

Journal of the House

FORTY-SIXTH DAY

HALL OF THE HOUSE OF REPRESENTATIVES,
TOPEKA, KS, Friday, March 22, 2013, 11:00 a.m.

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

The roll was called with 119 members present.

Reps. Dillmore and Osterman were excused on verified illness.

Reps. Edmonds, Frownfelter, Peterson and Sawyer were excused on excused absence by the Speaker.

Prayer by Chaplain Brubaker:

Father in Heaven,
We thank You for this day
and ask that as we go throughout the day
that You constantly remind us of Your willingness
to give wisdom and guidance.
As this body of leaders deal with resolutions
that may be contentious and controversial,
help them to stay calm and collected,
not distraught or frustrated.
Help them to be willing to listen to one another
and give due respect.
Give them Your peace that passes all understanding.
We are reminded of Your words to us,
“Learn from me, for I am meek and humble of heart.”
Help all of us to be good students of this lesson.
In Jesus’ Name I pray, Amen.

The Pledge of Allegiance was led by Rep. Vickrey.

REFERENCE OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were referred to committees as indicated:

Federal and State Affairs: **SB 203**; **Sub SB 214**; **SB 226**.

Taxation: **HB 2409**, **HB 2410**; **Sub SB 165**; **SB 222**.

MESSAGES FROM THE SENATE

Announcing passage of **HB 2030**.

Announcing passage of **HB 2078**, as amended; **HB 2143**, as amended by **S Sub for HB 2143**; **Sub HB 2183**, as amended; **HB 2319**, as amended.

The Senate nonconcurrs in House amendments to **H Sub for SB 83**, requests a conference and has appointed Senators Donovan, Tyson and Holland as conferees on the part of the Senate.

The Senate nonconcurrs in House amendments to **H Sub for SB 84**, requests a conference and has appointed Senators Donovan, Tyson and Holland as conferees on the part of the Senate.

The Senate accedes to the request of the House for a conference on **HB 2059**, and has appointed Senators Donovan, Tyson and Holland as conferees on the part of the Senate.

Also, announcing passage of **HB 2015**, as amended; **Sub HB 2017**, as amended; **HB 2025**, as amended; **HB 2028**, as amended; **HB 2049**, as amended; **HB 2093**, as amended by **S Sub for HB 2093**; **HB 2109**, as amended; **HB 2120**, as amended; **HB 2203**, as amended; **HB 2204**, as amended; **HB 2218**, as amended; **HB 2318**, as amended; **HB 2349**, as amended; **HB 2357**, as amended.

INTRODUCTION OF ORIGINAL MOTIONS

On motion of Rep. Vickrey, the House acceded to the request of the Senate for a conference on **H Sub for SB 83**.

Speaker Merrick thereupon appointed Reps. Carlson, Schwab and Sawyer as conferees on the part of the House.

On motion of Rep. Vickrey, the House acceded to the request of the Senate for a conference on **H Sub for SB 84**.

Speaker Merrick thereupon appointed Reps. Carlson, Schwab and Sawyer as conferees on the part of the House.

CONSENT CALENDAR

Objection was made to **SB 26** appearing on the Consent Calendar; the bill was placed on the Calendar under the heading General Orders.

No objection was made to **SB 24**, **SB 25**, **SB 166** appearing on the Consent Calendar for the first day.

No objection was made to **SB 51** appearing on the Consent Calendar for the third day. The bill was advanced to Final Action on Bills and Concurrent Resolutions.

FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

SB 51, AN ACT concerning insurance for certain banker's associations; amending K.S.A. 40-2222 and repealing the existing section, was considered on final action.

On roll call, the vote was: Yeas 119; Nays 0; Present but not voting: 0; Absent or not voting: 6.

Yeas: Alcalá, Alford, Ballard, Barker, Becker, Bideau, Boldra, Bollier, Bradford, Bridges, Bruchman, Brunk, Burroughs, C-Lovelady, Campbell, Carlin, Carlson, Carpenter, Cassidy, Christmann, Claeys, Clayton, Concannon, Corbet, Crum, Davis, DeGraaf, Dierks, Doll, Dove, Edwards, Esau, Ewy, Finch, Finney, Gandhi, Garber, Goico, Gonzalez, Grant, Grosserode, Hawkins, Hedke, Henderson, Henry, Hermanson, Hibbard, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Howell, Huebert, Hutton, Jennings, Johnson, Jones, Kahrs, Kelley, Kelly, Kinzer, Kleeb,

Kuether, Lane, Lunn, Lusk, Macheers, Mast, McPherson, Meier, Meigs, Menghini, Merrick, Montgomery, Moxley, O'Brien, Pauls, Peck, Perry, Petty, Phillips, Powell, Proehl, Read, Rhoades, Rooker, Rothlisberg, Rubin, Ruiz, Jr. Ryckman, Sr. Ryckman, Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Sloan, Sloop, Suellentrop, Sutton, Swanson, Thimesch, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, Weigel, Whipple, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Dillmore, Edmonds, Frownfelter, Osterman, Peterson, Sawyer.
The bill passed.

SB 20, AN ACT concerning civil procedure; relating to temporary restraining orders; docket fees and costs; poverty affidavit; amending K.S.A. 60-903 and K.S.A. 2012 Supp. 60-2001 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 119; Nays 0; Present but not voting: 0; Absent or not voting: 6.

Yeas: Alcalá, Alford, Ballard, Barker, Becker, Bideau, Boldra, Bollier, Bradford, Bridges, Bruchman, Brunk, Burroughs, Couture-Lovelady, Campbell, Carlin, Carlson, Carpenter, Cassidy, Christmann, Claeys, Clayton, Concannon, Corbet, Crum, Davis, DeGraaf, Dierks, Doll, Dove, Edwards, Esau, Ewy, Finch, Finney, Gandhi, Garber, Goico, Gonzalez, Grant, Grosserode, Hawkins, Hedke, Henderson, Henry, Hermanson, Hibbard, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Howell, Huebert, Hutton, Jennings, Johnson, Jones, Kahrs, Kelley, Kelly, Kinzer, Kleeb, Kuether, Lane, Lunn, Lusk, Macheers, Mast, McPherson, Meier, Meigs, Menghini, Merrick, Montgomery, Moxley, O'Brien, Pauls, Peck, Perry, Petty, Phillips, Powell, Proehl, Read, Rhoades, Rooker, Rothlisberg, Rubin, Ruiz, Ryckman Jr., Ryckman Sr., Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Sloan, Sloop, Suellentrop, Sutton, Swanson, Thimesch, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, Weigel, Whipple, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Dillmore, Edmonds, Frownfelter, Osterman, Peterson, Sawyer.
The bill passed, as amended.

SB 56, AN ACT concerning county fairs; transferring recognition of county fairs and fair associations from the secretary of agriculture to the board of county commissioners; amending K.S.A. 19-1561b and K.S.A. 2012 Supp. 2-127, 2-129, 2-129i, 2-131b, 2-131d, 2-131e, 2-132, 2-137 and 2-144d and repealing the existing sections, was considered on final action.

Call of the House was demanded.

On roll call, the vote was: Yeas 119; Nays 0; Present but not voting: 0; Absent or not voting: 6.

Yeas: Alcalá, Alford, Ballard, Barker, Becker, Bideau, Boldra, Bollier, Bradford, Bridges, Bruchman, Brunk, Burroughs, Couture-Lovelady, Campbell, Carlin, Carlson, Carpenter, Cassidy, Christmann, Claeys, Clayton, Concannon, Corbet, Crum, Davis, DeGraaf, Dierks, Doll, Dove, Edwards, Esau, Ewy, Finch, Finney, Gandhi, Garber, Goico, Gonzalez, Grant, Grosserode, Hawkins, Hedke, Henderson, Henry, Hermanson, Hibbard, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Howell,

Huebert, Hutton, Jennings, Johnson, Jones, Kahrs, Kelley, Kelly, Kinzer, Kleeb, Kuether, Lane, Lunn, Lusk, Macheers, Mast, McPherson, Meier, Meigs, Menghini, Merrick, Montgomery, Moxley, O'Brien, Pauls, Peck, Perry, Petty, Phillips, Powell, Proehl, Read, Rhoades, Rooker, Rothlisberg, Rubin, Ruiz, Ryckman Jr., Ryckman Sr., Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Sloan, Sloop, Suellentrop, Sutton, Swanson, Thimesch, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, Weigel, Whipple, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Dillmore, Edmonds, Frownfelter, Osterman, Peterson, Sawyer.

The bill passed, as amended.

Sub SB 57, AN ACT concerning agriculture; relating to animal health; poultry improvement; domesticated deer; amending K.S.A. 2012 Supp. 2-907 and 47-2101 and repealing the existing sections; also repealing K.S.A. 2012 Supp. 47-650, 47-651, 47-653, 47-653d, 47-653e, 47-653f, 47-653g, 47-653h, 47-654, 47-655, 47-666, 47-667, 47-672 and 47-2101a, was considered on final action.

On roll call, the vote was: Yeas 79; Nays 40; Present but not voting: 0; Absent or not voting: 6.

Yeas: Alcalá, Alford, Ballard, Barker, Becker, Bideau, Boldra, Bollier, Bruchman, Carlin, Carlson, Carpenter, Cassidy, Christmann, Clayton, Concannon, Corbet, Crum, Davis, Dierks, Doll, Dove, Esau, Ewy, Finch, Finney, Gandhi, Goico, Gonzalez, Hawkins, Henderson, Hermanson, Hibbard, Highland, Hill, Hineman, Hoffman, Houston, Jennings, Johnson, Kelly, Kinzer, Kleeb, Lane, Lunn, Meigs, Merrick, Montgomery, Moxley, O'Brien, Perry, Petty, Phillips, Proehl, Read, Rhoades, Rooker, Rothlisberg, Ryckman Jr., Ryckman Sr., Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Sloan, Swanson, Thimesch, Tietze, Todd, Trimmer, Vickrey, Victors, Waymaster, Weber, Weigel, Wilson, Wolfe Moore.

Nays: Bradford, Bridges, Brunk, Burroughs, Couture-Lovelady, Campbell, Claeyes, DeGraaf, Edwards, Garber, Grant, Grosserode, Hedke, Henry, Hildabrand, Houser, Howell, Huebert, Hutton, Jones, Kahrs, Kelley, Kuether, Lusk, Macheers, Mast, McPherson, Meier, Menghini, Pauls, Peck, Powell, Rubin, Ruiz, Sloop, Suellentrop, Sutton, Ward, Whipple, Winn.

Present but not voting: None.

Absent or not voting: Dillmore, Edmonds, Frownfelter, Osterman, Peterson, Sawyer.

The substitute bill passed, as amended.

SB 59, AN ACT concerning the attorney general; relating to payment of reward for persons providing certain information, was considered on final action.

On roll call, the vote was: Yeas 119; Nays 0; Present but not voting: 0; Absent or not voting: 6.

Yeas: Alcalá, Alford, Ballard, Barker, Becker, Bideau, Boldra, Bollier, Bradford, Bridges, Bruchman, Brunk, Burroughs, Couture-Lovelady, Campbell, Carlin, Carlson, Carpenter, Cassidy, Christmann, Claeyes, Clayton, Concannon, Corbet, Crum, Davis, DeGraaf, Dierks, Doll, Dove, Edwards, Esau, Ewy, Finch, Finney, Gandhi, Garber, Goico, Gonzalez, Grant, Grosserode, Hawkins, Hedke, Henderson, Henry, Hermanson, Hibbard, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Howell,

Huebert, Hutton, Jennings, Johnson, Jones, Kahrs, Kelley, Kelly, Kinzer, Kleeb, Kuether, Lane, Lunn, Lusk, Macheers, Mast, McPherson, Meier, Meigs, Menghini, Merrick, Montgomery, Moxley, O'Brien, Pauls, Peck, Perry, Petty, Phillips, Powell, Proehl, Read, Rhoades, Rooker, Rothlisberg, Rubin, Ruiz, Ryckman Jr., Ryckman Sr., Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Sloan, Sloop, Suellentrop, Sutton, Swanson, Thimesch, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, Weigel, Whipple, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Dillmore, Edmonds, Frownfelter, Osterman, Peterson, Sawyer.

The bill passed.

SB 81, AN ACT concerning open records; relating to requests for criminal justice information; public officials' identifying information; amending K.S.A. 2012 Supp. 45-220 and 45-221 and repealing the existing sections; also repealing K.S.A. 2012 Supp. 45-221j and 45-221k, was considered on final action.

On roll call, the vote was: Yeas 119; Nays 0; Present but not voting: 0; Absent or not voting: 6.

Yeas: Alcalá, Alford, Ballard, Barker, Becker, Bideau, Boldra, Bollier, Bradford, Bridges, Bruchman, Brunk, Burroughs, Couture-Lovelady, Campbell, Carlin, Carlson, Carpenter, Cassidy, Christmann, Claeys, Clayton, Concannon, Corbet, Crum, Davis, DeGraaf, Dierks, Doll, Dove, Edwards, Esau, Ewy, Finch, Finney, Gandhi, Garber, Goico, Gonzalez, Grant, Grosserode, Hawkins, Hedke, Henderson, Henry, Hermanson, Hibbard, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Howell, Huebert, Hutton, Jennings, Johnson, Jones, Kahrs, Kelley, Kelly, Kinzer, Kleeb, Kuether, Lane, Lunn, Lusk, Macheers, Mast, McPherson, Meier, Meigs, Menghini, Merrick, Montgomery, Moxley, O'Brien, Pauls, Peck, Perry, Petty, Phillips, Powell, Proehl, Read, Rhoades, Rooker, Rothlisberg, Rubin, Ruiz, Ryckman Jr., Ryckman Sr., Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Sloan, Sloop, Suellentrop, Sutton, Swanson, Thimesch, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, Weigel, Whipple, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Dillmore, Edmonds, Frownfelter, Osterman, Peterson, Sawyer.

The bill passed, as amended.

SB 102, AN ACT concerning the office of the state treasurer; relating to daily deposits; amending K.S.A. 75-3727a and K.S.A. 2012 Supp. 75-4203 and repealing the existing sections, was considered on final action.

On roll call, the vote was: Yeas 119; Nays 0; Present but not voting: 0; Absent or not voting: 6.

Yeas: Alcalá, Alford, Ballard, Barker, Becker, Bideau, Boldra, Bollier, Bradford, Bridges, Bruchman, Brunk, Burroughs, Couture-Lovelady, Campbell, Carlin, Carlson, Carpenter, Cassidy, Christmann, Claeys, Clayton, Concannon, Corbet, Crum, Davis, DeGraaf, Dierks, Doll, Dove, Edwards, Esau, Ewy, Finch, Finney, Gandhi, Garber, Goico, Gonzalez, Grant, Grosserode, Hawkins, Hedke, Henderson, Henry, Hermanson, Hibbard, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Howell, Huebert, Hutton, Jennings, Johnson, Jones, Kahrs, Kelley, Kelly, Kinzer, Kleeb,

Kuether, Lane, Lunn, Lusk, Macheers, Mast, McPherson, Meier, Meigs, Menghini, Merrick, Montgomery, Moxley, O'Brien, Pauls, Peck, Perry, Petty, Phillips, Powell, Proehl, Read, Rhoades, Rooker, Rothlisberg, Rubin, Ruiz, Ryckman Jr., Ryckman Sr., Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Sloan, Sloop, Suellentrop, Sutton, Swanson, Thimesch, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, Weigel, Whipple, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Dillmore, Edmonds, Frownfelter, Osterman, Peterson, Sawyer.

The bill passed, as amended.

SB 120, AN ACT concerning agriculture; enacting the Kansas farmers' market promotion act, was considered on final action.

On roll call, the vote was: Yeas 68; Nays 51; Present but not voting: 0; Absent or not voting: 6.

Yeas: Alford, Barker, Becker, Bideau, Boldra, Bollier, Bruchman, Brunk, Burroughs, Carlson, Carpenter, Cassidy, Clayton, Concannon, Crum, Davis, Dierks, Doll, Dove, Ewy, Finch, Gandhi, Goico, Gonzalez, Grosserode, Hermanson, Hibbard, Highland, Hill, Hineman, Hoffman, Houser, Huebert, Jennings, Johnson, Kelly, Kleeb, Lunn, Lusk, Macheers, Meier, Meigs, Merrick, Montgomery, Moxley, O'Brien, Perry, Phillips, Proehl, Read, Rooker, Rothlisberg, Rubin, Ryckman Sr., Schroeder, Schwab, Schwartz, Shultz, Siegfried, Sloan, Sutton, Swanson, Thimesch, Trimmer, Vickrey, Waymaster, Wilson, Wolfe Moore.

Nays: Alcalá, Ballard, Bradford, Bridges, Couture-Lovelady, Campbell, Carlin, Christmann, Claeys, Corbet, DeGraaf, Edwards, Esau, Finney, Garber, Grant, Hawkins, Hedke, Henderson, Henry, Hildabrand, Houston, Howell, Hutton, Jones, Kahrs, Kelley, Kinzer, Kuether, Lane, Mast, McPherson, Menghini, Pauls, Peck, Petty, Powell, Rhoades, Ruiz, Ryckman Jr., Seiwert, Sloop, Suellentrop, Tietze, Todd, Victors, Ward, Weber, Weigel, Whipple, Winn.

Present but not voting: None.

Absent or not voting: Dillmore, Edmonds, Frownfelter, Osterman, Peterson, Sawyer.

The bill passed, as amended.

MOTIONS TO CONCUR AND NONCONCUR

On motion of Rep. Proehl, the House nonconcurred in Senate amendments to **HB 2009** and asked for a conference.

Speaker Merrick thereupon appointed Reps. Proehl, Ryckman Sr. and Perry as conferees on the part of the House.

On motion of Rep. Hedke, the House concurred in Senate amendments to **HB 2305**, AN ACT concerning the Kansas storage tank act; relating to secondary containment of underground storage tanks; amending K.S.A. 2012 Supp. 65-34,102 and 65-34,103 and repealing the existing sections.

On roll call, the vote was: Yeas 119; Nays 0; Present but not voting: 0; Absent or not voting: 6.

Yeas: Alcalá, Alford, Ballard, Barker, Becker, Bideau, Boldra, Bollier, Bradford, Bridges, Bruchman, Brunk, Burroughs, Couture-Lovelady, Campbell, Carlin, Carlson,

Carpenter, Cassidy, Christmann, Claeys, Clayton, Concannon, Corbet, Crum, Davis, DeGraaf, Dierks, Doll, Dove, Edwards, Esau, Ewy, Finch, Finney, Gandhi, Garber, Goico, Gonzalez, Grant, Grosserode, Hawkins, Hedke, Henderson, Henry, Hermanson, Hibbard, Highland, Hildabrand, Hill, Hineman, Hoffman, Houser, Houston, Howell, Huebert, Hutton, Jennings, Johnson, Jones, Kahrs, Kelley, Kelly, Kinzer, Kleeb, Kuether, Lane, Lunn, Lusk, Macheers, Mast, McPherson, Meier, Meigs, Menghini, Merrick, Montgomery, Moxley, O'Brien, Pauls, Peck, Perry, Petty, Phillips, Powell, Proehl, Read, Rhoades, Rooker, Rothlisberg, Rubin, Ruiz, Ryckman Jr., Ryckman Sr., Schroeder, Schwab, Schwartz, Seiwert, Shultz, Siegfried, Sloan, Sloop, Suellentrop, Sutton, Swanson, Thimesch, Tietze, Todd, Trimmer, Vickrey, Victors, Ward, Waymaster, Weber, Weigel, Whipple, Wilson, Winn, Wolfe Moore.

Nays: None.

Present but not voting: None.

Absent or not voting: Dillmore, Edmonds, Frownfelter, Osterman, Peterson, Sawyer.

On motion of Rep. Vickrey, the House resolved into the Committee of the Whole, with Rep. Johnson in the chair.

COMMITTEE OF THE WHOLE

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

Recommended that committee report to **HB 2381** be adopted; and the bill be passed as amended.

REPORTS OF STANDING COMMITTEES

Committee on **Commerce, Labor and Economic Development** recommends **SB 37** be passed.

Committee on **Commerce, Labor and Economic Development** recommends **SB 149** be amended on page 12, by striking all in lines 42 and 43;

On page 13, by striking all in lines 1 through 9;

On page 15, in line 26, by striking all after "(1)"; by striking all in lines 27 and 28; in line 29, by striking "(2)"; and by renumbering remaining subparagraphs accordingly;

On page 28, by striking all in lines 2 through 12; and the bill be passed as amended.

Committee on **Commerce, Labor and Economic Development** recommends **SB 187** be amended on page 1, in line 10, after "include" by inserting a comma; also in line 10 after "to" by inserting a comma;

On page 4, in line 29, by striking "75%" and inserting "85%";

On page 5, in line 11, after "the" by inserting "workers compensation appeals"; in line 33, by striking "(i)(1)" and inserting "(l)(1)";

On page 7, in line 9, by striking ", except as provided for the first"; in line 10, by striking "members appointed to the board under subsection (f)"; in line 34, by striking "board" and inserting "and employment security boards";

On page 9, in line 3, after "the" by inserting "workers compensation and employment security boards";

On page 10, in line 35, after the second "the" by inserting "employment security";

On page 11, in line 22, after "the" by inserting "employment security"; in line 37, by

striking "a" and inserting "an employment security";

On page 12, in line 26, after "the" by inserting "workers compensation and employment security boards"; in line 28, after "the" by inserting "employment security"; in line 35, by striking "board" and inserting "employment security board of review"; in line 38, by striking "board"; also in line 38, after "member" by inserting "of the employment security board of review"; in line 39, after "the" by inserting "employment security";

On page 13, in line 3, by striking "board" and inserting "employment security board of review"; in line 10, by striking "board" and inserting "employment security board of review"; in line 17, by striking "board" and inserting "employment security board of review"; in line 27, by striking "board" and inserting "employment security board of review"; in line 34, by striking "board" and inserting "employment security board of review";

On page 14, in line 5, by striking "board" and inserting "employment security board of review"; in line 8, by striking the second "the" and inserting "such"; in line 11, by striking "the" and inserting "such"; in line 16, after "the" by inserting "employment security"; in line 24, by striking "board" and inserting "employment security board of review"; following line 35, by inserting:

"Sec. 4. K.S.A. 2012 Supp. 44-508 is hereby amended to read as follows: 44-508. As used in the workers compensation act:

(a) "Employer" includes: (1) Any person or body of persons, corporate or unincorporated, and the legal representative of a deceased employer or the receiver or trustee of a person, corporation, association or partnership; (2) the state or any department, agency or authority of the state, any city, county, school district or other political subdivision or municipality or public corporation and any instrumentality thereof; and (3) for the purposes of community service work, the entity for which the community service work is being performed and the governmental agency which assigned the community service work, if any, if either such entity or such governmental agency has filed a written statement of election with the director to accept the provisions under the workers compensation act for persons performing community service work and in such case such entity and such governmental agency shall be deemed to be the joint employer of the person performing the community service work and both shall have the rights, liabilities and immunities provided under the workers compensation act for an employer with regard to the community service work, except that the liability for providing benefits shall be imposed only on the party which filed such election with the director, or on both if both parties have filed such election with the director; for purposes of community service work, "governmental agency" shall not include any court or any officer or employee thereof and any case where there is deemed to be a "joint employer" shall not be construed to be a case of dual or multiple employment.

(b) "Workman" or "employee" or "worker" means any person who has entered into the employment of or works under any contract of service or apprenticeship with an employer. Such terms shall include, but not be limited to: Executive officers of corporations; professional athletes; persons serving on a volunteer basis as duly authorized law enforcement officers, attendants, as defined in subsection ~~(d)~~ (f) of K.S.A. 65-6112, and amendments thereto, drivers of ambulances as defined in subsection ~~(b)~~ (d) of K.S.A. 65-6112, and amendments thereto, firefighters, but only to

the extent and during such periods as they are so serving in such capacities; persons employed by educational, religious and charitable organizations, but only to the extent and during the periods that they are paid wages by such organizations; persons in the service of the state, or any department, agency or authority of the state, any city, school district, or other political subdivision or municipality or public corporation and any instrumentality thereof, under any contract of service, express or implied, and every official or officer thereof, whether elected or appointed, while performing official duties; persons in the service of the state as volunteer members of the Kansas department of civil air patrol, but only to the extent and during such periods as they are officially engaged in the performance of functions specified in K.S.A. 48-3302, and amendments thereto; volunteers in any employment, if the employer has filed an election to extend coverage to such volunteers; minors, whether such minors are legally or illegally employed; and persons performing community service work, but only to the extent and during such periods as they are performing community service work and if an election has been filed an election to extend coverage to such persons. Any reference to an employee who has been injured shall, where the employee is dead, include a reference to the employee's dependents, to the employee's legal representatives, or, if the employee is a minor or an incapacitated person, to the employee's guardian or conservator. Unless there is a valid election in effect which has been filed as provided in K.S.A. 44-542a, and amendments thereto, such terms shall not include individual employers, limited liability company members, partners or self-employed persons.

(c) (1) "Dependents" means such members of the employee's family as were wholly or in part dependent upon the employee at the time of the accident or injury.

(2) "Members of a family" means only surviving legal spouse and children; or if no surviving legal spouse or children, then parents or grandparents; or if no parents or grandparents, then grandchildren; or if no grandchildren, then brothers and sisters. In the meaning of this section, parents include stepparents, children include stepchildren, grandchildren include stepgrandchildren, brothers and sisters include stepbrothers and stepsisters, and children and parents include that relation by legal adoption. In the meaning of this section, a surviving spouse shall not be regarded as a dependent of a deceased employee or as a member of the family, if the surviving spouse shall have for more than six months willfully or voluntarily deserted or abandoned the employee prior to the date of the employee's death.

(3) "Wholly dependent child or children" means:

(A) A birth child or adopted child of the employee except such a child whose relationship to the employee has been severed by adoption;

(B) a stepchild of the employee who lives in the employee's household;

(C) any other child who is actually dependent in whole or in part on the employee and who is related to the employee by marriage or consanguinity; or

(D) any child as defined in subsection (c)(3)(A), (3)(B) or (3)(C) who is less than 23 years of age and who is not physically or mentally capable of earning wages in any type of substantial and gainful employment or who is a full-time student attending an accredited institution of higher education or vocational education.

(d) "Accident" means an undesigned, sudden and unexpected traumatic event, usually of an afflictive or unfortunate nature and often, but not necessarily, accompanied by a manifestation of force. An accident shall be identifiable by time and place of occurrence, produce at the time symptoms of an injury, and occur during a

single work shift. The accident must be the prevailing factor in causing the injury. "Accident" shall in no case be construed to include repetitive trauma in any form.

(e) "Repetitive trauma" refers to cases where an injury occurs as a result of repetitive use, cumulative traumas or microtraumas. The repetitive nature of the injury must be demonstrated by diagnostic or clinical tests. The repetitive trauma must be the prevailing factor in causing the injury. "Repetitive trauma" shall in no case be construed to include occupational disease, as defined in K.S.A. 44-5a01, and amendments thereto.

In the case of injury by repetitive trauma, the date of injury shall be the earliest of:

(1) The date the employee, while employed for the employer against whom benefits are sought, is taken off work by a physician due to the diagnosed repetitive trauma;

(2) the date the employee, while employed for the employer against whom benefits are sought, is placed on modified or restricted duty by a physician due to the diagnosed repetitive trauma;

(3) the date the employee, while employed for the employer against whom benefits are sought, is advised by a physician that the condition is work-related; or

(4) the last day worked, if the employee no longer works for the employer against whom benefits are sought.

In no case shall the date of accident be later than the last date worked.

(f) (1) "Personal injury" and "injury" mean any lesion or change in the physical structure of the body, causing damage or harm thereto. Personal injury or injury may occur only by accident, repetitive trauma or occupational disease as those terms are defined.

(2) An injury is compensable only if it arises out of and in the course of employment. An injury is not compensable because work was a triggering or precipitating factor. An injury is not compensable solely because it aggravates, accelerates or exacerbates a preexisting condition or renders a preexisting condition symptomatic.

(A) An injury by repetitive trauma shall be deemed to arise out of employment only if:

(i) The employment exposed the worker to an increased risk or hazard which the worker would not have been exposed in normal non-employment life;

(ii) the increased risk or hazard to which the employment exposed the worker is the prevailing factor in causing the repetitive trauma; and

(iii) the repetitive trauma is the prevailing factor in causing both the medical condition and resulting disability or impairment.

(B) An injury by accident shall be deemed to arise out of employment only if:

(i) There is a causal connection between the conditions under which the work is required to be performed and the resulting accident; and

(ii) the accident is the prevailing factor causing the injury, medical condition, and resulting disability or impairment.

(3) (A) The words "arising out of and in the course of employment" as used in the workers compensation act shall not be construed to include:

(i) Injury which occurred as a result of the natural aging process or by the normal activities of day-to-day living;

(ii) accident or injury which arose out of a neutral risk with no particular employment or personal character;

- (iii) accident or injury which arose out of a risk personal to the worker; or
- (iv) accident or injury which arose either directly or indirectly from idiopathic causes.

(B) The words "arising out of and in the course of employment" as used in the workers compensation act shall not be construed to include injuries to the employee occurring while the employee is on the way to assume the duties of employment or after leaving such duties, the proximate cause of which injury is not the employer's negligence. An employee shall not be construed as being on the way to assume the duties of employment or having left such duties at a time when the worker is on the premises owned or under the exclusive control of the employer or on the only available route to or from work which is a route involving a special risk or hazard connected with the nature of the employment that is not a risk or hazard to which the general public is exposed and which is a route not used by the public except in dealings with the employer. An employee shall not be construed as being on the way to assume the duties of employment, if the employee is a provider of emergency services responding to an emergency.

(C) The words, "arising out of and in the course of employment" as used in the workers compensation act shall not be construed to include injuries to employees while engaged in recreational or social events under circumstances where the employee was under no duty to attend and where the injury did not result from the performance of tasks related to the employee's normal job duties or as specifically instructed to be performed by the employer.

(g) "Prevailing" as it relates to the term "factor" means the primary factor, in relation to any other factor. In determining what constitutes the "prevailing factor" in a given case, the administrative law judge shall consider all relevant evidence submitted by the parties.

(h) "Burden of proof" means the burden of a party to persuade the trier of facts by a preponderance of the credible evidence that such party's position on an issue is more probably true than not true on the basis of the whole record unless a higher burden of proof is specifically required by this act.

(i) "Director" means the director of workers compensation as provided for in K.S.A. 75-5708, and amendments thereto.

(j) "Health care provider" means any person licensed, by the proper licensing authority of this state, another state or the District of Columbia, to practice medicine and surgery, osteopathy, chiropractic, dentistry, optometry, podiatry, audiology or psychology.

(k) "Secretary" means the secretary of labor.

(l) "Construction design professional" means any person who is an architect, professional engineer, landscape architect or land surveyor who has been issued a license by the state board of technical professions to practice such technical profession in Kansas or any corporation organized to render professional services through the practice of one or more of such technical professions in Kansas under the professional corporation law of Kansas or any corporation issued a certificate of authorization under K.S.A. 74-7036, and amendments thereto, to practice one or more of such technical professions in Kansas.

(m) "Community service work" means: (1) Public or community service performed as a result of a contract of diversion or of assignment to a community corrections

program or conservation camp or suspension of sentence or as a condition of probation or in lieu of a fine imposed by court order; or (2) public or community service or other work performed as a requirement for receipt of any kind of public assistance in accordance with any program administered by the secretary of social and rehabilitation services.

(n) "Utilization review" means the initial evaluation of appropriateness in terms of both the level and the quality of health care and health services provided a patient, based on accepted standards of the health care profession involved. Such evaluation is accomplished by means of a system which identifies the utilization of health care services above the usual range of utilization for such services, which is based on accepted standards of the health care profession involved, and which refers instances of possible inappropriate utilization to the director for referral to a peer review committee.

(o) "Peer review" means an evaluation by a peer review committee of the appropriateness, quality and cost of health care and health services provided a patient, which is based on accepted standards of the health care profession involved and which is conducted in conjunction with utilization review.

(p) "Peer review committee" means a committee composed of health care providers licensed to practice the same health care profession as the health care provider who rendered the health care services being reviewed.

(q) "Group-funded self-insurance plan" includes each group-funded workers compensation pool, which is authorized to operate in this state under K.S.A. 44-581 through 44-592, and amendments thereto, each municipal group-funded pool under the Kansas municipal group-funded pool act which is covering liabilities under the workers compensation act, and any other similar group-funded or pooled plan or arrangement that provides coverage for employer liabilities under the workers compensation act and is authorized by law.

(r) On and after the effective date of this act, "workers compensation board" or "board" means the workers compensation appeals board established under K.S.A. 44-555c, and amendments thereto.

(s) "Usual charge" means the amount most commonly charged by health care providers for the same or similar services.

(t) "Customary charge" means the usual rates or range of fees charged by health care providers in a given locale or area.

(u) "Functional impairment" means the extent, expressed as a percentage, of the loss of a portion of the total physiological capabilities of the human body as established by competent medical evidence and based on the fourth edition of the American medical association guides to the evaluation of impairment, if the impairment is contained therein.

(v) "Authorized treating physician" means a licensed physician or other health care provider authorized by the employer or insurance carrier or both, or appointed pursuant to court-order to provide those medical services deemed necessary to diagnose and treat an injury arising out of and in the course of employment.

(w) "Mail" means the use of the United States postal service or other land based delivery service or transmission by electronic means, including delivery by fax, e-mail or other electronic delivery method designated by the director of workers compensation.

Sec. 5. K.S.A. 44-510j is hereby amended to read as follows: 44-510j. When an employer's insurance carrier or a self-insured employer disputes all or a portion of a bill

for services rendered for the care and treatment of an employee under this act, the following procedures apply:

(a) (1) The employer or carrier shall notify the service provider within 30 days of receipt of the bill of the specific reason for refusing payment or adjusting the bill. Such notice shall inform the service provider that additional information may be submitted with the bill and reconsideration of the bill may be requested. The provider shall send any request for reconsideration within 30 days of receiving written notice of the bill dispute. If the employer or carrier continues to dispute all or a portion of the bill after receiving additional information from the provider, the employer, carrier or provider may apply for an informal hearing before the director.

(2) If a provider sends a bill to such employer or carrier and receives no response within 30 days as allowed in subsection (a) and if a provider sends a second bill and receives no response within 60 days of the date the provider sent the first bill, the provider may apply for an informal hearing before the director.

(3) Payments shall not be delayed beyond 60 days for any amounts not in dispute. Acceptance by any provider of a payment amount which is less than the full amount charged for the services shall not affect the right to have a review of the claim for the outstanding or remaining amounts.

(b) The application for informal hearing shall include copies of the disputed bills, all correspondence concerning the bills and any additional written information the party deems appropriate. When anyone applies for an informal hearing before the director, copies of the application shall be sent to all parties to the dispute and the employee. Within 20 days of receiving the application for informal hearing, the other parties to the dispute shall send any additional written information deemed relevant to the dispute to the director.

(c) The director or the director's designee shall hold the informal hearing to hear and determine all disputes as to such bills and interest due thereon. Evidence in the informal hearing shall be limited to the written submissions of the parties. The informal hearing may be held by electronic means. Any employer, carrier or provider may personally appear in or be represented at the hearing. If the parties are unable to reach a settlement regarding the dispute, the officer hearing the dispute shall enter an order so stating.

(d) After the entry of the order indicating that the parties have not settled the dispute after the informal hearing, the director shall schedule a formal hearing.

(1) Prior to the date of the formal hearing, the director may conduct a utilization review concerning the disputed bill. The director shall develop and implement, or contract with a qualified entity to develop and implement, utilization review procedures relating to the services rendered by providers and facilities, which services are paid for in whole or in part pursuant to the workers compensation act. The director may contract with one or more private foundations or organizations to provide utilization review of service providers pursuant to the workers compensation act. Such utilization review shall result in a report to the director indicating whether a provider improperly utilized or otherwise rendered or ordered unjustified treatment or services or that the fees for such treatment or services were excessive and a statement of the basis for the report's conclusions. After receiving the utilization review report, the director also may order a peer review. A copy of such reports shall be provided to all parties to the dispute at least 20 days prior to the formal hearing. No person shall be subject to civil liability for libel,

slander or any other relevant tort cause of action by virtue of performing a peer or utilization review under contract with the director.

(2) The formal hearing shall be conducted by hearing officers, the medical administrator or both as appointed by the director. During the formal hearing parties to the dispute shall have the right to appear or be represented and may produce witnesses, including expert witnesses, and such other relevant evidence as may be otherwise allowed under the workers compensation act. If the director finds that a provider or facility has made excessive charges or provided or ordered unjustified treatment, services, hospitalization or visits, the provider or facility may, subject to the director's order, receive payment pursuant to this section from the carrier, employer or employee for the excessive fees or unjustified treatment, services, hospitalization or visits and such provider may be ordered to repay any fees or charges collected therefor. If it is determined after the formal hearing that a provider improperly utilized or otherwise rendered or ordered unjustified treatment or services or that the fees for such treatment or services were excessive, the director may provide a report to the licensing board of the service provider with full documentation of any such determination, except that no such report shall be provided until after judicial review if the order is appealed. Any decision rendered under this section may be reviewed by the workers compensation appeals board. A party must file a notice of appeal within 10 days of the issuance of any decision under this section. The record on appeal shall be limited only to the evidence presented to the hearing officer. The decision of the director shall be affirmed unless the board determines that the decision was not supported by substantial competent evidence.

(e) By accepting payment pursuant to this section for treatment or services rendered to an injured employee, the provider shall be deemed to consent to submitting all necessary records to substantiate the nature and necessity of the service or charge and other information concerning such treatment to utilization review under this section. Such health care provider shall comply with any decision of the director pursuant to this section.

(f) Except as provided in K.S.A. 60-437, and amendments thereto, and this section, findings and records which relate to utilization and peer review conducted pursuant to this section shall be privileged and shall not be subject to discovery, subpoena or other means of legal compulsion for release to any person or entity and shall not be admissible in evidence in any judicial or administrative proceeding, except those proceedings authorized pursuant to this section. In any proceedings where there is an application by an employee, employer, insurance carrier or the workers compensation fund for a hearing pursuant to K.S.A. 44-534a, and amendments thereto, for a change of medical benefits which has been filed after a health care provider, employer, insurance carrier or the workers compensation fund has made application to the medical services section of the division for the resolution of a dispute or matter pursuant to the provisions of this section, all reports, information, statements, memoranda, proceedings, findings and records which relate to utilization and peer review including the records of contract reviewers and findings and records of the medical services section of the division shall be admissible at the hearing before the administrative law judge on the issue of the medical benefits to which an employee is entitled.

(g) A provider may not improperly overcharge or charge for services which were not provided for the purpose of obtaining additional payment. Any dispute regarding

such actions shall be resolved in the same manner as other bill disputes as provided by this section. Any violation of the provisions of this section or K.S.A. 44-510i, and amendments thereto, which is willful or which demonstrates a pattern of improperly charging or overcharging for services rendered pursuant to this act constitutes grounds for the director to impose a civil fine not to exceed \$5,000. Any civil fine imposed under this section shall be subject to review by the board. All moneys received for civil fines imposed under this section shall be deposited in the state treasury to the credit of the workers compensation fund.

(h) Any health care provider, nurse, physical therapist, any entity providing medical, physical or vocational rehabilitation services or providing reeducation or training pursuant to K.S.A. 44-510g, and amendments thereto, medical supply establishment, surgical supply establishment, ambulance service or hospital which accept the terms of the workers compensation act by providing services or material thereunder shall be bound by the fees approved by the director and no injured employee or dependent of a deceased employee shall be liable for any charges above the amounts approved by the director. If the employer has knowledge of the injury and refuses or neglects to reasonably provide the services of a health care provider required by this act, the employee may provide the same for such employee, and the employer shall be liable for such expenses subject to the regulations adopted by the director. No action shall be filed in any court by a health care provider or other provider of services under this act for the payment of an amount for medical services or materials provided under the workers compensation act and no other action to obtain or attempt to obtain or collect such payment shall be taken by a health care provider or other provider of services under this act, including employing any collection service, until after final adjudication of any claim for compensation for which an application for hearing is filed with the director under K.S.A. 44-534, and amendments thereto. In the case of any such action filed in a court prior to the date an application is filed under K.S.A. 44-534, and amendments thereto, no judgment may be entered in any such cause and the action shall be stayed until after the final adjudication of the claim. In the case of an action stayed hereunder, any award of compensation shall require any amounts payable for medical services or materials to be paid directly to the provider thereof plus an amount of interest at the rate provided by statute for judgments. No period of time under any statute of limitation, which applies to a cause of action barred under this subsection, shall commence or continue to run until final adjudication of the claim under the workers compensation act.

(i) As used in this section, unless the context or the specific provisions clearly require otherwise, "carrier" means a self-insured employer, an insurance company or a qualified group-funded workers compensation pool and "provider" means any health care provider, vocational rehabilitation service provider or any facility providing health care services or vocational rehabilitation services, or both, including any hospital.

Sec. 6. K.S.A. 2012 Supp. 75-5708 is hereby amended to read as follows: 75-5708.

(a) There is hereby established within and as a part of the department of labor a division of workers compensation. The division shall be administered, under the supervision of the secretary of labor, by the director of workers compensation, who shall be the chief administrative officer of the division. The director of workers compensation shall be appointed by the secretary of labor and shall serve at the pleasure of the secretary. The director shall be in the unclassified service under the Kansas civil service act and shall

receive an annual salary fixed by the secretary of labor, with the approval of the governor. The director of workers compensation shall be an attorney admitted to practice law in the state of Kansas. The director shall devote full time to the duties of such office and shall not engage in the private practice of law during the director's term of office.

(b) The director of workers compensation may appoint two assistant directors of workers compensation. The secretary of labor may appoint not to exceed 10 administrative law judges. Such assistant directors shall be in the classified service. Such administrative law judges shall be in the unclassified service under the Kansas civil service act unless an administrative law judge elects to stay in the classified service under subsection (g) of K.S.A. 44-551, and amendments thereto. The assistant directors shall act for and exercise the powers of the director of workers compensation to the extent authority to do so is delegated by the director. The assistant directors and administrative law judges shall be attorneys admitted to practice law in the state of Kansas, and shall have such powers, duties and functions as are assigned to them by the director or are prescribed by law. The assistant directors and administrative law judges shall devote full time to the duties of their offices and shall not engage in the private practice of law during their terms of office.

(c) Assistant directors shall be selected by the director of workers compensation, with the approval of the secretary of labor. Except as otherwise provided under K.S.A. 44-551, and amendments thereto, on and after July 1, ~~2006~~ 2013, administrative law judges shall be selected by the administrative law judge nominating and review workers compensation and employment security boards nominating committee and appointed by the secretary of labor. Each assistant director and administrative law judge shall be subject to either dismissal or suspension of up to 30 days for any of the following:

- (1) Failure to conduct oneself in a manner appropriate to the appointee's professional capacity;
- (2) failure to perform duties as required by the workers compensation act; or
- (3) any reason set out for dismissal or suspension in the Kansas civil service act or rules and regulations adopted pursuant thereto.

No appointee shall be appointed, dismissed or suspended for political, religious or racial reasons or by reason of the appointee's sex.;

And by renumbering sections accordingly;

Also on page 14, in line 36, after "K.S.A." by inserting "44-510j and K.S.A."; also in line 36, after "Supp." by inserting "44-508,"; also in line 36, by striking "and 44-709" and inserting ", 44-709 and 75-5708";

On page 1, in the title, in line 4, after "K.S.A." by inserting "44-510j and K.S.A."; in line 4, after "Supp." by inserting "44-508,"; also in line 4, by striking "and 44-709" and inserting ", 44-709 and 75-5708"; and the bill be passed as amended.

Committee on **Corrections and Juvenile Justice** recommends **HB 2389; SB 142** be passed.

Committee on **Corrections and Juvenile Justice** recommends **SB 16** be amended on page 6, in line 17, after "supervision." by inserting "Notwithstanding any other provision of law, any person arrested and charged under this section shall not be released upon the person's own recognizance pursuant to K.S.A. 22-2802, and amendments thereto.;" and the bill be passed as amended.

Committee on **Corrections and Juvenile Justice** recommends **SB 167** be amended

by substituting a new bill to be designated as "House Substitute for SENATE BILL NO. 167," as follows:

"House Substitute for SENATE BILL NO. 167

By Committee on Corrections and Juvenile Justice

"AN ACT concerning the commissioner of juvenile justice; powers to establish new community based service alternatives to residential care; new residential services levels and establishment of performance measures."; and the substitute bill be passed.

(H Sub for SB 167 was thereupon introduced and read by title.)

Committee on **Education Budget** recommends **HB 2391** be passed.

Committee on **Education Budget** recommends **SB 23** be amended on page 1, following line 5, by inserting:

"Section 1. K.S.A. 2012 Supp. 72-978 is hereby amended to read as follows: 72-978. (a) Each year, the state board of education shall determine the amount of state aid for the provision of special education and related services each school district shall receive for the ensuing school year. The amount of such state aid shall be computed by the state board as provided in this section. The state board shall:

(1) Determine the total amount of general fund and local ~~option~~ operating budgets of all school districts;

(2) subtract from the amount determined in paragraph (1) the total amount attributable to assignment of transportation weighting, program weighting, special education weighting and at-risk pupil weighting to enrollment of all school districts;

(3) divide the remainder obtained in paragraph (2) by the total number of full-time equivalent pupils enrolled in all school districts on September 20;

(4) determine the total full-time equivalent enrollment of exceptional children receiving special education and related services provided by all school districts;

(5) multiply the amount of the quotient obtained in paragraph (3) by the full-time equivalent enrollment determined in paragraph (4);

(6) determine the amount of federal funds received by all school districts for the provision of special education and related services;

(7) determine the amount of revenue received by all school districts rendered under contracts with the state institutions for the provisions of special education and related services by the state institution;

(8) add the amounts determined under paragraphs (6) and (7) to the amount of the product obtained under paragraph (5);

(9) determine the total amount of expenditures of all school districts for the provision of special education and related services;

(10) subtract the amount of the sum obtained under paragraph (8) from the amount determined under paragraph (9); and

(11) multiply the remainder obtained under paragraph (10) by 92%.

The computed amount is the amount of state aid for the provision of special education and related services aid a school district is entitled to receive for the ensuing school year.

(b) Each school district shall be entitled to receive:

(1) Reimbursement for actual travel allowances paid to special teachers at not to exceed the rate specified under K.S.A. 75-3203, and amendments thereto, for each mile actually traveled during the school year in connection with duties in providing special education or related services for exceptional children; such reimbursement shall be

computed by the state board by ascertaining the actual travel allowances paid to special teachers by the school district for the school year and shall be in an amount equal to 80% of such actual travel allowances;

(2) reimbursement in an amount equal to 80% of the actual travel expenses incurred for providing transportation for exceptional children to special education or related services; such reimbursement shall not be paid if such child has been counted in determining the transportation weighting of the district under the provisions of the school district finance and quality performance act;

(3) reimbursement in an amount equal to 80% of the actual expenses incurred for the maintenance of an exceptional child at some place other than the residence of such child for the purpose of providing special education or related services; such reimbursement shall not exceed \$600 per exceptional child per school year; and

(4) (A) except for those school districts entitled to receive reimbursement under subsection (c) or (d), after subtracting the amounts of reimbursement under paragraphs (1), (2) and (3) of ~~this~~ subsection (a) from the total amount appropriated for special education and related services under this act, an amount which bears the same proportion to the remaining amount appropriated as the number of full-time equivalent special teachers who are qualified to provide special education or related services to exceptional children and are employed by the school district for approved special education or related services bears to the total number of such qualified full-time equivalent special teachers employed by all school districts for approved special education or related services.

(B) Each special teacher who is qualified to assist in the provision of special education or related services to exceptional children shall be counted as $\frac{2}{5}$ full-time equivalent special teacher who is qualified to provide special education or related services to exceptional children.

(C) For purposes of this paragraph (4), a special teacher, qualified to assist in the provision of special education and related services to exceptional children, who assists in providing special education and related services to exceptional children at either the state school for the blind or the state school for the deaf and whose services are paid for by a school district pursuant to K.S.A. 76-1006 or 76-1102, and amendments thereto, shall be considered a special teacher of such school district.

(c) Each school district which has paid amounts for the provision of special education and related services under an interlocal agreement shall be entitled to receive reimbursement under subsection (b)(4). The amount of such reimbursement for the district shall be the amount which bears the same relation to the aggregate amount available for reimbursement for the provision of special education and related services under the interlocal agreement, as the amount paid by such district in the current school year for provision of such special education and related services bears to the aggregate of all amounts paid by all school districts in the current school year who have entered into such interlocal agreement for provision of such special education and related services.

(d) Each contracting school district which has paid amounts for the provision of special education and related services as a member of a cooperative shall be entitled to receive reimbursement under subsection (b)(4). The amount of such reimbursement for the district shall be the amount which bears the same relation to the aggregate amount available for reimbursement for the provision of special education and related services

by the cooperative, as the amount paid by such district in the current school year for provision of such special education and related services bears to the aggregate of all amounts paid by all contracting school districts in the current school year by such cooperative for provision of such special education and related services.

(e) No time spent by a special teacher in connection with duties performed under a contract entered into by the Kansas juvenile correctional complex, the Atchison juvenile correctional facility, the Larned juvenile correctional facility, or the Topeka juvenile correctional facility and a school district for the provision of special education services by such state institution shall be counted in making computations under this section.

Sec. 2. K.S.A. 2012 Supp. 72-6409 is hereby amended to read as follows: 72-6409. (a) "General fund" means the fund of a district from which operating expenses are paid and in which is deposited the proceeds from the tax levied under K.S.A. 72-6431, and amendments thereto, all amounts of general state aid under this act, payments under K.S.A. 72-7105a, and amendments thereto, amounts transferred from the supplemental general fund to the general fund of a district in accordance with subsection (j)(5) of K.S.A. 72-6433, 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.

(b) "Operating expenses" means the total expenditures and lawful transfers from the general fund of a district during a school year for all purposes, except expenditures for the purposes specified in K.S.A. 72-6430, and amendments thereto.

(c) "General fund budget" means the amount budgeted for operating expenses in the general fund of a district.

(d) "Budget per pupil" means the general fund budget of a district divided by the enrollment of the district.

(e) "Program weighted fund" means and includes the following funds of a district: Vocational education fund, preschool-aged at-risk education fund and bilingual education fund.

(f) "Categorical fund" means and includes the following funds of a district: Special education fund, food service fund, driver training fund, adult education fund, adult supplementary education fund, area vocational school fund, professional development fund, parent education program fund, summer program fund, extraordinary school program fund, and educational excellence grant program fund.

Sec. 3. K.S.A. 2012 Supp. 72-6410 is hereby amended to read as follows: 72-6410. (a) "State financial aid" means an amount equal to the product obtained by multiplying base state aid per pupil by the adjusted enrollment of a district.

(b) (1) "Base state aid per pupil" means an amount of state financial aid per pupil. Subject to the other provisions of this subsection, the amount of base state aid per pupil is ~~\$4,433~~ \$4,264 in school year ~~2008-2009-2013-2014~~ and school year 2014-2015 and ~~\$4,492~~ in school year ~~2009-2010-2015-2016~~ and each school year thereafter.

(2) The amount of base state aid per pupil is subject to reduction commensurate with any reduction under K.S.A. 75-6704, and amendments thereto, in the amount of the appropriation from the state general fund for general state aid. If the amount of appropriations for general state aid is insufficient to pay in full the amount each district is entitled to receive for any school year, the amount of base state aid per pupil for such school year is subject to reduction commensurate with the amount of the insufficiency.

(c) "Local effort" means the sum of an amount equal to the proceeds from the tax levied under authority of K.S.A. 72-6431, and amendments thereto, and an amount transferred from the supplemental general fund to the general fund in accordance with subsection (j)(5) of K.S.A. 72-6433, and amendments thereto, and an amount equal to any unexpended and unencumbered balance remaining in the general fund of the district, except amounts received by the district and authorized to be expended for the purposes specified in K.S.A. 72-6430, and amendments thereto, and an amount equal to any unexpended and unencumbered balances remaining in the program weighted funds of the district, except any amount in the vocational education fund of the district if the district is operating an area vocational school, and 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 the repeal of such statutory sections, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district under the provisions of subsection (a) of K.S.A. 72-1046a, and amendments thereto, and an amount equal to the amount deposited in the general fund in the current school year from amounts received in such year by the district pursuant to contracts made and entered into under authority of K.S.A. 72-6757, and amendments thereto, and an amount equal to the amount credited to the general fund in the current school year from amounts distributed in such year to the district under the provisions of articles 17 and 34 of chapter 12 of Kansas Statutes Annotated, and amendments thereto, and under the provisions of articles 42 and 51 of chapter 79 of Kansas Statutes Annotated, and amendments thereto, and an amount equal to the amount of payments received by the district under the provisions of K.S.A. 72-979, and amendments thereto, and an amount equal to the amount of a grant, if any, received by the district under the provisions of K.S.A. 72-983, and amendments thereto, and an amount equal to 70% of the federal impact aid of the district.

(d) "Federal impact aid" means an amount equal to the federally qualified percentage of the amount of moneys a 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 defined herein as an amount equal to the federally qualified percentage of the amount of moneys provided for the district under title I of public law 874 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.

Sec. 4. K.S.A. 2012 Supp. 72-6415b is hereby amended to read as follows: 72-6415b. School facilities weighting may be assigned to enrollment of a district only if the district has adopted a local-option operating budget in an amount equal to at least 25% 22.5% for school year 2013-2014 and school year 2014-2015 and 25% for school year 2015-2016 and each school year thereafter of the amount of the state financial aid determined for the district in the current school year. School facilities weighting may be assigned to enrollment of the district only in the school year in which operation of a new school facility is commenced and in the next succeeding school year.";

Also on page 1, following line 35, by inserting:

" Sec. 6. K.S.A. 2012 Supp. 72-6433 is hereby amended to read as follows: 72-6433. (a) As used in this section:

(1) "State prescribed percentage" means 31% 17.9% for school year 2013-2014 and

school year 2014-2015 and 31% for school year 2015-2016 and each school year thereafter of state financial aid of the district in the current school year.

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

(b) (1) ~~In each school year 2013-2014 and school year 2014-2015, the board of any district may shall adopt a local option operating budget which does not exceed the state prescribed percentage, which shall be at least 10% but not more than 17% of the state financial aid of the district in the current school year.~~

(2) Subject to subsection (i), in school year 2013-2014 and school year 2014-2015, the board of any district may adopt a local operating budget in excess of 17% of the state financial aid of the district in the current school year. Such excess percentage shall be adopted by separate resolution.

(3) In school year 2015-2016 and each school year thereafter, the board of any district may adopt a local operating budget which does not exceed the state prescribed percentage.

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

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

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

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

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

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

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

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

RESOLUTION _____

Be It Resolved that:

The board of education of the above-named school district shall be authorized to adopt a local ~~option~~ operating budget in each school year in an amount not to exceed _____% of the amount of state financial aid. The local ~~option~~ operating budget

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

CERTIFICATE

This is to certify that the above resolution was duly adopted by the board of education of unified School District

No. _____, _____ County, Kansas, on the ____ day of _____,
_____.

Clerk of the board of education.

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

(e) Any resolution ~~authorizing the adoption of a local option budget in excess of 30% of the state financial aid of the district in the current school year adopted under subsection (b)(2) or (b)(3)~~ shall not become effective unless such resolution specifying the excess percentage has been submitted to and approved by a majority of the qualified electors of the school district voting at an election called and held thereon. The election shall be called and held in the manner provided by K.S.A. 10-120, and amendments thereto.

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

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

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

under the provisions of this section as amended by this act. Any such district shall operate under the provisions of this section as amended by this act after the period of time specified in the resolution has expired.

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

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

(2) Subject to the limitation imposed under ~~paragraph paragraphs~~ (3) and (5) and subsection (e) of K.S.A. 72-6434, and amendments thereto, amounts in the supplemental general fund may be expended for any purpose for which expenditures from the general fund are authorized or may be transferred to any program weighted fund or categorical fund of the district. Amounts in the supplemental general fund attributable to any percentage over 25% of state financial aid determined for the current school year may be transferred to the capital improvements fund of the district and the capital outlay fund of the district if such transfers are specified in the resolution authorizing the adoption of a local ~~option operating~~ budget in excess of 25%.

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

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

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

(5) (A) An amount equal to the product obtained by multiplying 10% of the base state aid per pupil by the adjusted enrollment of the district shall be transferred to the general fund of the district. Such amount shall be expended in the following manner and order of priority:

(i) (a) An amount equal to 10% of the state financial aid of the district directly attributable to at-risk pupils under K.S.A. 72-6414, and amendments thereto, and K.S.A. 2012 Supp. 72-6455 and 72-6459, and amendments thereto, shall be expended for at-risk assistance or programs in the district; and

(b) an amount equal to 10% of the state financial aid of the district directly attributable to bilingual education under subsection (a)(1) of K.S.A. 72-6413, and

amendments thereto, shall be expended for bilingual education programs in the district; and

(ii) the remainder of such moneys, if any, shall be expended for general operating expenses.

(B) For the purposes of determining the total amount of state moneys paid to school districts, all moneys transferred under this paragraph shall be deemed to be state moneys for educational and support services for school districts.

(C) This paragraph shall expire on June 30, 2015.

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

(l) For the purposes of this section, the term "local operating budget" means "local option budget" as that term was used prior to the amendment of this section by this act.

~~(m)~~ The provisions of this section shall be subject to the provisions of K.S.A. 2012 Supp. 72-6433d, and amendments thereto.

Sec. 7. K.S.A. 2012 Supp. 72-6433d is hereby amended to read as follows: 72-6433d. (a) (1) The provisions of this subsection shall apply in any school year in which the amount of base state aid per pupil is \$4,433 or less.

(2) The board of any school district may adopt a local ~~option operating~~ budget which does not exceed the local ~~option operating~~ budget calculated as if the base state aid per pupil was ~~\$4,433~~ \$4,926, or which does not exceed the local ~~option operating~~ budget as calculated pursuant to K.S.A. 72-6433, and amendments thereto, whichever is greater.

(b) The board of education of any school district may adopt a local ~~option operating~~ budget which does not exceed the local ~~option operating~~ budget calculated as if the district received state aid for special education and related services equal to the amount of state aid for special education and related services received in school year 2008-2009, or which does not exceed the local ~~option operating~~ budget as calculated pursuant to K.S.A. 72-6433, and amendments thereto, whichever is greater.

(c) The board of education of any school district may exercise the authority granted under subsection (a) or (b) or both subsections (a) and (b).

(d) To the extent that the provisions of K.S.A. 72-6433, and amendments thereto, conflict with this section, this section shall control.

(e) The provisions of this section shall expire on June 30, 2014.

Sec. 8. K.S.A. 2012 Supp. 72-6434 is hereby amended to read as follows: 72-6434. (a) In each school year, each district that has adopted a local ~~option operating~~ budget is eligible for entitlement to an amount of supplemental general state aid. Except as provided by K.S.A. 2012 Supp. 72-6434b, and amendments thereto, entitlement of a district to supplemental general state aid shall be determined by the state board as provided in this subsection. The state board shall:

(1) Determine the amount of the assessed valuation per pupil in the preceding school year of each district in the state;

(2) rank the districts from low to high on the basis of the amounts of assessed valuation per pupil determined under (1);

(3) identify the amount of the assessed valuation per pupil located at the 81.2 percentile of the amounts ranked under (2);

(4) divide the assessed valuation per pupil of the district in the preceding school

year by the amount identified under (3);

(5) subtract the ratio obtained under (4) from 1.0. If the resulting ratio equals or exceeds 1.0, the eligibility of the district for entitlement to supplemental general state aid shall lapse. If the resulting ratio is less than 1.0, the district is entitled to receive supplemental general state aid in an amount which shall be determined by the state board by multiplying the amount of the local ~~option~~ operating budget of the district by such ratio. The product is the amount of supplemental general state aid the district is entitled to receive for the school year.

(b) If the amount of appropriations for supplemental general state aid is less than the amount each district is entitled to receive for the school year, the state board shall prorate the amount appropriated among the districts in proportion to the amount each district is entitled to receive.

(c) The state board shall prescribe the dates upon which the distribution of payments of supplemental general state aid to school districts shall be due. Payments of supplemental general state aid shall be distributed to districts on the dates prescribed by the state board. The state board shall certify to the director of accounts and reports the amount due each district, and the director of accounts and reports shall draw a warrant on the state treasurer payable to the treasurer of the district. Upon receipt of the warrant, the treasurer of the district shall credit the amount thereof to the supplemental general fund of the district to be used for the purposes of such fund.

(d) If any amount of supplemental general state aid that is due to be paid during the month of June of a school year pursuant to the other provisions of this section is not paid on or before June 30 of such school year, then such payment shall be paid on or after the ensuing July 1, as soon as moneys are available therefor. Any payment of supplemental general state aid that is due to be paid during the month of June of a school year and that is paid to school districts on or after the ensuing July 1 shall be recorded and accounted for by school districts as a receipt for the school year ending on the preceding June 30.

(e) (1) Except as provided by paragraph (2), moneys received as supplemental general state aid shall be used to meet the requirements under the school performance accreditation system adopted by the state board, to provide programs and services required by law and to improve student performance.

(2) Amounts of supplemental general state aid attributable to any percentage over 25% of state financial aid determined for the current school year may be transferred to the capital improvements fund of the district and the capital outlay fund of the district if such transfers are specified in the resolution authorizing the adoption of a local ~~option~~ operating budget in excess of 25%.

(f) For the purposes of determining the total amount of state moneys paid to school districts, all moneys appropriated as supplemental general state aid shall be deemed to be state moneys for educational and support services for school districts.

Sec. 9. K.S.A. 2012 Supp. 72-6435 is hereby amended to read as follows: 72-6435.

(a) In each school year, the board of every district ~~that has adopted a local option budget~~ may shall levy an ad valorem tax on the taxable tangible property of the district for the purpose of: (1) Financing that portion of the district's local ~~option~~ operating budget which is not financed from any other source provided by law; (2) paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property

located within the district; and (3) funding transfers to the capital improvement fund of the district and the capital outlay fund of the district if such transfers are specified in the resolution authorizing the adoption of a ~~local-option~~ operating budget in excess of 25% of state financial aid determined for the current school year.

(b) The proceeds from the tax levied by a district under authority of this section, except the proceeds of such tax levied for the purpose of paying a portion of the principal and interest on bonds issued by cities under authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the district, shall be deposited in the supplemental general fund of the district.

(c) No district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments to such sections.

Sec. 10. K.S.A. 2012 Supp. 72-6441 is hereby amended to read as follows: 72-6441. (a) (1) The board of any district to which the provisions of this subsection apply may levy an ad valorem tax on the taxable tangible property of the district each year for a period of time not to exceed two years in an amount not to exceed the amount authorized by the state court of tax appeals under this subsection for the purpose of financing the costs incurred by the state that are directly attributable to assignment of ancillary school facilities weighting to enrollment of the district. The state court of tax appeals may authorize the district to make a levy which will produce an amount that is not greater than the difference between the amount of costs directly attributable to commencing operation of one or more new school facilities and the amount that is financed from any other source provided by law for such purpose, including any amount attributable to assignment of school facilities weighting to enrollment of the district for each school year in which the district is eligible for such weighting. If the district is not eligible, or will be ineligible, for school facilities weighting in any one or more years during the two-year period for which the district is authorized to levy a tax under this subsection, the state court of tax appeals may authorize the district to make a levy, in such year or years of ineligibility, which will produce an amount that is not greater than the actual amount of costs attributable to commencing operation of the facility or facilities.

(2) The state court of tax appeals shall certify to the state board of education the amount authorized to be produced by the levy of a tax under subsection (a).

(3) The state court of tax appeals may adopt rules and regulations necessary to effectuate the provisions of this subsection, including rules and regulations relating to the evidence required in support of a district's claim that the costs attributable to commencing operation of one or more new school facilities are in excess of the amount that is financed from any other source provided by law for such purpose.

(4) The provisions of this subsection apply to any district that: (A) Commenced operation of one or more new school facilities in the school year preceding the current school year or has commenced or will commence operation of one or more new school facilities in the current school year or any or all of the foregoing; (B) is authorized to adopt and has adopted a ~~local-option~~ operating budget which is at least equal to that amount required to qualify for school facilities weighting under K.S.A. 2012 Supp. 72-6415b, and amendments thereto; and (C) is experiencing extraordinary enrollment growth as determined by the state board of education.

(b) The board of any district that has levied an ad valorem tax on the taxable tangible property of the district each year for a period of two years under authority of

subsection (a) may continue to levy such tax under authority of this subsection each year for an additional period of time not to exceed three years in an amount not to exceed the amount computed by the state board of education as provided in this subsection if the board of the district determines that the costs attributable to commencing operation of one or more new school facilities are significantly greater than the costs attributable to the operation of other school facilities in the district. The tax authorized under this subsection may be levied at a rate which will produce an amount that is not greater than the amount computed by the state board of education as provided in this subsection. In computing such amount, the state board shall: (1) Determine the amount produced by the tax levied by the district under authority of subsection (a) in the second year for which such tax was levied and add to such amount the amount of general state aid directly attributable to school facilities weighting that was received by the district in the same year; (2) compute 75% of the amount of the sum obtained under (1), which computed amount is the amount the district may levy in the first year of the three-year period for which the district may levy a tax under authority of this subsection; (3) compute 50% of the amount of the sum obtained under (1), which computed amount is the amount the district may levy in the second year of the three-year period for which the district may levy a tax under authority of this subsection; and (4) compute 25% of the amount of the sum obtained under (1), which computed amount is the amount the district may levy in the third year of the three-year period for which the district may levy a tax under authority of this subsection.

In determining the amount produced by the tax levied by the district under authority of subsection (a), the state board shall include any moneys which have been apportioned to the ancillary facilities fund of the district from taxes levied under the provisions of K.S.A. 79-5101 et seq. and 79-5118 et seq., and amendments thereto.

(c) The proceeds from the tax levied by a district under authority of this section 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 state school district finance fund.

Sec. 11. K.S.A. 72-6444 is hereby amended to read as follows: 72-6444. (a) In each school year, commencing with the 1997-98 school year, the state board shall compute a district prescribed percentage for the purpose of determining the amount of a local ~~option operating~~ budget the board of a district to which the provisions of this section apply may adopt for the school year. The district prescribed percentage for each district to which the provisions of this section apply shall be computed by the state board as provided in this section. The state board shall:

(1) Determine the actual amount per pupil for the preceding school year of the general fund budget and the local ~~option operating~~ budget, if any, of each district;

(2) compute the average amount per pupil for the preceding school year of general fund budgets and local ~~option operating~~ budgets of districts with 75-125 enrollment in such school year;

(3) compute the average amount per pupil for the preceding school year of general fund budgets and local ~~option operating~~ budgets of districts with 200-399 enrollment in such school year;

(4) compute the average amount per pupil for the preceding school year of general fund budgets and local ~~option operating~~ budgets of districts with 1,800 or over

enrollment in such school year;

(5) compute an average amount per pupil for the preceding school year of general fund budgets and local ~~option~~ operating budgets of districts with 100-299.9 enrollment in such school year by preparing a schedule based upon an accepted mathematical formula and deriving an amount for each such district from a linear transition between the average amount per pupil computed under (2) and the average amount per pupil computed under (3);

(6) compute an average amount per pupil for the preceding school year of general fund budgets and local ~~option~~ operating budgets of districts with 300-1,799.9 enrollment in such school year by preparing a schedule based upon an accepted mathematical formula and deriving an amount for each such district from a linear transition between the average amount per pupil computed under (3) and the average amount per pupil computed under (4);

(7) for districts with 0-99.9 enrollment, compare the amount determined for the district under (1) to the average amount computed under (2). If the amount determined under (1) is equal to or greater than the average amount computed under (2), the provisions of this section do not apply to the district. If the amount determined under (1) is less than the average amount computed under (2), subtract the amount determined under (1) from the amount computed under (2), multiply the remainder by enrollment of the district in the preceding school year, and divide the product by the amount of state financial aid determined for the district in the preceding school year. The quotient is the district prescribed percentage of the district;

(8) for districts with 100-299.9 enrollment, compare the amount determined for the district under (1) to the average amount computed under (5). If the amount determined under (1) is equal to or greater than the average amount computed under (5), the provisions of this section do not apply to the district. If the amount determined under (1) is less than the average amount computed under (5), subtract the amount determined under (1) from the amount computed under (5), multiply the remainder by enrollment of the district in the preceding school year, and divide the product by the amount of state financial aid determined for the district in the preceding school year. The quotient is the district prescribed percentage of the district;

(9) for districts with 300-1,799.9 enrollment, compare the amount determined for the district under (1) to the average amount computed under (6). If the amount determined under (1) is equal to or greater than the average amount computed under (6), the provisions of this section do not apply to the district. If the amount determined under (1) is less than the average amount computed under (6), subtract the amount determined under (1) from the amount computed under (6), multiply the remainder by enrollment of the district in the preceding school year, and divide the product by the amount of state financial aid determined for the district in the preceding school year. The quotient is the district prescribed percentage of the district;

(10) for districts with 1,800 or over enrollment, compare the amount determined for the district under (1) to the average amount computed under (4). If the amount determined under (1) is equal to or greater than the average amount computed under (4), the provisions of this section do not apply to the district. If the amount determined under (1) is less than the average amount computed under (4), subtract the amount determined under (1) from the amount computed under (4), multiply the remainder by enrollment of the district in the preceding school year, and divide the product by the

amount of state financial aid determined for the district in the preceding school year. The quotient is the district prescribed percentage of the district.

(b) The provisions of this section apply to any district that budgeted an amount per pupil in the preceding school year, as determined under provision (1) of subsection (a), that was less than the average amount per pupil of general fund budgets and ~~local-option~~ operating budgets computed by the state board under whichever of the provisions (7) through (10) of subsection (a) is applicable to the district's enrollment group.

(c) For the purposes of this section, the term "local operating budget" means "local option budget" as that term was used prior to the amendment of this section by this act.

Sec. 12. K.S.A. 2012 Supp. 72-6449 is hereby amended to read as follows: 72-6449. (a) As used in this section, "school district" or "district" means a school district authorized to make a levy under this section.

(b) The board of education of any district may levy a tax on the taxable tangible property within the district for the purpose of financing the costs incurred by the state that are attributable directly to assignment of the cost of living weighting to the enrollment of the district. There is hereby established in every school district a fund which shall be called the cost of living fund, which fund shall consist of all moneys deposited therein or transferred thereto in accordance with law. All moneys derived from a tax imposed pursuant to this section shall be credited to the cost of living fund. The proceeds from the tax levied by a district credited to the cost of living fund 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 state school district finance fund.

(c) The state board of education shall determine whether a district may levy a tax under this section as follows:

(1) Determine the statewide average appraised value of single family residences for the calendar year preceding the current school year;

(2) multiply the amount determined under (1) by 1.25;

(3) determine the average appraised value of single family residences in each school district for the calendar year preceding the current school year; and

(4) (A) subtract the amount determined under (2) from the amount determined under (3). If the amount determined for the district under this paragraph is a positive number and the district is authorized to adopt and has adopted a ~~local-option~~ operating budget in an amount equal to at least ~~31%~~ 28% of the state financial aid for the school district, the district qualifies for assignment of cost of living weighting and may levy a tax on the taxable tangible property of the district for the purpose of financing the costs that are attributable directly to assignment of the cost of living weighting to enrollment of the district; or

(B) as an alternative to the authority provided in paragraph (4)(A), if a district was authorized to make a levy pursuant to this section in school year 2006-2007, such district shall remain authorized to levy such tax at a rate necessary to generate revenue in the same amount generated in school year 2006-2007 if: (i) The amount determined under paragraph (4)(A) is a positive number; and (ii) the district continues to adopt a ~~local-option~~ operating budget in an amount equal to the state prescribed percentage in effect in school year 2006-2007.

(d) No tax may be levied under this section unless the board of education adopts a

resolution authorizing such a tax levy and publishes the resolution at least once in a newspaper having general circulation in the district. Except as provided by subsection (e), the resolution shall be published in substantial compliance with the following form: Unified School District No. _____ , _____ County, Kansas.

RESOLUTION

Be It Resolved that:

The board of education of the above-named school district shall be authorized to levy an ad valorem tax in an amount not to exceed the amount necessary to finance the costs attributable directly to the assignment of cost of living weighting to the enrollment of the district. The ad valorem tax authorized by this resolution may be levied unless a petition in opposition to the same, signed by not less than 5% of the qualified electors of the school district, is filed with the county election officer of the home county of the school district within 30 days after the publication of this resolution. If a petition is filed, the county election officer shall submit the question of whether the levy of such a tax shall be authorized in accordance with the provisions of this resolution to the electors of the school district at the next general election of the school district, as is specified by the board of education of the school district.

CERTIFICATE

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

Clerk of the board of education.

All of the blanks in the resolution shall be filled. If no petition as specified above is filed in accordance with the provisions of the resolution, the resolution authorizing the ad valorem tax levy shall become effective. If a petition is filed as provided in the resolution, the board may notify the county election officer to submit the question of whether such tax levy shall be authorized. If the board fails to notify the county election officer within 30 days after a petition is filed, the resolution shall be deemed abandoned and of no force and effect and no like resolution shall be adopted by the board within the nine months following publication of the resolution. If a majority of the votes cast in an election conducted pursuant to this provision are in favor of the resolution, such resolution shall be effective on the date of such election. If a majority of the votes cast are not in favor of the resolution, the resolution shall be deemed of no effect and no like resolution shall be adopted by the board within the nine months following such election.

(e) In determining the amount produced by the tax levied by the district under the authority of this section, the state board shall include any moneys which have been apportioned to the cost of living fund of the district from taxes levied under the provisions of K.S.A. 79-5101 et seq. and 79-5118 et seq., and amendments thereto.

Sec. 13. K.S.A. 2012 Supp. 72-6451 is hereby amended to read as follows: 72-6451. (a) As used in this section:

(1) "School district" or "district" means a school district which: (A) Has a declining enrollment; and (B) has adopted a local ~~option~~ operating budget in an amount which equals at least ~~31%~~ 17.9% for school year 2013-2014 and school year 2014-2015 and 31% for school year 2015-2016 and each school year thereafter of the state financial aid for the school district at the time the district applies to the state court of tax appeals for authority to make a levy pursuant to this section.

(2) "Declining enrollment" means an enrollment which has declined in amount from that of the preceding school year.

(b) (1) (A) A school district may levy an ad valorem tax on the taxable tangible property of the district each year for a period of time not to exceed two years in an amount not to exceed the amount authorized by the state court of tax appeals under this subsection for the purpose of financing the costs incurred by the state that are directly attributable to assignment of declining enrollment weighting to enrollment of the district. The state court of tax appeals may authorize the district to make a levy which will produce an amount that is not greater than the amount of revenues lost as a result of the declining enrollment of the district. Such amount shall not exceed 5% of the general fund budget of the district in the school year in which the district applies to the state court of tax appeals for authority to make a levy pursuant to this section.

(B) As an alternative to the authority provided in paragraph (1)(A), if a district was authorized to make a levy pursuant to this section in school year 2006-2007, such district shall remain authorized to make a levy at a rate necessary to generate revenue in the same amount that was generated in school year 2007-2008 if the district adopts a local ~~option~~ operating budget in an amount equal to the state prescribed percentage in effect in school year 2006-2007.

(2) The state court of tax appeals shall certify to the state board the amount authorized to be produced by the levy of a tax under this section.

(3) The state board shall prescribe guidelines for the data that school districts shall include in cases before the state court of tax appeals pursuant to this section.

(c) A district may levy the tax authorized pursuant to this section for a period of time not to exceed two years unless authority to make such levy is renewed by the state court of tax appeals. The state court of tax appeals may renew the authority to make such levy for periods of time not to exceed two years.

(d) The state board shall provide to the state court of tax appeals such school data and information requested by the state court of tax appeals and any other information deemed necessary by the state board.

(e) There is hereby established in every district a fund which shall be called the declining enrollment fund. Such fund shall consist of all moneys deposited therein or transferred thereto according to law. The proceeds from the tax levied by a district under authority of this section shall be credited to the declining enrollment fund of the district. The proceeds from the tax levied by a district credited to the declining enrollment fund 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 state school district finance fund.

(f) In determining the amount produced by the tax levied by the district under authority of this section, the state board shall include any moneys which have been apportioned to the declining enrollment fund of the district from taxes levied under the provisions of K.S.A. 79-5101 et seq. and 79-5118 et seq., and amendments thereto.

Sec. 14. K.S.A. 2012 Supp. 72-6456 is hereby amended to read as follows: 72-6456. (a) For the purpose of determining the general fund budget of a school district, weightings shall not be assigned to a pupil enrolled in and attending KAMS.

(b) Moneys in the general fund which are attributable to a pupil enrolled in and attending KAMS shall not be included in the computation of the local ~~option~~ operating

budget of the school district.

(c) The provisions of this section shall be part of and supplemental to the school district finance and quality performance act.";

And renumbering sections accordingly;

On page 2, in line 6, after "K.S.A." by inserting "72-6444 and K.S.A."; also in line 6, after "Supp." by inserting "72-978, 72-978a, 72-6409, 72-6410, 72-6415b,"; also in line 6, after "72-6431" by inserting ", 72-6433, 72-6433d, 72-6434, 72-6435, 72-6441, 72-6449, 72-6451, 72-6456";

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 "school finance"; also in line 2, after "amending" by inserting "K.S.A. 72-6444 and"; in line 3, after "Supp." by inserting "72-978, 72-6409, 72-6410, 72-6415b,"; also in line 3, after "72-6431" by inserting ", 72-6433, 72-6433d, 72-6434, 72-6435, 72-6441, 72-6449, 72-6451, 72-6456"; also in line 3, after "sections" by inserting "; also repealing K.S.A. 2012 Supp. 72-978a"; and the bill be passed as amended.

Committee on **Education Budget** recommends **SB 171** be amended on page 3, in line 27, by striking "this paragraph" and inserting "subsection (i)(1)(B)"; in line 31, by striking all after "board"; in line 32, by striking all before the period and inserting "as published in the Kansas state department of education's Kansas accounting handbook for unified school districts, as published in August 2012, or later versions as established in rules and regulations adopted by the state board"; and the bill be passed as amended.

Committee on **Federal and State Affairs** recommends **HB 2197** be amended on page 1, in line 8, by striking all after "(b)"; by striking all in line 9; in line 10, by striking all before "Each";

On page 3, in line 9, after the semicolon by inserting "and"; in line 10, by striking all after "(B)"; by striking all in lines 11 through 27; in line 28, by striking all before "employed" and inserting "four members who shall be appointed by the governor, provided the governor appoint a resident of each congressional district of this state. Members appointed under this subsection shall not be"; and the bill be passed as amended.

Committee on **Financial Institutions** recommends **SB 139** be passed.

Committee on **Financial Institutions** recommends **SB 129** be amended on page 23, in line 14, by striking "and any unused balance"; in line 15, by striking all before the period; following line 17, by inserting:

"New Sec. 9. (a) Except as provided in subsection (b), at the time of filing any application described below, the applicant shall remit to the office of the state bank commissioner a nonrefundable fee in the amount of:

- (1) Bank or trust company charter.....\$2,500
- (2) New branch bank:
 - (A) Ineligible bank.....1,000
 - (B) Eligible bank.....500
- (3) Relocation of a branch bank or main office:
 - (A) Ineligible bank.....1,000
 - (B) Eligible bank.....500
- (4) Merger, consolidation, or transfer of assets and liabilities.....1,000
- (5) Change of control:
 - (A) General.....1,000

(B) Bona fide gift or inheritance.....500

(C) Formation of one-bank holding company and associated exchange of stock.....500

(6) Conversion to state charter.....no fee

(7) Bank service corporation.....no fee

(8) Fiduciary activities:

(A) Fiduciary powers.....no fee

(B) Trust branch.....500

(C) Trust service office.....500

(D) Contracting trustee agreement.....500

(E) Out of state trust facility.....500

(9) Change of name.....no fee

(10) Revenue bond pledgibility.....200

(11) Letter of good standing.....50

(12) Administrative appeals.....1,000

(b) The commissioner may adopt rules and regulations to change the amount of the fees, either increasing or decreasing such fees, as established in subsection (a) to an amount not to exceed 150% of any such fee established in subsection (a).

(c) Any applicant may be required by the commissioner to pay any additional cost associated with any examination or investigation if the state bank commissioner determines that an on-site examination of the financial institutions or trust companies that are parties to the application is necessary.

(d) The commissioner may adopt rules and regulations necessary to administer the provisions of this section.";

By redesignating the remaining sections and the bill be passed as amended.

Committee on **General Government Budget** recommends **HB 2396** be passed.

Committee on **Health and Human Services** recommends **HB 2386** be amended on page 8, in line 5, after "marrow." by inserting "The provisions of this paragraph shall take effect on the day the secretary of revenue certifies to the director of the budget that the cost for the department of revenue of modifications to the automated tax system for the purpose of implementing this paragraph will not exceed \$20,000."; and the bill be passed as amended.

Committee on **Health and Human Services** recommends **SB 199** be amended on page 1, in line 15, after "(4)" by inserting "partner and collaborate with the blood and marrow transplant center of Kansas to";

On page 2, in line 33, before "expenditure" by inserting "fees received, "; in line 34, after "center" by inserting ", including the activities of its affiliated organizations, ";

On page 3, in line 9, by striking "13" and inserting "14"; in line 43, by striking "and" and inserting:

"(14) one member representing the blood and marrow transplant center of Kansas; and";

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

Committee on **Judiciary** recommends **SB 118** be passed.

Committee on **Judiciary** recommends **SB 18** be amended by substituting a new bill to be designated as "House Substitute for SENATE BILL NO. 18," as follows:

"House Substitute for SENATE BILL NO. 18

By Committee on Judiciary

"AN ACT concerning churches; relating to disputes involving church congregations."; and the substitute bill be passed.

(**H Sub for SB 18** was thereupon introduced and read by title.)

Committee on **Judiciary** recommends **SB 122** be amended on page 1, in line 10, by striking "by such"; in line 11, by striking "electronic notice as may be agreed upon by the parties" and inserting ", if the person has consented to service by electronic notice, by sending a copy of the order or notice to the person by electronic means"; in line 18, by striking "notice" and inserting "means"; also in line 18, by striking "agreed"; in line 19, by striking "upon by the parties" and inserting "specified in the consent"; and the bill be passed as amended.

Committee on **Pensions and Benefits** recommends **HB 2403** be amended on page 1, in line 6, before "Section" by inserting "New";

On page 3, following line 8, by inserting:

"Sec. 2. K.S.A. 2012 Supp. 74-4914d is hereby amended to read as follows: 74-4914d. Any additional cost resulting from the normal retirement date and retirement before such normal retirement date for security officers as provided in K.S.A. 74-4914c, and amendments thereto, and disability benefits as provided in K.S.A. 74-4914e, and amendments thereto, shall be added to the employer rate of contribution for the department of corrections as otherwise determined under K.S.A. 74-4920, and amendments thereto, except that the employer rate of contribution for the department of corrections including any such additional cost added to such employer rate of contribution pursuant to this section shall in no event exceed the employer rate of contribution for the department of corrections for the immediately preceding fiscal year by more than the following amounts expressed as a percentage of compensation upon which security officers 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, 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 2016, and in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year. For the fiscal year commencing in calendar year 2014, the contribution rate provided by this section shall be reduced in the amount of the debt service payment allocated to the department of corrections for bonds issued pursuant to section 1, and amendments thereto, as certified by the board.

Sec. 3. K.S.A. 2012 Supp. 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 subsection (3)(a) of K.S.A. 74-4908, 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 subsection (3)(a) of K.S.A. 74-4908, 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, 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 2016, and in each subsequent calendar year, an amount not to exceed more than 1.2% of the amount of the immediately preceding fiscal year. For the fiscal year commencing in calendar year 2014, the contribution rate provided by this subsection shall be reduced in the amount of the debt service payment for bonds issued pursuant to section 1, and amendments thereto, as certified by the board.

(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. 2012 Supp. 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. 2012 Supp. 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. 2012 Supp. 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. 2012 Supp. 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 subsection (a) of K.S.A. 16-204, 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.

Sec. 4. K.S.A. 2012 Supp. 74-4914d and 74-4920 are hereby repealed.";

And by renumbering sections accordingly;

On page 1, in the title, in line 3, after "procedures" by inserting "; employer contribution rates"; amending K.S.A. 2012 Supp. 74-4914d and 74-4920 and repealing the existing sections"; and the bill be passed as amended.

Committee on **Taxation** recommends **HB 2378** be passed.

Committee on **Taxation** recommends **HB 2244** be amended on page 1, in line 8, by striking "20% during" and inserting "11.5% in"; in line 9, by striking "10% during" and inserting "5% in"; also in line 9, after "year 2015" by inserting;

"and all tax years thereafter. Watercraft whose fair market value determined pursuant to K.S.A. 79-503a, and amendments thereto, is \$1,000 or less shall pay a tax of \$12";

Also on page 1, also in line 9, by striking "For tax year 2016 and all tax"; by striking all in lines 10 and 11; in line 12, by striking "designed to"; by striking all in lines 13

and 14; in line 15, by striking all before the period and inserting "requiring numbering pursuant to K.S.A. 32-1110, and amendments thereto. Each watercraft may include one trailer which is designed to launch, retrieve, transport and store such watercraft and any nonelectric motor or motors which are necessary to operate such watercraft on the water"; by striking all in lines 16 through 36;

By striking all on pages 2 and 3;

On page 4, by striking all in lines 1 through 28;

And by renumbering sections accordingly;

On page 5, in line 12, by striking "79-213 and"; also in line 12, by striking "are" and inserting "is";

On page 1, in the title, in line 2, by striking "79-213 and"; in line 3, by striking "sections" and inserting "section" and the bill be passed as amended.

Committee on **Transportation** recommends **SB 68** be passed.

Committee on **Transportation** recommends **Substitute for SB 70** be passed and, because the committee is of the opinion that the bill is of a noncontroversial nature, be placed on the consent calendar.

Committee on **Transportation** recommends **SB 96** be amended on page 1, in line 16, by striking all after the first "registration"; by striking all in line 17; in line 18, by striking all before the period; and the bill be passed as amended.

Committee on **Transportation** recommends **SB 164** be amended on page 6, in line 25, by striking "(d)" and inserting "(e)"; and the bill be passed as amended.

REPORT OF STANDING COMMITTEE

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

Request No. 75, by Representative Schwartz, congratulating Ohlde's Dairy, Inc. on their 58-year commitment to the family farm and being one of the top 16 businesses served by the Kansas Small Business Development Center;

Request No. 76, by Representative Thimesch, congratulating Saint Patrick Catholic School for receiving the Banner School Award for three years by the Diocese of Wichita;

Request No. 77, by Representative Seiwert, congratulating Saint Patrick Catholic School for receiving the Governor's Achievement Award for 2011-2012;

Request No. 78, by Representative Ewy, congratulating Ben Rogers on his retirement from the Wet Walnut Water Shed after 26 years of service;

Request No. 79, by Representative Macheers, congratulating Lucas E. Leininger on achieving the rank of Eagle Scout;

Request No. 80, by Representative Macheers, congratulating Spencer E. Boaz on achieving the rank of Eagle Scout;

Request No. 81, by Representative O'Brien, congratulating Jeremy Goebel as the Regional Wrestling Coach of the year at Tonganoxie High School;

Request No. 82, by Representative O'Brien, congratulating the Tonganoxie High School Wrestling team on winning the Class 4A Regional Championship in the Kaw Valley League;

Request No. 83, by Representative Mast, congratulating the Burlington Lady Wildcats on winning the Class 4A State Basketball title with a perfect 26-0 record;

be approved and the Chief Clerk of the House be directed to order the printing of said certificates and order drafting of said resolutions.

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

MOTIONS TO CONCUR AND NONCONCUR

On motion of Rep. Rhoades, the House nonconcurred in Senate amendments to **S Sub for HB 2143** and asked for a conference.

Speaker Merrick thereupon appointed Reps. Rhoades, Suellentrop and Henry as conferees on the part of the House.

COMMITTEE ASSIGNMENT CHANGE

Speaker Merrick announced the appointment of Rep. Lusk to replace Rep. Dillmore on Committee on Taxation for March 22.

REPORT ON ENROLLED BILLS

HB 2252 reported correctly enrolled, properly signed and presented to the Governor on March 22, 2013.

REPORT ON ENROLLED RESOLUTIONS

HCR 5015 reported correctly enrolled and properly signed on March 22, 2013.

On motion of Rep. Vickrey, the House adjourned until 9:00 a.m., Monday, March 25, 2013.

CHARLENE SWANSON, *Journal Clerk.*

SUSAN W. KANNARR, *Chief Clerk.*

