manner.

Kansas Department for Aging and Disability Services—

Moratoriums at State Psychiatric Hospitals

Sections 84(s) and 85(a) have been line-item vetoed in their entirety.

These sections would prohibit the Kansas Department for Aging and Disability Services from making any expenditures that would impose a moratorium on admissions

at any state psychiatric hospital from the effective date of this act through June 30, 2023. It would also require KDADS to lift the moratorium by October 1, 2021, using existing resources.

I have worked with the legislature to include funding in last year's budget for a comprehensive plan to safely and efficiently lift the moratorium. The COVID-19 pandemic delayed certain building activities in that plan, pushing the expected completion date to the beginning of 2022. This proviso simply lifts the moratorium earlier than is possible, without any feasible re-opening plan or funding. This will force the agency to pay higher costs for contract staff and an expedited construction timeline. I am committed to lifting the moratorium, but we should do so in a way that doesn't endanger staff or patients or lead to high one-time costs that can be avoided through a more fiscally responsible approach.

Kansas Department for Aging and Disability Services—

Request for Proposals for the Program of All-Inclusive Care for the Elderly (PACE)

Section 84(t) has been line-item vetoed in its entirety.

This section would require the Kansas Department of Aging and Disability Services to issue a request for proposals from potential providers interested in participating in the PACE program.

If this is a priority for the Legislature, additional funding should be appropriated in the omnibus budget bill to expand the PACE program rather than simply requiring a request for proposals. Given the current language of this proviso, funding for expanding PACE would require an offset in funding from existing resources and initiatives. As a long-time supporter of the PACE program, I understand that it can provide long-term savings, but that should be acknowledged with a comprehensive funding plan that offsets initial costs.

Kansas Department for Aging and Disability Services—Larned State Hospital and

Larned Correctional Mental Health Facility Pay Parity

Section 84(w) has been line-item vetoed in its entirety.

This provision would require the Kansas Department for Aging and Disability Services to provide the same starting salary and wages for entry-level positions at Larned State Hospital as are provided at the Larned Correctional Mental Health Facility using existing resources. If this is a priority for the Legislature, the Legislature should appropriate additional funding for the agency to implement higher entry-level salary and wages.

Kansas Department for Children and Families—Hope Ranch Pilot Program

That portion of Section 87(a) that reads as follows has been line-item vetoed:

Provided further, That in addition to other purposes for which expenditures may be made by the above agency from the youth services aid and assistance account for fiscal year 2022, an amount not to exceed \$300,000 shall be expended by the above agency from such account for fiscal year 2022 for the purposes of funding the hope ranch for women pilot program: And provided further, That in addition to other purposes for which expenditures may be made by the above agency from such account for fiscal year 2022, expenditures shall be made by the above agency from such account for fiscal year 2022 for the creation of a report detailing activities conducted during the hope ranch for women pilot program, including the number of women served, the demographics of women served, the client service needs at intake, the length of services, the reasons for any cases closing, the recidivism rate, the client costs and the average project costs, and

a budget itemization report and budget transaction report. And provided further, That the secretary for children and families shall submit such report to the house of representatives committee on social services budget on or before January 31, 2022.

This language would require the Department for Children and Families to provide up to \$300,000 of public funds to the Hope Ranch for Women organization. My administration has a strong record of supporting organizations combating human trafficking through competitive grants and other programs that ensure accountability of public funding. If the Legislature wishes to establish a new program to provide more funding to organizations doing this critical work, it should send a fully vetted piece of legislation to my desk after thorough legislative, stakeholder, and public review.

Kansas State University—Polytechnic Campus

Section 101(a) has been line-item vetoed in its entirety.

This allocation would allocate \$160,080 to the Kansas State University Polytechnic campus with the stated justification that it is intended to reimburse the campus for revenue that was received by the Kansas Public Employees Retirement System from the sale of surplus property under K.S.A. 75-6609(f)(1). If the Legislature wants to create a different distribution formula for proceeds from the sale of surplus real estate, then it should amend the statute to do so for all state agencies and not provide an exception to the statute for the sale of surplus property by one entity. If this is intended to be an enhancement for Kansas State University Polytechnic Campus, then it should apply for such an enhancement through the normal process.

Kansas State University Extension Systems and Agricultural Research Programs—4-H Micromanagement

Sections 103(d) and 104(d) have been line-item vetoed in their entirety.

These sections would prohibit any expenditures by Kansas State University or Kansas State University Extension Systems and Agricultural Research Programs that would require participants to wear face coverings or have a COVID-19 vaccination to participate in any 4-H organization, unit, event, or activity. Most children eligible to participate in 4-H are not eligible to receive the COVID-19 vaccine, much less be required to take it. During the pandemic, many involved in 4-H have demonstrated commitment and leadership in protecting the health of their communities and family and we should commend them for their efforts.

Kansas Highway Patrol—Aircraft Trade-In and Purchase of Single-Engine Aircraft

Sections 121(a) and 121(f) have been line-item vetoed in their entirety.

This section requires the Kansas Highway Patrol to trade in two aircraft and allows it to purchase one aircraft. My budget provided comprehensive funding for Kansas Highway Patrol aircraft. This section does not. I encourage the Legislature to work with the administration to find comprehensive funding to address this needed enhancement, including the possibility of using one-time federal funding.

Kansas Highway Patrol—Capitol Police and State Troopers Pay Parity

Section 122(h) has been line-item vetoed in its entirety.

This measure would require the Kansas Highway Patrol to make expenditures to provide salary and wage parity between the Capitol Police and State Troopers. We should respect the Kansas Highway Patrol's request to address this issue internally.

Section 140—2% Cut if Performance Based Budget Objectives Are Not Met

Section 140 has been line-item vetoed in its entirety.

This section would implement a complex and unnecessary system for ensuring that state agencies are following K.S.A. 75-3718(b). As the former Ranking Member of the Senate Ways and Means Committee, I know first-hand the importance of making budgeting decisions based on the effectiveness of state programs and services. State Agencies already provide annual performance-based budgets for consideration during the budgeting process. Although steps to continually improve agency data and metrics are important, attaching these efforts to substantial punitive budget cuts are dangerous and counterproductive. I will not sign a provision that would put critical state services like K-12 public schools at risk of a 2% cut. Any individual issues with the quantity or quality of information provided should be addressed internally. I will continue to be committed to ensuring that both the administration and the Legislature have the information needed to make informed budget decisions.

Section 141—Prohibiting Expenditures to Issue or Enforce Statewide Mask Mandate

Section 141 has been line-item vetoed in its entirety.

This section would prohibit any expenditures to issue or enforce a statewide mask mandate. This proviso is unnecessary considering the significant changes made to the Kansas Emergency Management Act in Senate Bill 40. There are already enough avenues for the legislature—and even private citizens—to challenge or overturn public health measures such as mask mandates, which reduce the spread of the coronavirus, reduce hospitalizations, and save lives.

Section 142—E-verify Provisions

Section 142 has been line-item vetoed in its entirety.

This section would require state agencies and some bidders, contractors, or employers who contract with the state to participate in E-verify beginning in fiscal year 2022 and ending June 30, 2023. Although I welcome policies to help improve oversight and accountability for state operations and contracts, blanket policy changes to the state's administrative processes should be fully vetted by stakeholders, legislators, and the public through the traditional legislative process.

Section 143—Unemployment Insurance Modernization

Request for Proposal Restrictions

Section 143 has been line-item vetoed in its entirety.

This issue has already been addressed in House Bill 2196, which I signed on the same day that I signed this bill. House Bill 2196 establishes comprehensive oversight measures regarding unemployment system modernization efforts and avoids the undue and harmful delay in modernizing our unemployment insurance system that this section would cause.

Kansas Board of Regents—State University Capital Renewal Initiative

Section 163(a) has been line-item vetoed in its entirety.

This section would provide \$10,292,230 for the State University Capital Renewal Initiative. This funding is equivalent to the funding that was included in the budget to be used at the discretion of the Kansas Board of Regents. While I provided discretion to the Board of Regents on the use of this funding, the amount was calculated based on the share that the Regents System would receive if all state employees received a 2.5% salary and wage adjustment and not as a bond service payment on deferred maintenance. Although investments to address infrastructure issues are critically important, this specific state appropriation should be included with pay increases for state employees as intended. The Kansas Board of Regents should utilize federal funds

to pay for deferred maintenance.

A motion was made that, notwithstanding the Governor's objection, the line item veto **Section 30(c)** be reconsidered.

By a vote of 86 Yeas and 38 Nays, the motion having received the required two-thirds constitutional majority vote of the members elected or appointed to the House of Representatives, voting in the affirmative, the line item did pass.

A motion was made that, notwithstanding the Governor's objection, the line item veto **Section 80(e)** be reconsidered.

By a vote of 104 Yeas and 20 Nays, the motion having received the required two-thirds constitutional majority vote of the members elected or appointed to the House of Representatives, voting in the affirmative, the line item did pass.

A motion was made that, notwithstanding the Governor's objection, the line item veto **Section 87(a)** be reconsidered.

By a vote of 84 Yeas and 40 Nays, the motion having received the required two-thirds constitutional majority vote of the members elected or appointed to the House of Representatives, voting in the affirmative, the line item did pass.

A motion was made that, notwithstanding the Governor's objection, the line item veto **Section 163(a)** be reconsidered.

By a vote of 84 Yeas and 40 Nays, the motion having received the required two-thirds constitutional majority vote of the members elected or appointed to the House of Representatives, voting in the affirmative, the line item did pass.

There being no motion on the remaining line items, those vetoes were sustained.

Announcing passage of **SB 158**, as amended by **House Substitute for SB 158**.

Announcing passage of **HB 2056**.

INTRODUCTION OF HOUSE BILLS AND CONCURRENT RESOLUTIONS

HB 2056 was thereupon introduced and read by title.

REFERENCE OF BILLS

The President referred **HB 2056** to the Committee on Federal and State Affairs.

ACTION ON VETO MESSAGE

Announcing a Message from the House having been received on Friday, May 7, 2021, announcing the House of Representatives has reconsidered four line-item vetoes by the Governor on **HB 2007** and determined that such bill pass notwithstanding those four line-item vetoes, President Masterson announced the time had arrived for reconsideration.

There being no motion offered to reconsider, President Masterson announced the Governor's line item vetoes of **HB 2007** were declared sustained.

ORIGINAL MOTION

President Masterson determined **SB 158**, as amended by the House, to be materially changed and referred the bill to the Committee on **Federal and State Affairs**.

REPORT ON ENROLLED BILLS

SB 39, SB 47 reported correctly enrolled, properly signed and presented to the Governor on May 7, 2021.

TRIBUTES

The Committee on **Organization, Calendar, and Rules** authorizes the following tributes for the week of May 3 through May 7, 2021:

Senator Masterson: commending the State of Kansas Honor365 honorees;

Senator O'Shea: congratulating Stephen Thomas Reed on achieving the rank of Eagle Scout, congratulating Andrew Christopher Kirmer on achieving the rank of Eagle Scout, congratulating Sean Lucas Tyree on achieving the rank of Eagle Scout, congratulating Adam Ray White on achieving the rank of Eagle Scout, congratulating Andrew Michael Patton on achieving the rank of Eagle Scout, congratulating Santana Manuel Dominguez on achieving the rank of Eagle Scout, congratulating Brendan Eric Huff on achieving the rank of Eagle Scout;

Senator Pittman: congratulating Emily Harris on achieving the rank of Eagle Scout, congratulating Makenna Harris on achieving the rank of Eagle Scout;

Senator Steffen: celebrating Irene Martindell's 100th Birthday; and

Senator Holland and Senator Pittman: celebrating Anna Mary Landaur's 103rd Birthday.

In accordance with **SCR 1613** and on motion of Senator Alley, the Senate adjourned until 10:00 a.m., Wednesday, May 26, 2021.

CHARLENE BAILEY, CINDY SHEPARD, *Journal Clerks.*

COREY CARNAHAN, *Secretary of the Senate.*

