AN ACT concerning education; relating to the financing and instruction thereof; creating the school district finance and student success act; amending K.S.A. 46-1701, 72-8208a and 75-6510 and K.S.A. 2016 Supp. 10-1116a, 12-1770a, 12-1775a, 12-1776a, 60-2102, 72-978, 72-1046b, 72-1398, 72-1414, 72-1923, 72-5333b, 72-5413, 72-64b01, 72-64b03, 72-64c03, 72-64c05, 72-6624, 72-6625, 72-6757, 72-6760, 72-67,115, 72-7535, 72-8187, 72-8230, 72-8233, 72-8236, 72-8251, 72-8254, 72-8316, 72-8415b, 72-8801, 72-8804, 72-8908, 72-99a02, 72-99a03, 72-99a04, 72-99a07, 74-4939a, 74-8925, 74-99b43, 75-2319, 75-6506, 75-6508, 75-6509, 79-201x, 79-201x, 79-213, 79-2001, 79-2001, 79-2925b and 79-32,117 and repealing the existing sections; also repealing K.S.A. 2016 Supp. 72-3715 and 72-6482.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. The provisions of sections 1 through 26, and amendments thereto, shall be known and may be cited as the school district finance and student success act.

New Sec. 2. (a) The legislature hereby declares that it is the purpose and intent of this act to provide for the financing of instruction through the public education system for grades kindergarten through 12 in this state. Such provisions are reasonably calculated to provide for all students enrolled in a school district to meet or exceed the educational goal established by the legislature in K.S.A. 2016 Supp. 72-1127(c), and amendments thereto.

(b) For purposes of this act, the term "instruction" means those school district functions that directly impact the provision of educational services. The term "instruction" does not include the following school district functions: Central office administration; capital improvement construction, reconstruction or remodeling; facility maintenance and repair; food service procurement and preparation; or the provision of extracurricular activities, as defined in section 19, and amendments thereto.

New Sec. 3. As used in sections 1 through 25, and amendments thereto:

(a) "Act" means the school district finance and student success act, section 1 et seq., and amendments thereto.

(b) (1) "At-risk students" means students who are eligible for free
meals under the national school lunch act and who are enrolled in a district
which maintains an approved at-risk student assistance plan.

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

(c) "Board" means the board of education of a school district.
(d) "Current school year" means the school year during which general
state aid is determined by the state board under section 4, and amendments
thereto.

(e) "Enrollment" means: (1) The average daily regular full-time
equivalent enrollment of students in the school district from September 20
to March 20 during the preceding school year; or
(2) if enrollment in a school district in any school year has decreased
from enrollment in the immediately preceding school year, enrollment of
the school district in the current school year means whichever is the
greater of:
   (A) Enrollment in the second preceding school year minus enrollment
   in such school year of preschool-aged at-risk students, if any such students
   were enrolled, plus enrollment in the immediately preceding school year of
   preschool-aged at-risk students, if any such students are enrolled; or
   (B) the sum of enrollment in the immediately preceding school year
   of preschool-aged at-risk students, if any such students are enrolled and
   the average of the sum of:
      (i) Enrollment of the school district in the immediately preceding
school year minus enrollment in such school year of preschool-aged at-risk
students, if any such students are enrolled;
      (ii) enrollment in the second preceding school year minus enrollment
in such school year of preschool-aged at-risk students, if any such students
were enrolled; and
      (iii) enrollment in the third preceding school year minus enrollment in
such school year of preschool-aged at-risk students, if any such students
were enrolled.
(f) "March 20" has its usual meaning, except that in any year in which
March 20 is not a day on which school is maintained, it shall mean the first
day after March 20 on which school is maintained.

(g) "Preceding school year" means the school year immediately
before the current school year.
(h) "Preschool-aged at-risk student" means an at-risk student who has
attained the age of four years, is under the age of eligibility for attendance
at kindergarten, and has been selected by the state board in accordance
with guidelines consonant with guidelines governing the selection of
students for participation in head start programs.

(i) "Preschool-aged exceptional children" means exceptional children, except gifted children, who have attained the age of three years but are under the age of eligibility for attendance at kindergarten.

(j) "Student" means any person who is regularly enrolled in a school district and attending kindergarten or any of the grades one through 12 maintained by the school district, or who is regularly enrolled in a school district and attending kindergarten or any of the grades one through 12 in another school district in accordance with an agreement entered into under authority of K.S.A. 72-8233, and amendments thereto, or who is regularly enrolled in a school district and attending special education services provided for preschool-aged exceptional children by the school district.

(k) "School district" means a unified school district organized and operated under the laws of this state.

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

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

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

New Sec. 4. (a) For school year 2017-2018, and each school year thereafter, the state board shall determine the general state aid each school district is to receive in such school year in an amount equal to:

1. The amount of enrollment state aid such school district is to receive pursuant to section 5, and amendments thereto, plus;

2. the amount of transportation state aid such school district is to receive pursuant to section 6, and amendments thereto, plus;

3. the amount of low income state aid such school district is to receive pursuant to section 7, and amendments thereto, plus;

4. the amount of bilingual state aid such school district is to receive pursuant to section 8, and amendments thereto, plus;

5. the amount certified by the board of trustees of the Kansas public employees retirement system that is equal to the participating employer's obligation of such school district to the system, plus;

6. an amount determined under section 9, and amendments thereto, if any.

(b) The provisions of this section shall be subject to the provisions of section 38, and amendments thereto.

New Sec. 5. (a) For school year 2017-2018, and each school year thereafter, the state board shall determine the enrollment state aid each school district is to receive in such school year in accordance with the provisions of this section.

(b) Subject to the provisions of subsection (d), the enrollment state aid shall be determined by multiplying the enrollment of the school district
by the enrollment state aid per student amount that corresponds to the
enrollment of the school district as follows:

(1) For school districts with fewer than 400 students, the enrollment
state aid per student is $8,490;
(2) for school districts with at least 400 students but fewer than 1,000
students, the enrollment state aid per student is $7,269;
(3) for school districts with at least 1,000 students but fewer than
2,000 students, the enrollment state aid per student is $6,137; and
(4) for school districts with 2,000 students or more, the enrollment
state aid per student is $5,763.

(c) The amounts of enrollment state aid per student are based on the
following components as determined for a typical school district where
more than 70% of the students enrolled in such school district who are not
low income students have met achievement levels 2, 3 or 4 for college and
career readiness on the statewide assessments in math and reading for
school year 2014-2015:

(1) Expenditures per student for instruction, including certain
expenses categorized under function 1000, instruction;
(2) expenditures per student for student support, including certain
expenses categorized under function 2100, student support;
(3) expenditures per student for instructional staff support, including
certain expenses categorized under function 2200, instructional staff
support;
(4) expenditures per student for administrative expenses, including
certain expenses categorized under functions 2300 through 2500,
administration; and
(5) median expenditures per district for expenses related to operation
and maintenance of facilities, including certain expenses categorized under
function 2600, operation and maintenance.

(d) Commencing in school year 2018-2019, and each school year
thereafter, each amount of enrollment state aid per student established
under subsection (b) shall increase by an amount equal to the percentage
increase in the consumer price index for all urban consumers in the
midwest region as published by the bureau of labor statistics of the United
States department of labor during the immediately preceding school year.

(e) All function categories described in this section shall refer to
those same categories as established and required for financial accounting
purposes by the state board as published in the Kansas state department of
education's Kansas accounting handbook for unified school districts, as
published in September 2015.

New Sec. 6. (a) For school year 2017-2018, and each school year
thereafter, the state board shall determine the transportation state aid each
school district is to receive in such school year in accordance with the
provisions of this section.

(b) The transportation state aid shall be determined as follows:

(1) Determine the total expenditures of the school district during the immediately preceding school year from all funds for transporting students of public and nonpublic schools on regular school routes;

(2) determine the sum of: (A) The number of students who were included in the enrollment of the school district in the immediately preceding school year who resided less than 2.5 miles by the usually traveled road from the school building such students attended and for whom transportation was made available by the school district; and (B) the number of nonresident students who were included in the enrollment of the school district for the immediately preceding school year and for whom transportation was made available by the school district;

(3) determine the number of students who were included in the enrollment of the school district in the immediately preceding school year who resided 2.5 miles or more by the usually traveled road from the school building such students attended and for whom transportation was made available by the school district;

(4) multiply the number of students determined under subsection (b) (3) by two;

(5) divide the amount determined under subsection (b)(2) by the product obtained under subsection (b)(4);

(6) add one to the quotient obtained under subsection (b)(5);

(7) multiply the sum obtained under subsection (b)(6) by the amount determined under subsection (b)(3);

(8) divide the amount determined under subsection (b)(1) by the product obtained under subsection (b)(7). The resulting quotient is the per student cost of transportation;

(9) on a density-cost graph, plot the per student cost of transportation for each school district;

(10) construct a curve of best fit for the points so plotted;

(11) locate the index of density for the school district on the base line of the density-cost graph and from the point on the curve of best fit directly above this point of index of density follow a line parallel to the base line to the point of intersection with the vertical line, which point is the formula per student cost of transportation of the school district;

(12) divide the formula per student cost of transportation of the school district by $3,852;

(13) multiply the quotient obtained under subsection (b)(12) by the number of students who are included in the enrollment of the school district, residing 2.5 miles or more by the usually traveled road to the school building attended by such students, and for whom transportation is being made available by, and at the expense of, the school district. The
product is the transportation state aid factor of the school district;
(14) multiply the transportation state aid factor of the school district
by the enrollment of the school district; and
(15) multiply the product obtained by subsection (b)(14) by $3,852.
The resulting product is the transportation state aid for the school district.
(b) For the purpose of providing accurate and reliable data on student
transportation, the state board is authorized to adopt rules and regulations
prescribing procedures for reporting pertinent information relative thereto,
including uniform reporting of expenditures for transportation.
(c) As used in this section:
(1) "Curve of best fit" means the curve on a density-cost graph drawn
so the sum of the distances squared from such line to each of the points
plotted on the graph is the least possible.
(2) "Density-cost graph" means a drawing having: (A) A horizontal or
base line divided into equal intervals of density, beginning with zero on the
left; and (B) a scale for per student cost of transportation to be shown on a
line perpendicular to the base line at the left end thereof, such scale to
begin with zero dollars at the base line ascending by equal per-student cost
intervals.
(3) "Index of density" means the number of students who are
included in the enrollment of a school district in the current school year,
are residing 2.5 miles or more by the usually traveled road from the school
building attended by such students, and for whom transportation is being
made available on regular school routes by the school district, divided by
the number of square miles of territory in the school district.
New Sec. 7. (a) For school year 2017-2018, and each school year
thereafter, the state board shall determine the low income state aid each
school district is to receive in such school year in accordance with the
provisions of this section.
(b) The low income state aid shall be determined as follows:
(1) Determine the poverty rate of individuals aged five through 17 for
the school district for the immediately preceding calendar year as
published by the United States census bureau;
(2) multiply the amount determined under subsection (b)(1) by the
enrollment of the school district; and
(3) multiply the product obtained under subsection (b)(2) by $3,099.
The resulting product is the low income state aid for the school district.
New Sec. 8. (a) For school year 2017-2018, and each school year
thereafter, the state board shall determine the bilingual state aid each
school district is to receive in such school year in accordance with the
provisions of this section.
(b) The bilingual state aid shall be determined as follows:
(1) Determine the number of students enrolled in the school district
who are receiving services under a program of bilingual education; and

(2) multiply the number determined under subsection (b)(1) by $425.

The resulting product is the bilingual state aid for the school district.

New Sec. 9. (a) For school years 2017-2018 and 2018-2019, the state
board shall determine whether each school district is to receive additional
state aid in such school year in accordance with the provisions of this
section.

(b) The state board shall determine each school district's eligibility
for additional state aid as follows:

(1) Determine the aggregate state aid such school district received for
school year 2014-2015, which amount shall be calculated by adding
together all moneys received by the school district from the state treasury,
excluding any moneys that were provided pursuant to federal law and for
which the state acted solely as a pass-through entity;

(2) add to the amount determined under subsection (b)(1) the
proceeds of any tax levied by such school district in school year 2014-
2015 that were deposited directly into a fund of the school district and that
were not levied for the purpose of satisfying any general bond obligations
of such school district;

(3) deduct from the sum determined under subsection (b)(2) the
aggregate state aid such school district is to receive for the current school
year, which amount shall be calculated by adding together all moneys
received by the school district from the state treasury, excluding any
moneys that were provided pursuant to federal law and for which the state
acted solely as a pass-through entity and also excluding any additional
state aid determined pursuant to this section;

(4) deduct from the sum determined under subsection (b)(2) the
amount of savings obtained by such school district that is directly
attributable to the implementation of a statewide school district employee
health plan under section 27, and amendments thereto, as determined by
the division of the budget, which amount shall be certified by the director
of the budget to the state board;

(5) deduct from the sum determined under subsection (b)(2) the
amount of savings obtained by such school district that is directly
attributable to the implementation of efficiencies in food service
operations and extracurricular activities as determined by the division of
the budget, which amount shall be certified by the director of the budget to
the state board; and

(6) deduct from the sum determined under subsection (b)(2) an
amount equal to 1/3 of the unencumbered cash balance reconciliation
amount. If the resulting amount is a positive number, then the school
district shall be eligible to receive additional state aid in an amount equal
to such resulting amount.
(c) For each school district, the state board shall determine that portion of the aggregate amount of unencumbered cash balances held by such school district on July 1, 2014, that is in excess of 15% of the general operating expenditures for such school district for school year 2014-2015, and such amount shall be the unencumbered cash balance reconciliation amount for such school district.

(d) For purposes of this section:

(1) "General operating expenditures" means all expenditures by the school district categorized under function 1000, 2100, 2200, 2300, 2400, 2500, 2600, 2700, 2900, 3100 or 3300 as those functions are established and required for financial accounting purposes by the state board as published in the Kansas state department of education's Kansas accounting handbook for unified school districts, as published in September 2015.

(2) "Unencumbered cash balance" means the aggregate of all cash balances held in any fund of the school district, except cash balances held in any bond and interest fund, gift or grant fund, capital outlay fund and any cash balances that are directly attributable to receipt of federal moneys.

New Sec. 10. (a) The state school district finance fund, established by K.S.A. 1991 Supp. 72-7081, prior to its repeal, is hereby continued in existence and shall consist of: (1) All moneys credited to such fund under K.S.A. 2016 Supp. 72-6463 through 72-6481, prior to their expiration; and (2) all amounts transferred to such fund under this act.

(b) The state school district finance fund shall be used for the purpose of school district finance and for no other governmental purpose. It is the intent of the legislature that the fund shall remain intact and inviolate for such purpose, and moneys in the fund shall not be subject to the provisions of K.S.A. 75-3722, 75-3725a and 75-3726a, and amendments thereto.

(c) Amounts in the state school district finance fund shall be allocated and distributed to school districts as a portion of general state aid provided for under this act.

New Sec. 11. (a) The distribution of general state aid determined pursuant to section 4, and amendments thereto, shall be made in accordance with appropriation acts each year as provided in this section.

(b) (1) In the months of July through May of each school year, the state board shall determine the amount of general state aid that will be required by each school district to maintain operations in each such month. In making such determination, the state board shall take into consideration the school district's access to other school financing sources and the obligations of the general fund that must be satisfied during the month. The amount determined by the state board under this provision is the amount of general state aid that will be distributed to the school district in the months of July through May; and
(2) in the month of June of each school year, subject to the provisions of subsection (d), payment shall be made of the full amount of the general state aid determined for the school year, less the sum of the monthly payments made in the months of July through May.

c) The state board shall prescribe the dates upon which the distribution of payments of general state aid to school districts shall be due. Payments of general state aid shall be distributed to school districts once each month on the dates prescribed by the state board. The state board shall certify to the director of accounts and reports the amount due as general state aid to each school district in each of the months of July through June. Such certification, and the amount of general state aid payable from the state general fund, shall be approved by the director of the budget. The director of accounts and reports shall draw warrants on the state treasurer payable to the school district treasurer of each school district entitled to payment of general state aid, pursuant to vouchers approved by the state board. Upon receipt of such warrant, each school district treasurer shall deposit the amount of general state aid in the general fund.

d) If any amount of 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 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.

New Sec. 12. In the event any school district is paid more than it is entitled to receive under any distribution made under the provisions of this act, the state board shall notify the school district of the amount of such overpayment, and such school district shall remit the same to the state board. The state board shall remit any moneys so received 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. If any school district fails so to remit, the state board shall deduct the excess amounts so paid from future payments becoming due to the school district. In the event any school district is paid less than the amount to which it is entitled under any distribution made under the provisions of this act, the state board shall pay the additional amount due at any time within the school year in which the underpayment was made or within 60 days after the end of such school year.
New Sec. 13. (a) On or before August 25 of each school year, the clerk or superintendent of each school district shall certify to the state board a copy of the budget adopted by the school district for the current school year.

(b) On September 20 and March 20 of each school year, the clerk or superintendent of each school district shall certify under oath to the state board a report showing the total enrollment of the school district by grades maintained in the schools of the school district and such other reports as the state board may require. Upon receipt of such report, the state board shall examine the report, and if the state board finds any errors in any such report, the state board shall consult with the school district officer furnishing the report and make such corrections in the report as are necessary.

New Sec. 14. (a) For school year 2018-2019, and each school year thereafter, subject to appropriation acts relating thereto, the state board shall disburse school district success grants to each school district that is eligible for such grant moneys in an amount determined pursuant to this section.

(b) The state board shall determine whether a school district is eligible for success grants by utilizing a success metric system based on the following factors:

(1) The number of students who graduated from the school district in the immediately preceding school year, including those students who graduated either prior to or subsequent to their intended original graduation date, divided by the number of students in the ninth grade cohort of such students;

(2) the number of students who received a nationally recognized certificate in the immediately preceding school year divided by the number of students who graduated from such school district in the second preceding school year;

(3) the number of students who graduated from the school district in the second preceding school year and who enrolled in a third consecutive semester at a postsecondary educational institution or private or out-of-state postsecondary educational institution divided by the number of students who graduated from such school district in the second preceding school year; and

(4) the number of students who graduated from the school district in the second preceding school year and who were required to enroll in a remedial course after graduation divided by the number of students who graduated from such school district in the second preceding school year.

(c) Upon determination that a school district is eligible for success grant moneys, the state board shall award success grant moneys to such school district. Success grant amounts shall be awarded based on an
HB 2347

11

eligible school district's maintenance of or improvement in the factors
described in subsection (b) as measured by the success metric system
developed by the state board. Upon receipt of any success grant moneys,
the board of education of the recipient school district shall disburse such
grant moneys to employees in the following classifications equally on a
per employee basis: Principal; assistant principal; vocational education
teacher; pre-kindergarten teacher; kindergarten teacher; reading teacher;
other teacher; library specialist; school counselor; and school psychologist.
The school district classifications identified in this subsection refer to
those classifications established by the state board for the superintendent's

(d) There is hereby established in the state treasury the school district
success grant fund which shall be administered by the department of
education. All expenditures from the school district success grant fund
shall be used for the disbursement of success grant moneys to eligible
school districts as determined by the state board of education pursuant to
this section. All expenditures from the school district success grant fund
shall be made in accordance with appropriation acts upon warrants of the
director of accounts and reports issued pursuant to vouchers approved by
the state board of education, or the designee of the state board of
education.

(e) For purposes of this section:
(1) "Postsecondary educational institution" shall have the same
meaning as that term is defined in K.S.A. 74-3201b, and amendments
thereto.
(2) The terms "private postsecondary educational institution" and
"out-of-state postsecondary educational institution" shall have the same
meanings as those terms are defined in K.S.A. 74-32,163, and amendments
thereto.
(3) "Remedial course" means any credit hour course offered by a
postsecondary educational institution or private or out-of-state
postsecondary educational institution in the area of mathematics or
language arts, which is determined by such institution to be remedial.

New Sec. 15. (a) The board of education of each school district shall
levy an ad valorem tax upon the taxable tangible property of the school
district at a rate of 35 mills in school year 2017-2018 and school year
2018-2019 for the purpose of:
(1) Paying a portion of the costs of operating and maintaining public
schools in partial fulfillment of the constitutional obligation of the
legislature to finance the educational interests of the state; and
(2) with respect to any redevelopment district established prior to July
1, 1997, pursuant to K.S.A. 12-1771, and amendments thereto, 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.

(b) Except for that portion of the proceeds used for the purpose specified in subsection (a)(2), the proceeds from the tax levied by a school 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 and shall credit the same to the state school district finance fund.

(c) All moneys remitted to the state treasurer pursuant to subsection (b) shall be used for paying a portion of the costs of operating and maintaining public schools in partial fulfillment of the constitutional obligation of the legislature to finance the educational interests of the state.

(d) No school district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments thereto.

New Sec. 16. (a) The board of education of any school district may levy an ad valorem tax upon the taxable tangible property of the school district for a period of not more than five years for the purposes specified in this section and with respect to any redevelopment district established prior to July 1, 2017, pursuant to K.S.A. 12-1771, and amendments thereto, for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district.

(b) No levy shall be made under this section until a resolution is adopted by the board of education in the following form and such resolution is approved by a majority of the electors of the school district in accordance with this section:

Unified School District No. ______, ______________________ County, Kansas.

RESOLUTION

Be It Resolved that:

The above-named school board shall be authorized to make an annual tax levy for a period not to exceed _____ years in an amount not to exceed _____ mills upon the taxable tangible property in the school district for the purpose of ______________________________, and with respect to any redevelopment district established prior to July 1, 2016, pursuant to K.S.A. 12-1771, and amendments thereto, for the purpose of paying a portion of the principal and interest on bonds issued by cities under the authority of K.S.A. 12-1774, and amendments thereto, for the financing of redevelopment projects upon property located within the school district. The tax levy authorized by this resolution shall be made only upon the approval by a majority of the electors in the school district at an election.
where the question of whether the tax levy shall be authorized is submitted to the electors in the school district. Such election may be called for that purpose or held at the next general election, as is specified by the board of education of the above 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 above resolution shall be appropriately filled. The blank preceding the word "years" shall be filled with a specific number, and the blank preceding the word "mills" shall be filled with a specific number, and no word shall be inserted in either of the blanks. The board of education shall notify the county election officer of the date of an election to be held to submit the question of whether the tax levy shall be authorized. If the board of education fails to notify the county election officer within 60 calendar days after the resolution is adopted, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board of education within the nine months following adoption of the resolution.

(c) No resolution may be adopted, and no tax may be levied pursuant to this section, unless the board of education specifies how the proceeds of the tax to be levied will be expended by the school district. In specifying the expenditure of the proceeds of any tax levied under the authority of this section, the board of education shall describe the project to be completed, items to be purchased, services to be obtained and any other purposes for which such proceeds are to be expended with similar specificity. Except as provided in subsection (d), no proceeds of any tax levied under the authority of this section shall be expended to pay the costs, either directly or indirectly, for providing instruction, as defined in section 3, and amendments thereto.

(d) The tax levied under the authority of this section may be levied for the purpose of financing that portion of the school district's general fund budget which is to be expended for curriculum. If the board of education of any school district levies a tax for such purposes, such school district shall offer the course or courses of study for which the tax is being levied to every other school district in the state through an electronic network or site accessible via the internet, mobile application, computer, mobile device, tablet or other electronic device. The school district offering such course or courses of study shall be responsible for the cost of providing such course or courses to any school district that accepts the offer to receive such course or courses.
(e) The proceeds from the tax levied by a school district under authority of this section shall be deposited in the general fund of the school district.

(f) No school district shall proceed under K.S.A. 79-1964, 79-1964a or 79-1964b, and amendments thereto.

New Sec. 17. Any fund established in a school district pursuant to K.S.A. 72-6409, 72-6420 through 72-6424 or K.S.A. 2014 Supp. 72-6414a or 72-6414b, prior to their repeal, shall continue in existence in such school district, subject to the provisions of this act.

New Sec. 18. (a) Except for the bond and interest fund, the board of education of any school district may transfer moneys from the general fund to any other fund of the school district in any school year. Except for the bond and interest fund, special education fund and special retirement contributions fund, the board of education of any school district may transfer moneys from any fund of the school district to the general fund of the school district.

(b) The board of education of any school district may transfer moneys from any other fund to the special education fund or special retirement contributions fund of the school district, but no transfers shall be authorized from the bond and interest fund, special education fund or special retirement contributions fund. Moneys in the bond and interest fund, special education fund and special retirement contributions fund shall only be expended for such purposes as permitted by law.

(c) The aggregate amount of money transferred pursuant to this section from the capital outlay fund of a school district to the general fund of the school district, or to any other fund of the school district for any school year shall not exceed the aggregate amount of money held in the capital outlay fund that is not directly attributable to any tax levied under the authority of K.S.A. 72-8801, and amendments thereto.

New Sec. 19. (a) No school district shall expend, use or transfer any moneys received by such school district as part of the general state aid disbursement to such school district for any expenditures for extracurricular activities or any expenditures related to such activities.

(b) Nothing in this section shall be construed to prohibit the use of any moneys received by a school district pursuant to a tax levied under the authority of section 16, and amendments thereto, or moneys received from any other source other than as part of general state aid, for expenditures for extracurricular activities or any expenditures related to such activities, or to prohibit the use of any moneys received by such school district as part of the general state aid disbursement to such school district for expenditures for co-curricular activities or any expenditures related to such activities.

(c) As used in this section:
(1) "Extracurricular activities" means those activities provided or supported by a school district, but which are not required by or a substantial part of any curriculum of such school district.

(2) "Co-curricular activities" means those activities provided or supported by a school district that are not extracurricular activities.

New Sec. 20. (a) No school district shall expend, use or transfer any moneys received by such school district as part of the general state aid disbursement to such school district for any expenditures for food service or any expenditures related to such activities.

(b) Nothing in this section shall be construed to prohibit the use of any moneys received by a school district pursuant to a tax levied under the authority of section 16, and amendments thereto, or moneys received from any other source other than as part of general state aid, for expenditures for food service or any expenditures related to such activities.

New Sec. 21. (a) In order to accomplish the mission for Kansas education, the state board of education shall design and adopt a school performance accreditation system based upon improvement in performance that reflects high academic standards and is measurable. No school district shall be accredited by the state board of education unless such school district has demonstrated that it has met the educational goal established by K.S.A. 2016 Supp. 72-1127(c), and amendments thereto.

(b) The state board shall establish curriculum standards which reflect high academic standards for the core academic areas of mathematics, science, reading, writing and social studies. The curriculum standards shall be reviewed at least every seven years. Nothing in this subsection shall be construed in any manner so as to impinge upon any school district's authority to determine its own curriculum.

(c) The state board shall provide for statewide assessments in the core academic areas of mathematics, science, reading, writing and social studies. The state board shall ensure compatibility between the statewide assessments and the curriculum standards established pursuant to subsection (b). Such assessments shall be administered at three grade levels, as determined by the state board. The state board shall determine performance levels on the statewide assessments, the achievement of which represents high academic standards in the academic area at the grade level to which the assessment applies. The state board should specify high academic standards both for individual performance and school performance on the assessments.

(d) Each school in every school district shall establish a school site council composed of the principal and representatives of teachers and other school personnel, parents of students attending the school, the business community and other community groups. School site councils shall be responsible for providing advice and counsel in evaluating state,
school district and school site performance goals and objectives, and in
determining the methods that should be employed at the school site to
meet these goals and objectives. School site councils may make
recommendations and proposals to the board regarding budgetary items
and school district matters, including, but not limited to, identifying and
implementing the best practices for developing efficient and effective
administrative and management functions. School site councils also may
help boards analyze the unique environment of schools, enhance the
efficiency and maximize limited resources, including outsourcing
arrangements and cooperative opportunities as a means to address limited
budgets.

(e) Whenever the state board of education determines that a school
has failed either to meet the accreditation requirements established by
rules and regulations or standards adopted by the state board or provide the
curriculum required by state law, the state board shall so notify the school
district in which the school is located. Such notice shall specify the
accreditation requirements that the school has failed to meet and the
curriculum that the school has failed to provide. Upon receipt of such
notice, the board of education of such school district is encouraged to
reallocate the resources of the school district to remedy all deficiencies
identified by the state board.

New Sec. 22. (a) The legislature hereby finds and declares that:
(1) The provision of finance for the educational interests of the state
through school districts necessitates the efficient operation of such school
districts;
(2) an efficient school district is one that maximizes positive student
outcomes using the most cost-effective means of instruction;
(3) the following are key factors in determining those school districts
that are operating most efficiently: (A) Total expenditures per pupil; (B)
graduation rate; (C) composite scores on the ACT; and (D) percentage of
students scoring at a level deemed college and career ready on the state
assessments for math, reading and science; and
(4) based on the key factors, school districts achieve the most
efficiency with an enrollment of 1,700 to 2,100 students.

(b) The state board shall review and consider the findings of the
legislature and shall consider how to organize school districts so as to yield
the highest number of efficient school districts. The state board shall
submit a report to the governor and the legislature on any school district
organization plan that is developed either directly or indirectly as a result
of the state board's consideration of such findings.

New Sec. 23. (a) In school year 2018-2019, and each school year
thereafter, the state board shall review the key factors and efficient school
district enrollment size as set forth in section 22(a), and amendments
thereto. As part of its review, the state board shall determine the extent to
which each school district is producing positive student outcomes using
cost-effective means of instruction, and whether such school district is
operating at an efficient enrollment size.
(b) On January 15, 2019, and each January 15 thereafter, the state
board shall submit a report to the governor and the legislature on the
findings and conclusions from the state board's review of school districts
pursuant to subsection (a).

New Sec. 24. The state board may adopt rules and regulations for the
administration of the provisions of this act.

New Sec. 25. The provisions of sections 1 through 24, and
amendments thereto, shall not be severable. If any provision of sections 1
through 24, and amendments thereto, is held to be invalid or
unconstitutional by court order, all provisions of sections 1 through 24, and
amendments thereto, shall be null and void.

New Sec. 26. The provisions of sections 1 through 24, and
amendments thereto, shall expire on June 30, 2022.

New Sec. 27. (a) There is hereby established in the state treasury the
school district capital outlay state aid fund. Such fund shall consist of all
amounts transferred thereto under the provisions of subsection (c).
(b) For school year 2017-2018 and each school year thereafter, each
school district that levies a tax pursuant to K.S.A. 72-8801 et seq., and
amendments thereto, shall be entitled to receive payment from the school
district capital outlay state aid fund in an amount determined by the state
board of education as provided in this subsection. The state board of
education shall:

(1) Determine the amount of the assessed valuation per pupil in the
preceding school year for each school district;
(2) determine the mean federal adjusted gross income per filed
individual income tax return for the preceding tax year for each school
district;
(3) determine the average appraised value of single family residences
for the preceding calendar year for each school district;
(4) multiply the amounts determined under subsections (b)(1), (b)(2)
and (b)(3) for each school district;
(5) calculate the cube root of the product calculated under subsection
(b)(4) for each school district;
(6) round the amount determined under subsection (b)(5) to the
nearest $1,000. The rounded amount is the capital outlay equalization base
for such school district;
(7) determine the median capital outlay equalization base of all
school districts;
(8) prepare a schedule of dollar amounts using the amount of the
median capital outlay equalization base of all school districts as the point
of beginning. The schedule of dollar amounts shall range upward in equal
$1,000 intervals from the point of beginning to and including an amount
that is equal to the amount of the capital outlay equalization base of the
school district with the highest capital outlay equalization base of all
school districts and shall range downward in equal $1,000 intervals from
the point of beginning to and including an amount that is equal to the
amount of the capital outlay equalization base of the school district with
the lowest capital outlay equalization base of all school districts;
(9) determine a state aid percentage factor for each school district by
assigning a state aid computation percentage to the amount of the median
capital outlay equalization base shown on the schedule, decreasing the
state aid computation percentage assigned to the amount of the median
capital outlay equalization base by one percentage point for each $1,000
interval above the amount of the median capital outlay equalization base,
and increasing the state aid computation percentage assigned to the
amount of the median capital outlay equalization base by one percentage
point for each $1,000 interval below the amount of the median capital
outlay equalization base. The state aid percentage factor of a school district
is the percentage assigned to the schedule amount that is equal to the
amount of the capital outlay equalization base of the school district, except
that the state aid percentage factor of a school district shall not exceed
100%. The state aid computation percentage is 25%;
(10) determine the amount levied by each school district pursuant to
K.S.A. 2016 Supp. 72-8801 et seq., and amendments thereto; and
(11) multiply the amount computed under subsection (b)(10) by the
applicable state aid percentage factor. The resulting product is the amount
of payment the school district is to receive from the school district capital
outlay state aid fund in the school year.
(c) The state board shall certify to the director of accounts and reports
the aggregate amount of school district capital outlay state aid school
districts are to receive under the provisions of subsection (b), and an
amount equal thereto shall be transferred by the director from the state
general fund to the school district capital outlay state aid fund.
(d) Payments from the school district capital outlay state aid fund
shall be distributed to school districts at times determined by the state
board of education. The state board of education shall certify to the
director of accounts and reports the amount due each school district
entitled to payment from the fund, and the director of accounts and reports
shall draw a warrant on the state treasurer payable to the treasurer of the
school district. Upon receipt of the warrant, the treasurer of the school
district shall credit the amount thereof to the capital outlay fund of the
school district to be used for the purposes of such fund.
New Sec. 28. (a) For general obligation bonds that have not been
approved for issuance by an election prior to January 1, 2017, no capital
improvement state aid shall be paid pursuant to K.S.A. 75-2319, and
amendments thereto, unless such payment is approved by the joint
committee on state building construction, established by K.S.A. 46-1701,
and amendments thereto, in accordance with this section. A school district
shall submit an application prior to an election to approve the issuance of
general obligation bonds to the joint committee on state building
construction for approval of capital improvement state aid. The application
shall be submitted in such form and manner as prescribed by the
committee, and shall include a description of the project that is the basis
for the application.

(b) The joint committee on state building construction shall meet at
least once each quarter to review all submitted applications and approve or
deny the disbursement of capital improvement state aid under K.S.A. 75-
2319, and amendments thereto, based on whether the project for which
such bonds are to be issued is for instruction. As part of its review of an
application, the committee may conduct a hearing and provide the
applicant school district an opportunity to present testimony regarding the
project. In determining whether a project is for instruction, the committee
shall consider the extent to which the facility being constructed or
improved is to be utilized by the school district for direct instruction of
students of the school district.

c) If the joint committee on state building construction approves an
application, the committee shall determine the extent to which the facility
being constructed or improved is to be utilized by the school district for
direct instruction of students of the school district. In making such
determination, the committee shall only consider basic building planning
and design to be a part of the facility that is utilized for direct instruction
of students. Any architectural enhancements to a facility beyond basic
building planning and design shall not be deemed part of the facility that is
utilized for direct instruction of students. The committee may authorize:

1. Up to 100% as the percentage of utilization for direct instruction
   for any school building that is a classroom attendance center;
2. up to 50% as the percentage of utilization for direct instruction for
   any building that is used for student transportation services, or for any
   portion of a building that is not a classroom, but is used on a daily basis by
   students for classes and extracurricular activities, including, but not limited
   to, auditoriums and gymnasiums; and
3. no percentage of utilization for direct instruction for any athletic
   facility or for any school administration and support building.

The committee shall certify to the state board of education that such
application was approved and the percentage of utilization for direct
(d) If the joint committee on state building construction denies an application, then, within 15 days of such denial, the committee shall send written notice of such denial to the superintendent of such school district. The decision of the committee shall be final.

(e) (1) A school district may conduct an election to approve the issuance of general obligation bonds without submitting an application to the joint committee on state building construction if the purpose for the issuance of the bonds is necessary to repair, replace, acquire, construct, equip, furnish or remodel solely due to:

(A) Damage caused by an act of God; or

(B) a mechanical or structural failure that jeopardizes the health and safety of students and staff.

(2) Prior to conducting an election for the issuance of bonds pursuant to this subsection, a school district shall submit an exemption certificate to the committee in such form and manner as prescribed by the committee and shall include a description of the project, a description of the damage or mechanical or structural failure, the total estimated cost and any other information requested by the committee.

(3) The committee shall have 30 days from the date such application was submitted to approve or deny the exemption certificate. If the committee fails to approve or deny an exemption certificate within 30 days, such exemption certificate shall be deemed approved. If the committee denies such exemption certificate, the school district shall submit an application pursuant to subsection (a) prior to holding an election to approve the issuance of general obligation bonds.

(f) The provisions of this section shall not apply to any school district that is not entitled to capital improvement state aid under K.S.A. 75-2319, and amendments thereto.

New Sec. 29. (a) There is hereby established a special joint committee on school district capital outlay and improvements. The special joint committee shall consist of five members of the senate and six members of the house of representatives. The five members of the senate shall be the chairperson of the committee on ways and means, two members appointed by the president, one member appointed by the majority leader and one member appointed by the minority leader. The six members of the house of representatives shall be the chairperson of the committee on appropriations, the speaker pro tem, two members appointed by the speaker, one member appointed by the majority leader and one member appointed by the minority leader.

(b) The president shall appoint the chairperson of the special joint committee on school district capital outlay and improvements, and the speaker shall appoint the vice-chairperson of the special joint committee.
The committee may meet at any time and at any place within the state on call of the chairperson. Members of the committee shall receive compensation and travel expenses and subsistence expenses or allowances as provided in K.S.A. 75-3212, and amendments thereto, when attending meetings of the committee authorized by the legislative coordinating council.

(c) The special joint committee on school district capital outlay and improvements may introduce such legislation as deemed necessary in performing such committee's functions.

(d) The special joint committee on school district capital outlay and improvements shall:

(1) Review and make recommendations on proposals to implement a state revolving loan fund as a source of financing for school district capital improvement projects, which would utilize the bonding authority of the Kansas development finance authority;

(2) review and make recommendations on proposals to implement a master lease program as a source of financing for school district capital outlay acquisitions, which would utilize the bonding authority of the Kansas development finance authority; and

(3) submit a report on or before January 15, 2018, to the governor and the legislature on the special joint committee's findings, conclusions and recommendations.

(e) The provisions of this section shall expire on June 30, 2018.

New Sec. 30. (a) The state board shall develop and implement a public school grading system. In assigning grades to each public school in the state, such system shall consider the graduation rate, composite scores on the ACT and the percentage of students scoring at a level deemed college and career ready on the state assessments for math, reading and science. Such system may also include any other metrics deemed necessary and appropriate by the state board.

(b) The public school grading system shall provide an annual report card on each school operated by a school district. The report card shall provide a grade for each school in the areas of student achievement deemed appropriate by the state board. Each school report card shall be provided to the parents or legal guardians of each student enrolled in the school district, and shall be published on the school district's website.

(c) On or before January 15, 2018, the state board shall submit a report to the governor and the legislature on the public school grading system and the schedule for implementation of such system.

New Sec. 31. (a) For the purpose of ensuring that each student meets the educational goal set forth in K.S.A. 2016 Supp. 72-1127(c), and amendments thereto, by improving the quality of instructional, administrative and supervisory services in the public schools of the state,
the state board of education shall design, develop and implement a school personnel evaluation system. Such evaluation system shall establish procedures for evaluating the performance of duties and responsibilities of all instructional and administrative personnel employed by a school district. Such evaluation system shall, at a minimum:

1. Support effective instruction and positive student outcomes;
2. provide appropriate instruments, procedures and criteria for continuous quality improvement of the professional skills of instructional and administrative personnel;
3. include a mechanism to examine performance data from multiple sources, including opportunities for parents to provide input into employee performance evaluations when appropriate; and
4. provide that a portion of a performance evaluation must be based upon data and indicators of student achievement assessed annually by statewide assessments or, for subjects and grade levels not measured by statewide assessments, by some other measure deemed appropriate by the state board.

(b) In conjunction with the design and development of the school personnel evaluation pursuant to subsection (a), the state board shall develop a school personnel compensation system. The school personnel evaluation system shall be the basis for determining the appropriate compensation for instructional and administrative personnel employed by a school district.

(c) On or before January 15, 2018, the state board shall submit a report to the governor and the legislature on the school personnel evaluation system and the school personnel compensation system developed pursuant to this section. Such report shall include the following:
1. The criteria for measuring the performance of various categories of school personnel;
2. a description of the procedures for conducting personnel evaluations;
3. the metrics for measuring student achievement and the import of such student achievement in the performance evaluation;
4. a description of the school personnel compensation system, including how performance evaluations will be utilized to determine compensation of school district personnel; and
5. the schedule for implementation of such systems.

New Sec. 32. (a) No board of education of any school district shall provide instruction on human sexuality to a student, unless written consent has been received from the parent or legal guardian of such student, clearly stating that such parent or legal guardian allows such student to participate in the human sexuality education class.

(b) The board of education of each school district shall provide all...
instructional materials on human sexuality, including any teaching plans
and syllabi to any parent or legal guardian who requests such materials
before such parent or legal guardian makes a decision of whether or not to
allow such student to be provided such instruction.

(c) The board of education of each school district shall adopt policies
and procedures relating to the instruction of human sexuality, including,
but not limited to, prohibiting the display or distribution of instructional
materials on human sexuality to any student whose parent or legal
guardian has not given written consent as required in subsection (a).

New Sec. 33. (a) Within the limits of appropriations made or
available therefor and subject to the provisions of appropriation acts
relating thereto, the Kansas state employees health care commission shall
develop and provide for the implementation and administration of a
unified school district employee health care benefits program.

(b) (1) Subject to the provisions of paragraph (2), the unified school
district employee health care benefits program may provide benefits for
persons qualified to participate in the program for hospitalization, medical
services, surgical services, nonmedical remedial care and treatment
rendered in accordance with a religious method of healing and other health
services. The program may include such provisions as are established by
the Kansas state employees health care commission, including, but not
limited to, qualifications for benefits, services covered, schedules and
graduation of benefits, conversion privileges, deductible amounts,
limitations on eligibility for benefits by reason of termination of
employment or other change of status, leaves of absence, military service
or other interruptions in service and other reasonable provisions as may be
established by the commission.

(2) The unified school district employee health care benefits program
shall provide the benefits and services required by K.S.A. 2016 Supp. 75-
6524, and amendments thereto.

(c) The Kansas state employees health care commission shall
designate by rules and regulations those persons who are qualified to
participate in the unified school district employee health care benefits
program, including active and retired school district employees and their
dependents as defined by rules and regulations of the commission. In
designating persons qualified to participate in the unified school district
employee health care benefits program, the commission may establish
such conditions, restrictions, limitations and exclusions as the commission
deems reasonable.

(d) (1) For the health plan coverage year commencing January 1,
2019, and each year thereafter, all employees of each school district and
dependents of such employees shall be qualified to participate in the
unified school district employee health care benefits program. Such
employees and dependents shall be eligible to only elect a high-deductible health plan and health savings account under the state health care benefits program.

(2) If the employee had not previously participated in the unified school district employee health care benefits program, the employer shall calculate the average savings to the employer of the high deductible plan compared to the previous health benefit plans and contribute that amount monthly to the employee's health savings account up to the maximum annual amount allowed pursuant to 26 U.S.C. § 223(d), as amended.

(3) The employer shall allow additional voluntary contributions by the employee to their health savings account by payroll deduction up to the maximum annual amount allowed pursuant to 26 U.S.C. § 223(d), as amended.

(e) For the health plan coverage year commencing January 1, 2019, and each year thereafter, no school district shall offer or enter into any contract for the provision of any health plan in lieu of a high-deductible health plan and health savings account under the unified school district employee health care benefits program. A school district may offer or enter into a contract for the provision of supplemental health coverage in addition to a plan offered under the unified school district employee health care benefits program. An employee shall be eligible to elect such supplemental health coverage only if the employee also elects a high-deductible health plan and health savings account under the unified school district employee health care benefits program.

(f) As used in this section, the term "school district" means a unified school district organized and operated under the laws of this state.

New Sec. 34. (a) The same powers, duties and functions granted to the Kansas state employees health care commission for the development and implementation of the state health care benefits program under K.S.A. 75-6504 and 75-6510, and amendments thereto, are hereby granted to the commission for the development and implementation of the unified school district employee health care benefits program.

(b) The same powers, duties and functions of the technical administrator for the state health care benefits program as provided by K.S.A. 75-6503, and amendments thereto, are hereby granted to the technical administrator for the unified school district employee health care benefits program.

New Sec. 35. The Kansas state employees health care commission, in accordance with the provisions of K.S.A. 75-6504, and amendments thereto, may contract to provide health care services of a health maintenance organization for persons qualified to participate in the unified school district employee health care benefits program. The contract shall provide that coverage under the contract is applicable to those persons
qualified to participate in the unified school district employee health care
benefits program as the commission determines feasible. This coverage
may be available to such qualified persons as an alternative to other
benefits under the unified school district employee health care benefits
program or may be part of the benefits provided to such persons under the
program. The contract may include services for spouses and dependents of
members at rates established in accordance with such contract. A contract
to provide health care services of a health maintenance organization under
this section shall be construed to be part of the unified school district
employee health care benefits program.

New Sec. 36. (a) The participation of a person qualified to participate
in the unified school district employee health care benefits program shall
be voluntary, and the cost of the unified school district employee health
care benefits program for such person shall be established by the Kansas
state employees health care commission.

(b) Periodic deductions from school district payrolls may be made in
accordance with procedures prescribed by the state board of education to
cover the costs of the unified school district employee health care benefits
program payable by persons who are on the school district payroll when
authorized by such persons. All such moneys deducted from payrolls shall
be remitted to the Kansas state employees health care commission in
accordance with rules and regulations adopted by the commission.

New Sec. 37. (a) Each school district that has on its payroll persons
participating in the unified school district employee health care benefits
program shall pay from any moneys available to the school district for
such purpose an amount specified by the Kansas state employees health
care commission. All such payments shall continue on the behalf of
employees otherwise eligible for participation in the unified school district
employee health care benefits program in accordance with the continuation
provisions of the federal family and medical leave act of 1993, P.L. 103-
03, 107 Stat. 6. The commission may charge each school district a uniform
amount per person as the cost to the school district for the school district's
contribution for persons participating in the unified school district
employee health care benefits program. Such amounts may include the pro-
rata costs of administering the program.

(b) Payments from public funds for coverage under the unified school
district employee health care benefits program for persons participating in
that program shall not be deemed a payment or supplement of wages of
such person, notwithstanding any other provision of law or rules and
regulations relating to wages of any such person.

New Sec. 38. (a) Except as provided in subsection (b), the director of
accounts and reports shall make periodic deductions from state retirement
or other benefit payments to retired school district employees and other
persons who are qualified to participate in the unified school district employee health care benefits program for the costs of the unified school district employee health care benefits program that are payable by such retired school district employees and other persons.

(b) No deductions shall be made under this section in cases: (1) Where the retired school district employee or other person submits a written request in accordance with procedures prescribed by the commission that the deductions not be made; or (2) where the commission has directed that the deductions not be made.

(c) No deductions made under this section shall be construed to be an assignment of any annuity, benefits, funds, property or rights of any person under K.S.A. 20-2618, 74-4923 or 74-49,105, and amendments thereto.

New Sec. 39. The provisions of sections 39 through 50, and amendments thereto, shall be known and may be cited as the Kansas education freedom act.

New Sec. 40. As used in sections 39 through 50, and amendments thereto:

(a) "Account" means a Kansas education freedom account.
(b) "Accredited private online learning program" means a program that offers educational courses delivered primarily over the internet to a student by a non-governmental entity that has been accredited by a regional, national or governmental body through a peer review process for validating the quality of such program.
(c) "Certified tutor" means a person licensed or certified to teach or instruct another person in a course of study.
(d) "Parent" includes a guardian, custodian or other person with authority to act on behalf of the student.
(e) "Participating entity" means any nonpublic school that provides education to elementary and secondary students located in this state, is accredited by a national accreditation organization, and is registered with the state board pursuant to K.S.A. 72-53,101, and amendments thereto.
(f) "Program" means the Kansas education freedom program.
(g) "Public school" means a school operated by a unified school district organized under the laws of this state.
(h) "Resident school district" means the school district in which a student would be enrolled based on such student's residence.
(i) "State board" means the state board of education.
(j) "Student" means a resident of Kansas who:
(1) Is or has been enrolled in kindergarten or any of the grades one through 12 in a school district organized under the laws of this state;
(2) is eligible to be enrolled in any school district in the school year in which an account is first sought for such child and the child is under the age of six; or
(3) has established an account under this program and has not graduated from high school.

(k) "Treasurer" means the state treasurer or the state treasurer's designee.

New Sec. 41. (a) There is hereby established the Kansas education freedom program, which shall be administered by the treasurer.

(b) The treasurer shall establish a Kansas education freedom account for each student whose parent satisfies the requirements of this act.

(c) The treasurer shall maintain an explanation of the following information on the treasurer's website and provide a hard copy of such information to any person who requests it:

(1) The allowable uses of the moneys in a Kansas education freedom account;

(2) the responsibilities of a parent of a student participating in the program;

(3) the duties of the treasurer; and

(4) a list of participating entities.

New Sec. 42. (a) To establish an account, the parent of a student shall enter into a written agreement with the treasurer, in a manner and on a form prescribed by the treasurer. Such agreement shall provide:

(1) The student shall receive instruction in at least those subjects required by K.S.A. 72-1101, 72-1103 and 72-1117, and amendments thereto, from a participating entity in this state for the school year for which the agreement applies;

(2) the student shall not enroll full-time in any public school, including any public charter school during the school year for which the agreement applies;

(3) the student shall receive a grant, in the form of money deposited pursuant to section 43, and amendments thereto, in the account established for such student;

(4) the parent shall comply with all requirements and rules and regulations of the program; and

(5) the money in the student's account shall only be expended as authorized by this act.

(b) (1) Only one account may be established for each student. A parent acting on behalf of more than one student shall have a separate written agreement for each such student.

(2) The treasurer shall ensure no duplicate payments are made on behalf of a student.

(c) (1) For a student enrolling in a participating entity for the fall semester, the written agreement between the parent and the treasurer shall be executed on or before September 1 of the applicable school year.

(2) For a student enrolling in a participating entity for the spring
semester, the written agreement between the parent and the treasurer shall be executed on or before January 1 of the applicable school year.

(d) A written agreement entered into pursuant to this section shall have a term of one year, but may be terminated early pursuant to subsection (e). A written agreement may be renewed annually upon the written consent of the parent and the treasurer in a manner determined by the treasurer. Failure to renew a written agreement does not preclude renewal of such written agreement in a subsequent year. A written agreement that has been terminated pursuant to subsection (e) shall not be renewed.

(e) (1) (A) A written agreement may be terminated by the treasurer upon a determination that:
   (i) Money in an account has been used for purposes other than those allowed by section 45, and amendments thereto;
   (ii) the student no longer satisfies the definition of a student, as defined in section 40, and amendments thereto; or
   (iii) the student enrolls in public school full-time.
   (B) A written agreement may be terminated by a parent at any time. Any parent terminating a written agreement shall notify the treasurer in writing of the termination.
   (2) When a written agreement is terminated, the account associated with such agreement shall be closed and any money remaining in such account shall be transferred to the state general fund.

New Sec. 43. (a) Upon execution of an agreement in accordance with section 42, and amendments thereto, the treasurer shall establish an account in the education freedom fund in the state treasury in the name of the student. Upon establishment of such account, the treasurer shall notify the resident school district of the establishment of such an account for the student.

(b) (1) The treasurer shall transfer from the state general fund to the student's account in the education freedom fund an aggregate annual amount equal to 70% of the general state aid of such student's resident school district, excluding any amounts certified by the board of trustees of the Kansas public employees retirement system for the participating employer's obligation of such school district to the system for the immediately preceding school year divided by the enrollment of such school district for the immediately preceding school year. The treasurer shall make such transfers in quarterly installments pursuant to a schedule determined by the treasurer.
   (2) If a student enrolls in public school on a part-time basis, such student shall notify the treasurer and the treasurer shall prorate the amount to be transferred under subsection (b)(1).
   (3) The treasurer may deduct up to 2% of the amount to be
transferred into an account as reimbursement for the administrative costs
of implementing the provisions of this act.

(c) (1) Each account shall remain active until:

(A) A written agreement is terminated pursuant to section 42, and
amendments thereto;

(B) the student graduates from high school, or the student reaches the
age of 21, whichever occurs first; or

(C) there are two consecutive years of nonrenewal of an agreement.

(2) When the treasurer determines an account is no longer active, the
treasurer shall close the account and certify the amount of funds remaining
in the account to the director of accounts and reports. Upon receipt of such
certification, the director shall transfer such certified amount from the
closed account to the state general fund.

(e) The treasurer shall develop a system for payment of services by
participating parents by electronic funds transfer. However, such system
shall not require parents to be reimbursed for out-of-pocket expenses. All
transfers shall be only for expenditures approved by the treasurer.

(f) There is hereby established in the state treasury the education
freedom expense fund to be administered by the state treasurer.
Expenditures from the education freedom expense fund shall be made in
accordance with appropriation acts upon warrants of the director of
accounts and reports issued pursuant to vouchers approved by the treasurer
or the treasurer's designee. All moneys deducted pursuant to subsection (b)
(3) or earned pursuant to section 44(e), and amendments thereto, shall be
deposited in the state treasury in accordance with K.S.A. 75-4215, and
amendments thereto, and shall be credited to the education freedom
expense fund.

New Sec. 44. (a) The treasurer shall notify the state board of
education as to the names of the students participating in the program and
the resident school district of each such student.

(b) For school year 2017-2018, and each school year thereafter, a
student shall be counted in the enrollment of such student's resident school
district for the purposes of calculating the amount of general state aid per
student for the school district. Excluding any amounts certified by the
board of trustees of the Kansas public employees retirement system for the
participating employer's obligation of such school district to the system for
the immediately preceding school year for each resident school district, an
amount equal to 70% of the general state aid per student shall be
multiplied by the total number of students residing in such school district
who are participating in the program. The state board of education shall
certify the resulting product to the director of accounts and reports. Upon
receipt of such certification, the director shall transfer such certified
amount from the state general fund to the education freedom fund
established by this section.

(c) For school year 2017-2018, and each school year thereafter, the state board shall deduct from the amount of general state aid for each school district an amount equal to the amount certified under subsection (b).

(d) There is hereby established in the state treasury the education freedom fund to be administered by the state treasurer. Money in the education freedom fund shall be expended only for the purposes established in this act. All moneys received pursuant to subsection (b) shall be deposited in the state treasury in accordance with the provisions of K.S.A. 75-4215, and amendments thereto, and shall be credited to the education freedom fund.

(e) On or before the 10th of each month, the director of accounts and reports shall transfer from the state general fund to the education freedom fund interest earnings based on:

1. The average daily balance of moneys in the education freedom fund for the preceding month; and
2. The net earnings rate of the pooled money investment portfolio for the preceding month.

New Sec. 45. (a) Moneys in the student's account may be accessed by such student's parent, but shall only be expended by the parent for the following purposes:

1. Tuition and fees charged by the participating entity;
2. Textbooks and other supplies required by the participating entity;
3. Educational therapies or services provided by a licensed or accredited education provider;
4. Tutoring services provided by a certified tutor;
5. Curriculum materials;
6. Tuition or fees charged by an accredited private online learning program;
7. Fees for any nationally standardized norm-referenced achievement test, advanced placement examination or other examination related to admission to a postsecondary institution;
8. Contracted services from a public school district, including individual classes; and
9. Fees for transportation provided by a participating entity required for the child to travel to and from a participating entity, not to exceed $750 per school year.

(b) Except as provided in section 43(c), and amendments thereto, funds remaining in an account at the end of a school year shall roll over to the next succeeding school year.

(c) A participating entity providing education services purchased with funds from an account shall not share, refund or rebate any portion of such
funds to the parent or student. Any such refund or rebate shall be made directly into the student's account.

(d) No personal deposits may be made into an account.

New Sec. 46. (a) The treasurer shall conduct, or contract for the performance of, annual audits of a random sample of the accounts established. Additional audits of an account may be conducted if deemed necessary by the treasurer.

(b) If the treasurer determines money in an account has been used for purposes other than those allowed by section 45, and amendments thereto, the treasurer may:

(1) Prohibit expenditures from the account until such time as determined by the treasurer;

(2) prorate amounts to be deposited in such account under section 43, and amendments thereto, by an amount equal to the total amount used for purposes other than those allowed by section 45, and amendments thereto;

or

(3) terminate the account.

New Sec. 47. (a) To become a participating entity, an applicant shall submit an application to the treasurer on a form and in a manner prescribed by the treasurer. Such application shall include proof of the following:

(1) The applicant is:

(A) An accredited nonpublic school registered with the state board of education pursuant to K.S.A. 72-53,101, and amendments thereto;

(B) an accredited program of distance education that is not operated by a public school or the department of education; or

(C) a tutor or tutoring facility that is accredited by a state, regional or national accrediting organization; and

(2) the applicant provides instruction in at least those subjects required by K.S.A. 72-1101, 72-1103 and 72-1117, and amendments thereto.

(b) The treasurer shall approve an application or request additional information as necessary to prove an applicant meets the criteria to be deemed a participating entity within 45 days of receiving the application. If the applicant is unable to provide such additional information, the treasurer may deny the application.

(c) The treasurer shall conduct, or contract for the performance of, an audit of a participating entity selected at random each year to determine whether the participating entity is compliant with the requirements of subsection (a).

(d) (1) The treasurer may revoke a participating entity's approval if the treasurer determines the participating entity:

(A) Has routinely failed to comply with the provisions of this act or applicable rules and regulations; or
(B) has failed to provide any educational services required by law to a student receiving instruction from the entity if the entity is accepting payments made from such student's account.

(2) Prior to revoking a participating entity's approval, the treasurer shall notify such participating entity of impending revocation and the reason for such revocation. The participating entity shall have 30 days from the time it was notified to cure the matter identified in the notice. If the participating entity fails to cure within 30 days, such participating entity's approval shall be revoked. A participating entity whose approval has been revoked shall not be allowed to participate in the program until such time the treasurer determines such participating entity is in compliance with the requirements of this act.

(3) If the treasurer revokes a participating entity's approval, the treasurer shall immediately notify each parent of a student participating in the program and receiving instruction from such participating entity.

(e) The treasurer may notify the attorney general or the district attorney of the county where the participating entity is located if a participating entity's approval was revoked because of misuse of money paid from an account.

New Sec. 48. (a) The treasurer shall administer, or arrange to be administered, an annual survey of parents who have a student participating in the program. The survey shall include, but not be limited to, the following:

(1) The number of years the student has been a participant in the program;
(2) the relative satisfaction of the parent with the program; and
(3) any opinions regarding any topics, items or other issues the treasurer determines may aid in the evaluation of the program or increase effectiveness of the program.

(b) The results of the survey shall be compiled into a report. On or before January 31, 2018, and each January 31 thereafter, such report shall be submitted to the committees on education and appropriations of the house of representatives and the committees on education and ways and means of the senate. Such report shall also be published annually on the treasurer's website.

New Sec. 49. On or before January 1, 2018, the treasurer shall adopt rules and regulations necessary to carry out the provisions of this act.

New Sec. 50. Nothing in this act shall be deemed to limit the independence or autonomy of a participating entity or to make the actions of a participating entity the actions of the state government.

New Sec. 51. (a) There is hereby established the USD efficiency incentive program that shall be administered by the state board of education. Any employee of a school district may submit a plan for the
efficient operation of school districts that will result in cost savings. Such
plan shall be submitted in such manner and form as prescribed by the state
board of education. More than one employee may be identified as a
submitter on any plan.

(b) On or before January 15, 2018, and each January 15 thereafter, the
state board of education shall submit a report to the governor and the
legislature describing each of the plans submitted pursuant to subsection
(a). The report shall include a description of the plan, an analysis by the
division of the budget as to the cost savings to be realized from
implementation of the plan and recommendations for legislation necessary
to implement the plan.

(c) Upon implementation of any plan for the efficient operation of
school districts, or as soon thereafter as the pertinent information becomes
readily available, the director of the division of the budget shall certify the
amount of cost savings realized by the state from implementation of such
plan to the director of accounts and reports and to the state board of
education. Upon receipt of such certification, the director of accounts and
reports shall transfer an amount equal to 10% of the certified amount from
the state general fund to the USD efficiency incentive fund established by
this section.

(d) Upon receipt of the certification described in subsection (c), the
state board of education shall approve payment from the USD efficiency
incentive fund to the individual or individuals who submitted the plan
upon which such certification of cost savings is based. The aggregate
amount of any payment approved by the state board of education shall not
exceed 10% of such certified amount. In the event more than one
individual is identified by the state board as having submitted the
underlying plan, then the payment approved by the state board shall be
paid in equal portions to each such individual.

(e) There is hereby established in the state treasury the USD
efficiency incentive fund to be administered by the state board of
education. Money in the USD efficiency incentive fund shall be expended
only for the purposes established in this act. Expenditures from the USD
efficiency incentive fund shall be made in accordance with appropriations
acts upon warrants of the director of accounts and reports issued pursuant
to vouchers approved by the state board of education.

New Sec. 52. (a) Commencing in school year 2017-2018, the state
department of education shall collect and retain the information necessary
to establish a success metric system as required under section 14, and
amendments thereto.

(b) The state board of education shall adopt rules and regulations
necessary to implement the provisions of this section.

Sec. 53. K.S.A. 2016 Supp. 10-1116a is hereby amended to read as
follows: 10-1116a. The limitations on expenditures imposed under the cash-basis law shall not apply to:

(a) Expenditures in excess of current revenues made for municipally owned and operated utilities out of the fund of such utilities caused by, or resulting from the meeting of, extraordinary emergencies including drought emergencies. In such cases expenditures in excess of current revenues may be made by declaring an extraordinary emergency by resolution adopted by the governing body and such resolution shall be published at least once in a newspaper of general circulation in such city. Thereupon, such governing body may issue interest bearing no-fund warrants on such utility fund in an amount, including outstanding previously issued no-fund warrants, not to exceed 25% of the revenues from sales of service of such utility for the preceding year. Such warrants shall be redeemed within three years from date of issuance and shall bear interest at a rate of not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto. Upon the declaration of a drought emergency, the governing body may issue such warrants for water system improvement purposes in an amount not to exceed 50% of the revenue received from the sale of water for the preceding year. Such warrants shall be redeemed within five years from the date of issuance and shall bear interest at a rate not to exceed the maximum rate of interest prescribed by K.S.A. 10-1009, and amendments thereto.

(b) Expenditures in any month by school districts which are in excess of current revenues if the deficit or shortage in revenues is caused by, or a result of, the payment of state aid after the date prescribed for the payment of state aid during such month under K.S.A. 2016 Supp. 72-6466 section 11, and amendments thereto.

Sec. 54. K.S.A. 2016 Supp. 12-1770a is hereby amended to read as follows: 12-1770a. As used in this act, the following words and phrases shall have the following meanings unless a different meaning clearly appears from the content:

(a) "Auto race track facility" means: (1) An auto race track facility and facilities directly related and necessary to the operation of an auto race track facility, including, but not limited to, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding (2) hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility.

(b) "Base year assessed valuation" means the assessed valuation of all real property within the boundaries of a redevelopment district on the date the redevelopment district was established.

(c) "Blighted area" means an area which:

(1) Because of the presence of a majority of the following factors,
substantially impairs or arrests the development and growth of the municipality or constitutes an economic or social liability or is a menace to the public health, safety, morals or welfare in its present condition and use:

(A)  A substantial number of deteriorated or deteriorating structures;
(B)  predominance of defective or inadequate street layout;
(C)  unsanitary or unsafe conditions;
(D)  deterioration of site improvements;
(E)  tax or special assessment delinquency exceeding the fair market value of the real property;
(F)  defective or unusual conditions of title including, but not limited to, cloudy or defective titles, multiple or unknown ownership interests to the property;
(G)  improper subdivision or obsolete platting or land uses;
(H)  the existence of conditions which endanger life or property by fire or other causes; or
(I)  conditions which create economic obsolescence;

(2)  has been identified by any state or federal environmental agency as being environmentally contaminated to an extent that requires a remedial investigation; feasibility study and remediation or other similar state or federal action;

(3)  a majority of the property is a 100-year floodplain area; or
(4)  previously was found by resolution of the governing body to be a slum or a blighted area under K.S.A. 17-4742 et seq., and amendments thereto.

d)  "Conservation area" means any improved area comprising 15% or less of the land area within the corporate limits of a city in which 50% or more of the structures in the area have an age of 35 years or more, which area is not yet blighted, but may become a blighted area due to the existence of a combination of two or more of the following factors:

(1)  Dilapidation, obsolescence or deterioration of the structures;
(2)  illegal use of individual structures;
(3)  the presence of structures below minimum code standards;
(4)  building abandonment;
(5)  excessive vacancies;
(6)  overcrowding of structures and community facilities; or
(7)  inadequate utilities and infrastructure.

(e)  "De minimus" means an amount less than 15% of the land area within a redevelopment district.

(f)  "Developer" means any person, firm, corporation, partnership or limited liability company, other than a city and other than an agency, political subdivision or instrumentality of the state or a county when relating to a bioscience development district.

(g)  "Eligible area" means a blighted area, conservation area,
enterprise zone, intermodal transportation area, major tourism area or a
major commercial entertainment and tourism area, bioscience
development area or a building or buildings which are 65 years of age or
older and any contiguous vacant or condemned lots.

(h) "Enterprise zone" means an area within a city that was designated
as an enterprise zone prior to July 1, 1992, pursuant to K.S.A. 12-17,107
through 12-17,113, and amendments thereto, prior to its repeal and the
conservation, development or redevelopment of the area is necessary to
promote the general and economic welfare of such city.

(i) "Environmental increment" means the increment determined
pursuant to K.S.A. 12-1771a(b), and amendments thereto.

(j) "Environmentally contaminated area" means an area of land
having contaminated groundwater or soil which is deemed
environmentally contaminated by the department of health and
environment or the United States environmental protection agency.

(k) (1) "Feasibility study" means:
(A) A study which shows whether a redevelopment project's or
bioscience development project's benefits and tax increment revenue and
other available revenues under K.S.A. 12-1774(a)(1), and amendments
thereto, are expected to exceed or be sufficient to pay for the
redevelopment or bioscience development project costs; and
(B) the effect, if any, the redevelopment project costs or bioscience
development project will have on any outstanding special obligation bonds
payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and
amendments thereto.

(2) For a redevelopment project or bioscience project financed by
bonds payable from revenues described in K.S.A. 12-1774(a)(1)(D), and
amendments thereto, the feasibility study must also include:
(A) A statement of how the taxes obtained from the project will
contribute significantly to the economic development of the jurisdiction in
which the project is located;
(B) a statement concerning whether a portion of the local sales and
use taxes are pledged to other uses and are unavailable as revenue for the
redevelopment project. If a portion of local sales and use taxes is so
committed, the applicant shall describe the following:
(i) The percentage of sales and use taxes collected that are so
committed; and
(ii) the date or dates on which the local sales and use taxes pledged to
other uses can be pledged for repayment of special obligation bonds;
(C) an anticipated principal and interest payment schedule on the
bonds;
(D) following approval of the redevelopment plan, the feasibility
study shall be supplemented to include a copy of the minutes of the
governing body meeting or meetings of any city whose bonding authority
will be utilized in the project, evidencing that a redevelopment plan has
been created, discussed, and adopted by the city in a regularly scheduled
open public meeting; and
(E) the failure to include all information enumerated in this
subsection in the feasibility study for a redevelopment or bioscience
project shall not affect the validity of bonds issued pursuant to this act.
(I) "Major tourism area" means an area for which the secretary has
made a finding the capital improvements costing not less than
$100,000,000 will be built in the state to construct an auto race track
facility.
(m) "Real property taxes" means all taxes levied on an ad valorem
basis upon land and improvements thereon, except that when relating to a
bioscience development district, as defined in this section, "real property
taxes" does not include:
(1) Property taxes levied for schools, by school districts pursuant to
K.S.A. 2016 Supp. 72-6470 section 15, and amendments thereto, when:
(A) Relating to a bioscience development district; and
(B) relating to a redevelopment district established after June 30,
1997; and
(2) property taxes levied by school districts pursuant to section 16,
and amendments thereto, when relating to a bioscience development
district or a redevelopment district established after June 30, 2017.
(n) "Redevelopment project area" means an area designated by a city
within a redevelopment district or, if the redevelopment district is
established for an intermodal transportation area, an area designated by a
city within or outside of the redevelopment district.
(o) "Redevelopment project costs" means: (1) Those costs necessary
to implement a redevelopment project plan or a bioscience development
project plan, including costs incurred for:
(A) Acquisition of property within the redevelopment project area;
(B) payment of relocation assistance pursuant to a relocation
assistance plan as provided in K.S.A. 12-1777, and amendments thereto;
(C) site preparation including utility relocations;
(D) sanitary and storm sewers and lift stations;
(E) drainage conduits, channels, levees and river walk canal facilities;
(F) street grading, paving, graveling, macadamizing, curbing,
guttering and surfacing;
(G) street light fixtures, connection and facilities;
(H) underground gas, water, heating and electrical services and
connections located within the public right-of-way;
(I) sidewalks and pedestrian underpasses or overpasses;
(J) drives and driveway approaches located within the public right-of-
way;
(K) water mains and extensions;
(L) plazas and arcades;
(M) major multi-sport athletic complex;
(N) museum facility;
(O) parking facilities including multilevel parking facilities;
(P) landscaping and plantings, fountains, shelters, benches, sculptures, lighting, decorations and similar amenities;
(Q) related expenses to redevelop and finance the redevelopment project;
(R) for purposes of an incubator project, such costs shall also include wet lab equipment including hoods, lab tables, heavy water equipment and all such other equipment found to be necessary or appropriate for a commercial incubator wet lab facility by the city in its resolution establishing such redevelopment district or a bioscience development district;
(S) costs for the acquisition of land for and the construction and installation of publicly-owned infrastructure improvements which serve an intermodal transportation area and are located outside of a redevelopment district; and
(T) costs for infrastructure located outside the redevelopment district but contiguous to any portion of the redevelopment district and such infrastructure is necessary for the implementation of the redevelopment plan as determined by the city.

(2) Redevelopment project costs shall not include: (A) Costs incurred in connection with the construction of buildings or other structures to be owned by or leased to a developer, however, the "redevelopment project costs" shall include costs incurred in connection with the construction of buildings or other structures to be owned or leased to a developer which includes an auto race track facility or a multilevel parking facility.

(B) In addition, for a redevelopment project financed with special obligation bonds payable from the revenues described in K.S.A. 12-1774(a)(1)(D), and amendments thereto, redevelopment project costs shall not include:
(i) Fees and commissions paid to developers, real estate agents, financial advisors or any other consultants who represent the developers or any other businesses considering locating in or located in a redevelopment district;
(ii) salaries for local government employees;
(iii) moving expenses for employees of the businesses locating within the redevelopment district;
(iv) property taxes for businesses that locate in the redevelopment district;
(v) lobbying costs;
(vi) a bond origination fee charged by the city pursuant to K.S.A. 12-1742, and amendments thereto;
(vii) any personal property, as defined in K.S.A. 79-102, and amendments thereto; and
(viii) travel, entertainment and hospitality.

(p) "Redevelopment district" means the specific area declared to be an eligible area in which the city may develop one or more redevelopment projects.

(q) "Redevelopment district plan" or "district plan" means the preliminary plan that identifies all of the proposed redevelopment project areas and identifies in a general manner all of the buildings, facilities and improvements in each that are proposed to be constructed or improved in each redevelopment project area or, if the redevelopment district is established for an intermodal transportation area, in or outside of the redevelopment district.

(r) "Redevelopment project" means the approved project to implement a project plan for the development of the established redevelopment district.

(s) "Redevelopment project plan" means the plan adopted by a municipality for the development of a redevelopment project or projects which conforms with K.S.A. 12-1772, and amendments thereto, in a redevelopment district.

(t) "Substantial change" means, as applicable, a change wherein the proposed plan or plans differ substantially from the intended purpose for which the district plan or project plan was approved.

(u) "Tax increment" means that amount of real property taxes collected from real property located within the redevelopment district that is in excess of the amount of real property taxes which is collected from the base year assessed valuation.

(v) "Taxing subdivision" means the county, city, unified school district and any other taxing subdivision levying real property taxes, the territory or jurisdiction of which includes any currently existing or subsequently created redevelopment district including a bioscience development district.

(w) "River walk canal facilities" means a canal and related water features which flows through a redevelopment district and facilities related or contiguous thereto, including, but not limited to pedestrian walkways and promenades, landscaping and parking facilities.

(x) "Major commercial entertainment and tourism area" may include, but not be limited to, a major multi-sport athletic complex.

(y) "Major multi-sport athletic complex" means an athletic complex that is utilized for the training of athletes, the practice of athletic teams, the
playing of athletic games or the hosting of events. Such project may include playing fields, parking lots and other developments including grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities, not directly related to or necessary to the operation of such facility.

(z) "Bioscience" means the use of compositions, methods and organisms in cellular and molecular research, development and manufacturing processes for such diverse areas as pharmaceuticals, medical therapeutics, medical diagnostics, medical devices, medical instruments, biochemistry, microbiology, veterinary medicine, plant biology, agriculture, industrial environmental and homeland security applications of bioscience and future developments in the biosciences. Bioscience includes biotechnology and life sciences.

(aa) "Bioscience development area" means an area that:

(1) Is or shall be owned, operated, or leased by, or otherwise under the control of the Kansas bioscience authority;

(2) is or shall be used and maintained by a bioscience company; or

(3) includes a bioscience facility.

(bb) "Bioscience development district" means the specific area, created under K.S.A. 12-1771, and amendments thereto, where one or more bioscience development projects may be undertaken.

(cc) "Bioscience development project" means an approved project to implement a project plan in a bioscience development district.

(dd) "Bioscience development project plan" means the plan adopted by the authority for a bioscience development project pursuant to K.S.A. 12-1772, and amendments thereto, in a bioscience development district.

(ee) "Bioscience facility" means real property and all improvements thereof used to conduct bioscience research, including, without limitation, laboratory space, incubator space, office space and any and all facilities directly related and necessary to the operation of a bioscience facility.

(ff) "Bioscience project area" means an area designated by the authority within a bioscience development district.

(gg) "Biotechnology" means those fields focusing on technological developments in such areas as molecular biology, genetic engineering, genomics, proteomics, physomics, nanotechnology, biodefense, biocomputing, bioinformatics and future developments associated with biotechnology.

(hh) "Board" means the board of directors of the Kansas bioscience authority.

(ii) "Life sciences" means the areas of medical sciences, pharmaceutical sciences, biological sciences, zoology, botany, horticulture, ecology, toxicology, organic chemistry, physical chemistry, physiology and
any future advances associated with life sciences.

(jj) "Revenue increase" means that amount of real property taxes collected from real property located within the bioscience development district that is in excess of the amount of real property taxes which is collected from the base year assessed valuation.

(kk) "Taxpayer" means a person, corporation, limited liability company, S corporation, partnership, registered limited liability partnership, foundation, association, nonprofit entity, sole proprietorship, business trust, group or other entity that is subject to the Kansas income tax act, K.S.A. 79-3201 et seq., and amendments thereto.

(ll) "Floodplain increment" means the increment determined pursuant to K.S.A. 2016 Supp. 12-1771e(b), and amendments thereto.

(mm) "100-year floodplain area" means an area of land existing in a 100-year floodplain as determined by either an engineering study of a Kansas certified engineer or by the United States federal emergency management agency.

(nn) "Major motorsports complex" means a complex in Shawnee county that is utilized for the hosting of competitions involving motor vehicles, including, but not limited to, automobiles, motorcycles or other self-propelled vehicles other than a motorized bicycle or motorized wheelchair. Such project may include racetracks, all facilities directly related and necessary to the operation of a motorsports complex, including, but not limited to, parking lots, grandstands, suites and viewing areas, concessions, souvenir facilities, catering facilities, visitor and retail centers, signage and temporary hospitality facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility.

(oo) "Intermodal transportation area" means an area of not less than 800 acres to be developed primarily to handle the transfer, storage and distribution of freight through railway and trucking operations.

(pp) "Museum facility" means a separate newly-constructed museum building and facilities directly related and necessary to the operation thereof, including gift shops and restaurant facilities, but excluding hotels, motels, restaurants and retail facilities not directly related to or necessary to the operation of such facility. The museum facility shall be owned by the state, a city, county, other political subdivision of the state or a non-profit corporation, shall be managed by the state, a city, county, other political subdivision of the state or a non-profit corporation and may not be leased to any developer and shall not be located within any retail or commercial building.

Sec. 55. K.S.A. 2016 Supp. 12-1775a is hereby amended to read as follows: 12-1775a. (a) Prior to December 31, 1996, the governing body of each city which, pursuant to K.S.A. 12-1771, and amendments thereto, has
established a redevelopment district prior to July 1, 1996, shall certify to
the director of accounts and reports the amount equal to the amount of
revenue realized from ad valorem taxes imposed pursuant to K.S.A. 2016
Supp. 72-6470 section 15, and amendments thereto, within such
redevelopment district. Prior to February 1, 1997, and annually on that
date thereafter, the governing body of each such city shall certify to the
director of accounts and reports an amount equal to the amount by which
revenues realized from such ad valorem taxes imposed in such
redevelopment district are estimated to be reduced for the ensuing calendar
year due to legislative changes in the statewide school finance formula.
Prior to March 1 of each year, the director of accounts and reports shall
certify to the state treasurer each amount certified by the governing bodies
of cities under this section for the ensuing calendar year and shall transfer
from the state general fund to the city tax increment financing revenue
fund the aggregate of all amounts so certified. Prior to April 15 of each
year, the state treasurer shall pay from the city tax increment financing
revenue fund to each city certifying an amount to the director of accounts
and reports under this section for the ensuing calendar year the amount so
certified.

(b) There is hereby created the tax increment financing revenue
replacement fund which shall be administered by the state treasurer. All
expenditures from the tax increment financing revenue replacement fund
shall be made in accordance with appropriations acts upon warrants of the
director of accounts and reports issued pursuant to vouchers approved by
the state treasurer or a person or persons designated by the state treasurer.

Sec. 56. K.S.A. 2016 Supp. 12-1776a is hereby amended to read as
follows: 12-1776a. (a) As used in this section:
(1) "School district" means any school district in which is located a
redevelopment district for which bonds have been issued pursuant to
K.S.A. 12-1770 et seq., and amendments thereto.
(2) "Base year assessed valuation," "redevelopment district" and
"redevelopment project" shall have the meanings ascribed thereto by
K.S.A. 12-1770a, and amendments thereto.
(b) No later than November 1 of each year, the county clerk of each
county shall certify to the state board of education the assessed valuation
of any school district located within a redevelopment district in such
county. For the purposes of this section and for determining the amount of
state aid for school districts under K.S.A. 75-2319, and amendments
thereto, and section 27, and amendments thereto, the base year assessed
valuation of property within the boundaries of a redevelopment district
shall be used when determining the assessed valuation of a school district
until the bonds issued pursuant to K.S.A. 12-1770 et seq., and amendments
thereto, to finance redevelopment projects in the redevelopment district.
have been retired.

Sec. 57. K.S.A. 46-1701 is hereby amended to read as follows: 46-1701. (a) There is hereby created the joint committee on state building construction which shall be within the legislative branch of state government and which shall be composed of five members of the senate and five members of the house of representatives. The five senate members shall be the chairperson of the committee on ways and means of the senate, or a member of the committee on ways and means of the senate appointed by the chairperson, two senators appointed by the president and two senators appointed by the minority leader. The five representative members shall be the chairperson of the committee on appropriations of the house of representatives, or a member of the committee on appropriations of the house of representatives appointed by the chairperson, two representatives appointed by the speaker and two representatives appointed by the minority leader.

(b) All members of the joint committee on state building construction shall serve for terms ending on the first day of the regular legislative session in odd-numbered years. The joint committee shall organize annually and elect a chairperson and vice-chairperson in accordance with this subsection. On and after the first day of the regular legislative session in odd-numbered years, the chairperson shall be one of the representative members of the joint committee elected by the members of the joint committee and the vice-chairperson shall be one of the senate members elected by the members of the joint committee and on and after the first day of the regular legislative session in even-numbered years, the chairperson shall be one of the senate members of the joint committee elected by the members of the joint committee and the vice-chairperson shall be one of the representative members of the joint committee elected by the members of the joint committee. The chairperson and vice-chairperson of the joint committee shall serve in such capacities until the first day of the regular legislative session in the ensuing year. The vice-chairperson shall exercise all of the powers of the chairperson in the absence of the chairperson. If a vacancy occurs in the office of chairperson or vice-chairperson, a member of the joint committee, who is a member of the same house as the member who vacated the office, shall be elected by the members of the joint committee to fill such vacancy.

(c) A quorum of the joint committee on state building construction shall be six. All actions of the joint committee shall be taken by a majority of all of the members of the joint committee.

(d) The joint committee on state building construction may meet at any time and at any place within the state on the call of the chairperson.

*The joint committee shall meet at least once each quarter as required by section 28, and amendments thereto.*
(e) The provisions of the acts contained in article 12 of chapter 46 of
the Kansas Statutes Annotated, and amendments thereto, applicable to
special committees shall apply to the joint committee on state building
construction to the extent that the same do not conflict with the specific
provisions of this act applicable to the joint committee.

(f) In accordance with K.S.A. 46-1204 and amendments thereto, the
legislative coordinating council may provide for such professional services
as may be requested by the joint committee on state building construction.

(g) The joint committee on state building construction may introduce
such legislation as it deems necessary in performing its functions.

Sec. 58. K.S.A. 2016 Supp. 60-2102 is hereby amended to read as
follows: 60-2102. (a) Appeal to court of appeals as matter of right. Except
for any order or final decision of a district magistrate judge who is not
regularly admitted to practice law in Kansas, the appellate jurisdiction of
the court of appeals may be invoked by appeal as a matter of right from:

(1) An order that discharges, vacates or modifies a provisional
remedy.

(2) An order that grants, continues, modifies, refuses or dissolves an
injunction, or an order that grants or refuses relief in the form of
mandamus, quo warranto or habeas corpus.

(3) An order that appoints a receiver or refuses to wind up a
receivership or to take steps to accomplish the purposes thereof, such as
directing sales or other disposal of property, or an order involving the tax
or revenue laws, the title to real estate, the constitution of this state or the
constitution, laws or treaties of the United States.

(4) A final decision in any action, except in an action where a direct
appeal to the supreme court is required by law. In any appeal or cross
appeal from a final decision, any act or ruling from the beginning of the
proceedings shall be reviewable.

(b) Appeal to court of appeals en banc as a matter of right. The
appellate jurisdiction of the court of appeals sitting together en banc may
be invoked by appeal as a matter of right from a preliminary or final
decision in which a statute of this state has been held unconstitutional as a
violation of article 6 of the constitution of the state of Kansas pursuant to
K.S.A. 2016 Supp. 72-64b03, and amendments thereto. Any appeal filed
pursuant to this subsection shall be filed within 30 days of the date the
preliminary or final decision is filed.

(b) (c) Appeal to supreme court as matter of right. The appellate
jurisdiction of the supreme court may be invoked by appeal as a matter of
right from:

(1) A preliminary or final decision in which a statute of this state has
been held unconstitutional as a violation of Article 6 of the constitution of
the state of Kansas pursuant to K.S.A. 2016 Supp. 72-64b03, and—
amendments thereto. Any appeal filed pursuant to this subsection (b)(1) shall be filed within 30 days of the date the preliminary or final decision is filed.

(2)—a final decision of the district court in any action challenging the constitutionality of or arising out of any provision of the Kansas expanded lottery act, any lottery gaming facility management contract or any racetrack gaming facility management contract entered into pursuant to the Kansas expanded lottery act.

(e) (d) Other appeals. When a district judge, or a district magistrate judge who is regularly admitted to practice law in Kansas, in making in a civil action an order not otherwise appealable under this section, is of the opinion that such order involves a controlling question of law as to which there is substantial ground for difference of opinion and that an immediate appeal from the order may materially advance the ultimate termination of the litigation, the judge shall so state in writing in such order. The court of appeals may thereupon, in its discretion, permit an appeal to be taken from such order, if application is made to it within 14 days after the entry of the order under such terms and conditions as the supreme court fixes by rule. Application for an appeal pursuant to this subsection shall not stay proceedings in the district court unless the judge of the district court or an appellate court or a judge thereof so orders.

Sec. 59. K.S.A. 2016 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 the general fund and local option budgets of all school districts;

(2) subtract from the amount determined in subsection (a)(1) the total amount attributable to assignment of transportation weighting, program weighting, special education weighting and at-risk pupil weighting, as those weightings were calculated under the school district finance and quality performance act, prior to its repeal, to enrollment of all school districts;

(3) divide the remainder obtained in subsection (a)(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 subsection (a)(3) by the full-time equivalent enrollment determined in subsection (a)(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 subsections (a)(6) and (a)(7) to the amount of the product obtained under subsection (a)(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 subsection (a)(8) from the amount determined under subsection (a)(9); and
(11) multiply the remainder obtained under subsection (a)(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;
(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 that receive reimbursement under subsection (c) or (d), after subtracting the amounts of reimbursement under subsections (a)(1), (a)(2) and (a)(3) 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 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 subsection (b)(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 school 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 school 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 school 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 school 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.

(f) There is hereby established in every school district a fund which shall be called the special education fund, which fund shall consist of all
HB 2347

moneys deposited therein or transferred thereto according to law. Notwithstanding any other provision of law, all moneys received by the school district from whatever source for special education shall be credited to the special education fund established by this section, except that: (1) Amounts of payments received by a school district under K.S.A. 72-979, and amendments thereto, and amounts of grants, if any, received by a school district under K.S.A. 72-983, and amendments thereto, shall be deposited in the general fund of the district and transferred to the special education fund; and (2) moneys received by a school district pursuant to lawful agreements made under K.S.A. 72-968, and amendments thereto, shall be credited to the special education fund established under the agreements.

(g) The expenses of a school district directly attributable to special education shall be paid from the special education fund and from special funds established under K.S.A. 72-968, and amendments thereto.

(h) Obligations of a school district pursuant to lawful agreements made under K.S.A. 72-968, and amendments thereto, shall be paid from the special education fund established by this section.

Sec. 60. K.S.A. 2016 Supp. 72-1046b is hereby amended to read as follows: 72-1046b. (a) As used in this section:

(1) "School district" means a school district organized and operating under the laws of this state and no part of which is located in Johnson county, Sedgwick county, Shawnee county or Wyandotte county.

(2) "Non-resident pupil" or "pupil" means a pupil who is enrolled and in attendance at a school located in a district in which such pupil is not a resident and who: (A) Lives 2\(\frac{1}{2}\) or more miles from the attendance center the pupil would attend in the district in which the pupil resides and is not a resident of Johnson county, Sedgwick county, Shawnee county or Wyandotte county; or (B) is a member of the family of a pupil meeting the condition prescribed in subpart subparagraph (A).

(3) "Member of the family" means a brother or sister of the whole or half blood or by adoption, a stepbrother or stepsister, and a foster brother or foster sister.

(b) The board of education of any school district may allow any pupil who is not a resident of the district to enroll in and attend school in such district. The board of education of such district may furnish or provide transportation to any non-resident pupil who is enrolled in and attending school in the district pursuant to this section. If the district agrees to furnish or provide transportation to a non-resident pupil, such transportation shall be furnished or provided until the end of the school year. Prior to providing or furnishing transportation to a non-resident pupil, the district shall notify the board of education of the district in which the pupil resides that transportation will be furnished or provided.
(c) Pupils attending school in a school district in which the pupil does not reside pursuant to this section shall be counted as regularly enrolled in and attending school in the district where the pupil is enrolled for the purpose of computations under the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 et seq. school district finance and student success act, section 1 et seq., and amendments thereto, and for the purposes of the statutory provisions contained in article 83 of chapter 72 of the Kansas Statutes Annotated, and amendments thereto. Such non-resident pupil shall not be charged for the costs of attendance at school.

(d) Any pupil who was not a resident of the district in school year 2014-2015, but was allowed to enroll in and attend school in such district in school year 2014-2015 by the board of education of such district and any member of the family of such pupil regardless of whether such family member enrolled in and attended school in such district in school year 2014-2015, shall be allowed to enroll in and attend school in such district in school years 2015-2016 and 2016-2017 regardless of whether such pupil or family member of such pupil is a resident of the district in either school year, provided such pupil or such pupil's family member is in compliance with any attendance and behavior policies of the district. If transportation was furnished or provided to such pupil in school year 2014-2015 by the district, then transportation shall be furnished or provided by the district to such pupil and any family member of such pupil in school years 2015-2016 and 2016-2017, provided there is no change in such pupil's residence and no requirement for the district to furnish transportation to any additional residence.

Sec. 61. K.S.A. 2016 Supp. 72-1398 is hereby amended to read as follows: 72-1398. (a) The national board for professional teaching standards certification incentive program is hereby established for the purpose of rewarding teachers who have attained certification from the national board. Teachers who have attained certification from the national board shall be issued a master teacher's license by the state board of education. A master teacher's license shall be valid for 10 years and renewable thereafter every 10 years through compliance with continuing education and professional development requirements prescribed by the state board. Teachers who have attained certification from the national board and who are employed by a school district shall be paid an incentive bonus in the amount of $1,000 each school year that the teacher remains employed by a school district and retains a valid master teacher's license.

(b) The board of education of each school district employing one or more national board certified teachers shall pay the incentive bonus to each such teacher in each school year that the teacher retains eligibility for such payment. Each board of education which has made payments of incentive bonuses to national board certified teachers under this subsection
may file an application with the state board of education for state aid and
shall certify to the state board the amount of such payments. The
application and certification shall be on a form prescribed and furnished by
the state board, shall contain such information as the state board shall
require and shall be filed at the time specified by the state board.

(c) In each school year, each school district employing one or more
national board certified teachers is entitled to receive from appropriations
for the national board for professional teaching standards certification
incentive program an amount which is equal to the amount certified to the
state board of education in accordance with the provisions of subsection
(b). The state board shall certify to the director of accounts and reports the
amount due each school district. The director of accounts and reports shall
draw warrants on the state treasurer payable to the treasurer of each school
district entitled to payment under this section upon vouchers approved by
the state board.

(d) Moneys received by a board of education under this section shall
be deposited in the general fund of the school district and shall be
considered reimbursements to the district for the purpose of the classroom
learning assuring student success act, K.S.A. 2016 Supp. 72-6463, school
district finance and student success act, section 1 et seq., and amendments
thereto, and may be expended whether the same have been budgeted or
not.

(e) The state board of education is authorized to provide scholarships
of $1,100 each to teachers who are accepted to participate in the national
board for professional teaching standards program for initial certification.
The state board of education is authorized to provide scholarships of $500
each to teachers who are accepted to participate in the national board for
professional teaching standards program for renewal of certification. Any
teacher who has been accepted to participate in such program may file an
application with the state board of education for a scholarship. The
application shall be on a form prescribed and furnished by the state board,
shall contain such information as the state board shall require and shall be
filed at the time specified by the state board.

(f) As used in this section, the term "school district" means any
school district organized and operating under the laws of this state.
of certificated teachers for qualification as mentor teachers;

(4) prescribe guidelines for the selection by boards of education of mentor teachers and for the provision by boards of education of training programs for mentor teachers;

(5) be responsible for awarding grants to school districts; and

(6) request of and receive from each school district which is awarded a grant for maintenance of a mentor teacher program reports containing information with regard to the effectiveness of the program.

(b) Subject to the availability of appropriations for mentor teacher programs maintained by school districts, and within the limits of any such appropriations, the state board of education shall determine the amount of grants to be awarded school districts by multiplying an amount not to exceed $1,000 by the number of mentor teachers participating in the program maintained by a school district. The product is the amount of the grant to be awarded to the district. Upon receipt of a grant of state moneys for maintenance of a mentor teacher program, the amount of the grant shall be deposited in the general fund of the school district. Moneys deposited in the general fund of a school district under this subsection shall be considered reimbursements for the purpose of the classroom learning-assuring student success act, K.S.A. 2016 Supp. 72-6463, school district finance and student success act, section 1 et seq., and amendments thereto.

The full amount of the grant shall be allocated among the mentor teachers employed by the school district so as to provide a mentor teacher with an annual stipend in an amount not to exceed $1,000. Such annual stipend shall be over and above the regular salary to which the mentor teacher is entitled for the school year.

Sec. 63. K.S.A. 2016 Supp. 72-1923 is hereby amended to read as follows: 72-1923. (a) Except as provided in K.S.A. 2016 Supp. 72-1925, and amendments thereto, the board of education of any school district may apply to the state board for a grant of authority to operate such school district as a public innovative district. The application shall be submitted in the form and manner prescribed by the state board, and shall be submitted not later than December 1 of the school year preceding the school year in which the school district intends to operate as a public innovative district.

(b) The application shall include the following:

(1) A description of the educational programs of the public innovative district;

(2) a description of the interest and support for partnerships between the public innovative district, parents and the community;

(3) the specific goals and the measurable pupil outcomes to be obtained by operating as a public innovative district; and

(4) an explanation of how pupil performance in achieving the specified outcomes will be measured, evaluated and reported.
Within 90 days from the date such application is submitted, the state board shall review the application to determine compliance with this section, and shall approve or deny such application on or before the conclusion of such 90-day period. If the application is determined to be in compliance with this section, the state board shall approve such application and grant the school district authority to operate as a public innovative district. Notification of such approval shall be sent to the board of education of such school district within 10 days after such decision.

If the state board determines such application is not in compliance with either this section, or K.S.A. 2016 Supp. 72-1925, and amendments thereto, the state board shall deny such application. Notification of such denial shall be sent to the board of education of such school district within 10 days after such decision and shall specify the reasons therefor. Within 30 days from the date such notification is sent, the board of education of such school district may submit a request to the state board for reconsideration of the application and may submit an amended application with such request. The state board shall act on the request for reconsideration within 60 days of receipt of such request.

A public innovative district shall:

1. Not charge tuition for any of the pupils residing within the public innovative district;
2. Participate in all Kansas math and reading assessments applicable to such public innovative district, or an alternative assessment program for measuring student progress as determined by the board of education;
3. Abide by all financial and auditing requirements that are applicable to school districts, except that a public innovative district may use generally accepted accounting principles;
4. Comply with all applicable health, safety and access laws; and
5. Comply with all statements set forth in the application submitted pursuant to subsection (a).

Except as otherwise provided in K.S.A. 2016 Supp. 72-1921 through 72-1930, and amendments thereto, or as required by the board of education of the public innovative district, a public innovative district shall be exempt from all laws and rules and regulations that are applicable to school districts.

A public innovative district shall be subject to the special education for exceptional children act, the virtual school act, the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463, school district finance and student success act, section 1 et seq., and amendments thereto, the provisions of K.S.A. 72-8801 et seq., and amendments thereto, all laws governing the issuance of general obligation bonds by school districts, the provisions of K.S.A. 74-4901 et seq., and amendments thereto, and all laws governing the election of members of the board of
education, the open meetings act as provided in K.S.A. 75-4317 et seq., and amendments thereto, and the open records act as provided in K.S.A. 45-215 et seq., and amendments thereto.

Sec. 64. K.S.A. 2016 Supp. 72-5333b is hereby amended to read as follows: 72-5333b. (a) The unified school district maintaining and operating a school on the Fort Leavenworth military reservation, being unified school district No. 207 of Leavenworth county, state of Kansas, shall have a governing body, which shall be known as the "Fort Leavenworth school district board of education" and which shall consist of three members who shall be appointed by, and serve at the pleasure of the commanding general of Fort Leavenworth. One member of the board shall be the president and one member shall be the vice-president. The commanding general, when making any appointment to the board, shall designate which of the offices the member so appointed shall hold. Except as otherwise expressly provided in this section, the district board and the officers thereof shall have and may exercise all the powers, duties, authority and jurisdiction imposed or conferred by law on unified school districts and boards of education thereof, except such school district shall not offer or operate any of grades 10 through 12.

(b) The board of education of the school district shall not have the power to issue bonds.

(c) Except as otherwise expressly provided in this subsection, the provisions of the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 school district finance and student success act, section 1 et seq., and amendments thereto, apply to the school district. Any moneys received by the school district shall be deposited in the general fund of the school district or, at the discretion of the board of education, in the capital outlay fund of the school district.

Sec. 65. K.S.A. 2016 Supp. 72-5413 is hereby amended to read as follows: 72-5413. As used in this act, and amendments thereto:

(a) The term "persons" includes one or more individuals, organizations, associations, corporations, boards, committees, commissions, agencies, or their representatives.

(b) "Board of education" means the state board of education pursuant to its authority under K.S.A. 76-1001a and 76-1101a, and amendments thereto, the board of education of any school district, the board of control of any area vocational-technical school and the board of trustees of any community college.

(c) "Professional employee" means any person employed by a board of education in a position which requires a certificate issued by the state board of education or employed by a board of education in a professional, educational or instructional capacity, but shall not mean any such person who is an administrative employee and, commencing in the 2006-2007
school year, shall not mean any person who is a retirant from school
employment of the Kansas public employees retirement system, regardless
of whether an agreement between a board of education and an exclusive
representative of professional employees that covers terms and conditions
of professional service provides to the contrary.

(d) "Administrative employee" means, in the case of a school district,
any person who is employed by a board of education in an administrative
capacity and who is fulfilling duties for which an administrator's certificate
is required under K.S.A. 72-7513, and amendments thereto; and, in the
case of an area vocational-technical school or community college, any
person who is employed by the board of control or the board of trustees in
an administrative capacity and who is acting in that capacity and who has
authority, in the interest of the board of control or the board of trustees, to
hire, transfer, suspend, layoff, recall, promote, discharge, assign, reward or
discipline other employees, or responsibly to direct them or to adjust their
grievances, or effectively to recommend a preponderance of such actions,
if in connection with the foregoing, the exercise of such authority is not of
a merely routine or clerical nature, but requires the use of independent
judgment.

(e) "Professional employees' organizations" means any one or more
organizations, agencies, committees, councils or groups of any kind in
which professional employees participate, and which exist for the purpose,
in whole or part, of engaging in professional negotiation with boards of
education with respect to the terms and conditions of professional service
or for the purpose of professional development or liability protection.

(f) "Representative" means any professional employees' organization
or any person it authorizes or designates to act in its behalf or any person a
board of education authorizes or designates to act in its behalf.

(g) "Professional negotiation" means meeting, conferring, consulting
and discussing in a good faith effort by both parties to reach agreement
with respect to the terms and conditions of professional service.

(h) "Mediation" means the effort through interpretation and advice by
an impartial third party to assist in reconciling a dispute concerning terms
and conditions of professional service which arose in the course of
professional negotiation between a board of education or its
representatives and representatives of the recognized professional
employees' organization.

(i) "Fact-finding" means the investigation by an individual or board
of a dispute concerning terms and conditions of professional service which
arose in the course of professional negotiation, and the submission of a
report by such individual or board to the parties to such dispute which
includes a determination of the issues involved, findings of fact regarding
such issues, and the recommendation of the fact-finding individual or
board for resolution of the dispute.

(j) "Strike" means an action taken for the purpose of coercing a change in the terms and conditions of professional service or the rights, privileges or obligations thereof, through any failure by concerted action with others to report for duty including, but not limited to, any work stoppage, slowdown, or refusal to work.

(k) "Lockout" means action taken by a board of education to provoke interruptions of or prevent the continuity of work normally and usually performed by the professional employees for the purpose of coercing professional employees into relinquishing rights guaranteed by this act and the act of which this section is amendatory.

(l) (1) "Terms and conditions of professional service" means: (A) Salaries and wages, including pay for duties under supplemental contracts; hours and amounts of work; vacation allowance, holiday, sick, extended, sabbatical and other leave, and number of holidays; retirement; insurance benefits; wearing apparel; pay for overtime; jury duty; grievance procedure, including binding arbitration of grievances; disciplinary procedure; resignations; termination and nonrenewal of contracts; reemployment of professional employees; terms and form of the individual professional employee contract; probationary period; professional employee appraisal procedures; each of the foregoing being a term and condition of professional service, regardless of its impact on the employee or on the operation of the educational system; (B) matters which relate to privileges to be granted the recognized professional employees' organization, including, but not limited to, voluntary payroll deductions; dissemination of information regarding the professional negotiation process and related matters to members of the bargaining unit on school or college premises through direct contact with members of the bargaining unit; reasonable leaves of absence for members of the bargaining unit for organizational purposes, such as engaging in professional negotiation and partaking of instructional programs properly related to the representation of the bargaining unit; any of the foregoing privileges which are granted the recognized professional employees' organization through the professional negotiation process shall not be granted to any other professional employees' organization; and (C) such other matters as the parties mutually agree upon as properly related to professional service including, but not limited to, employment incentive or retention bonuses authorized under K.S.A. 72-8246, and amendments thereto.

(2) Nothing in this act, and amendments thereto, shall authorize any professional employees' organization to be granted the exclusive privilege of access to the use of school or college facilities for meetings, the use of bulletin boards on or about the facility or the use of school or college mail systems.
(3) Nothing in this act, and amendments thereto, shall authorize the diminution of any right, duty or obligation of either the professional employee or the board of education which have been fixed by statute or by the constitution of this state. Except as otherwise expressly provided in this subsection (l), the fact that any matter may be the subject of a statute or the constitution of this state does not preclude negotiation thereon so long as the negotiation proposal would not prevent the fulfillment of the statutory or constitutional objective.

(4) Matters which relate to the duration of the school term, and specifically to consideration and determination by a board of education of the question of the development and adoption of a policy to provide for a school term consisting of school hours, are not included within the meaning of terms and conditions of professional service and are not subject to professional negotiation.

(5) Matters that relate to the unified school district employee health care benefits program established under section 33, and amendments thereto, or coverage provided under such program, are not included within the meaning of the terms and conditions of professional service and are not subject to professional negotiation.

(m) "Secretary" means the secretary of labor or a designee thereof.

(n) "Statutory declaration of impasse date" means July 31 in the current school year.

(o) "Supplemental contracts" means contracts for employment duties other than those services covered in the principal or primary contract of employment of the professional employee and shall include, but not be limited to, such services as coaching, supervising, directing and assisting extracurricular activities, chaperoning, ticket-taking, lunchroom supervision, and other similar and related activities.

Sec. 66. K.S.A. 2016 Supp. 72-64b01 is hereby amended to read as follows: 72-64b01. (a) No school district shall expend, use or transfer any moneys from the general fund of the district for the purpose of engaging in or supporting in any manner any litigation by the school district or any person, association, corporation or other entity against the state of Kansas, the state board of education, the state department of education, other state agency or any state officer or employee regarding any law concerning school finance. No such moneys shall be paid, donated or otherwise provided to any person, association, corporation or other entity and used for the purpose of any such litigation.

(b) Nothing in this section shall be construed as prohibiting the expenditure, use or transfer of moneys from the proceeds of any tax levied by a school district pursuant to K.S.A. 2016 Supp. 72-6472, and amendments thereto, for the purposes specified in subsection (a).

Sec. 67. K.S.A. 2016 Supp. 72-64b03 is hereby amended to read as
follows: 72-64b03. (a) If a petition is filed in a district court of this state alleging a violation of article 6 of the Kansas constitution, the chief judge of such district court shall notify the chief justice of the supreme court of such petition within three business days thereafter.

(b) Within three business days of receiving such notice, the chief justice shall notify the chief judge of the court of appeals. Within 10 business days of receiving notice by the chief justice, the chief judge shall appoint select a panel of three current or retired district court judges to preside over such civil action. The selection of the three district court judges shall be done by lottery with each current district court judge in this state having an equal chance of being randomly selected to the panel. The chief judge shall designate one of such judges the first judge selected to be the presiding judge of the panel. The judicial panel shall be considered a court of competent jurisdiction to hear and decide the civil action.

(c) The judicial panel shall establish venue pursuant to K.S.A. 2016 Supp. 72-64b04, and amendments thereto.

(d) As a part of a remedy, preliminary decision or final decision in which a statute or legislative enactment of this state has been held unconstitutional as a violation of article 6 of the Kansas constitution, the judicial panel or any master or other person or persons appointed by the panel to hear or determine a cause or controversy or to make or enforce any order or remedy ordered by a court pursuant to K.S.A. 60-253, and amendments thereto, or any other provision of law, shall not have the authority to order a school district or any attendance center within a school district to be closed or enjoin the use of all statutes related to the distribution of funds for public education.

Sec. 68. K.S.A. 2016 Supp. 72-64c03 is hereby amended to read as follows: 72-64c03. The appropriation of moneys necessary to pay general state aid and supplemental general state aid under the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 school district finance and student success act, section 1 et seq., and amendments thereto, and state aid for the provision of special education and related services under the special education for exceptional children act shall be given first priority in the legislative budgeting process and shall be paid first from existing state revenues.

Sec. 69. K.S.A. 2016 Supp. 72-64c05 is hereby amended to read as follows: 72-64c05. Article 6 of the constitution of the state of Kansas states that the legislature shall provide for intellectual, educational, vocational and scientific improvement by establishing and maintaining public schools; provide for a state board of education having general supervision of public schools, educational institutions and the educational interests of the state, except those delegated by law to the state board of
regents; and make suitable provision for finance of the educational
interests of the state. It is the purpose and intention of the legislature to
provide a financing system for the education of kindergarten and grades
one through 12 which provides students with the capacities set forth in
K.S.A. 2016 Supp. 72-1127, and amendments thereto. Such financing
system shall be sufficiently flexible for the legislature to consider and
utilize financing methods from all available resources in order to satisfy
the constitutional requirements under article 6. Such financing methods
shall include, but are not limited to, the following:

(a) Federal funding to unified school districts or public schools,
including any grants or federal assistance;

(b) subject to appropriations by the legislature, appropriations of state
moneys for the improvement of public education, including, but not
limited to, the following:

(1) Financing to unified school districts through the classroom-
learning assuring student success act, K.S.A. 2016 Supp. 72-6463 school
district finance and student success act, section 1 et seq., and amendments
thereto;

(2) financing to unified school districts through any provisions which
provide state aid, such as capital improvements state aid, capital outlay
state aid and any other state aid paid, distributed or allocated to school
districts on the basis of the assessed valuation of school districts;

(3) employer contributions to the Kansas public employees retirement
system for public schools;

(4) appropriations to the Kansas children's cabinet for programs
serving students enrolled in unified school districts in meeting the goal
specified in K.S.A. 2016 Supp. 72-1127, and amendments thereto;

(5) appropriations to any programs which provide early learning to
four-year-old children with the purpose of preparing them for success in
public schools;

(6) appropriations to any programs, such as communities in schools,
which provide individualized support to students enrolled in unified school
districts in meeting the goal specified in K.S.A. 2016 Supp. 72-1127, and
amendments thereto;

(7) transportation financing, including any transfers from the state
general fund and state highway fund to the state department of education
to provide technical education transportation, special education
transportation or school bus safety;

(8) financing to other facilities providing public education to students,
such as the Kansas state school for the blind, the Kansas state school for
the deaf, school district juvenile detention facilities and the Flint Hills job
corps center;

(9) appropriations relating to the Kansas academy of mathematics and
science;
(10) appropriations relating to teaching excellence, such as scholarships, awards, training or in-service workshops;
(11) appropriations to the state board of regents to provide technical education incentives to unified school districts and tuition costs to postsecondary institutions which provide career technical education to secondary students; and
(12) appropriations to any postsecondary educational institution which provides postsecondary education to a secondary student without charging tuition to such student;
(c) any provision which authorizes the levying of local taxes for the purpose of financing public schools; and
(d) any transfer of funds or appropriations from one object or fund to another approved by the legislature for the purpose of financing public schools.
Sec. 70. K.S.A. 2016 Supp. 72-6624 is hereby amended to read as follows: 72-6624. (a) As used in this section:
(1) "School district" means unified school district No. 404, unified school district No. 493, unified school district No. 499 and unified school district No. 508.
(2) "Property" means any property, and improvements thereon, comprising a racetrack gaming facility or lottery gaming facility under the Kansas expanded lottery act located in Cherokee county.
(3) "State aid" means general state aid, capital improvements state aid, capital outlay state aid and any other state aid paid, distributed or allocated to school districts under the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 school district finance and student success act, section 1 et seq., and amendments thereto, or other law, and any other state aid paid, distributed or allocated to school districts on the basis of the assessed valuation of school districts.
(b) For the purposes of computing the assessed valuation of school districts for the payment, distribution or allocation of state aid and the levying of school taxes, \( \frac{1}{4} \) of the assessed valuation of such property shall be assigned to each of the school districts.
(c) The provisions of this section shall not apply if the property is not or ceases to be used as a racetrack gaming facility or lottery gaming facility under the Kansas expanded lottery act.
Sec. 71. K.S.A. 2016 Supp. 72-6625 is hereby amended to read as follows: 72-6625. (a) As used in this section:
(1) "School district" means unified school district No. 507 and unified school district No. 374.
(2) "Property" means the following described property, and improvements thereon, comprised of 1,120 acres, more or less, located in
Haskell county: All of Section 34, Township 29 South, Range 33 West and the West 1/2 of Section 3, Township 30 South, Range 33 West and the Northeast Quarter of Section 3, Township 30 South, Range 33 West.

(3) "State aid" means general state aid, capital improvements state aid, capital outlay state aid and any other state aid paid, distributed or allocated to school districts under the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 school district finance and student success act, section 1 et seq., and amendments thereto, or other law, and any other state aid paid, distributed or allocated to school districts on the basis of the assessed valuation of school districts.

(b) For the purposes of computing the assessed valuation of school districts for the payment, distribution or allocation of state aid and the levying of school taxes, 1/2 of the assessed valuation of such property shall be assigned to each of the school districts.

(c) The provisions of this section shall not apply if the property is not or ceases to be used for the production of ethanol.

Sec. 72. K.S.A. 2016 Supp. 72-6757 is hereby amended to read as follows: 72-6757. (a) As used in this section:

(1) "Receiving school district" means a school district of nonresidence of a pupil who attends school in such school district.

(2) "Sending school district" means a school district of residence of a pupil who attends school in a school district not of the pupil's residence.

(b) The board of education of any school district may make and enter into contracts with the board of education of any receiving school district located in this state for the purpose of providing for the attendance of pupils at school in the receiving school district.

(c) The board of education of any school district may make and enter into contracts with the governing authority of any accredited school district located in another state for the purpose of providing for the attendance of pupils from this state at school in such other state or for the attendance of pupils from such other state at school in this state.

(d) Pupils attending school in a receiving school district in accordance with a contract authorized by this section and made and entered into by such receiving school district with a sending school district located in this state shall be counted as regularly enrolled in and attending school in the sending school district for the purpose of computations under the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 school district finance and student success act, section 1 et seq., and amendments thereto.

(e) Any contract made and entered into under authority of this section is subject to the following conditions:

(1) The contract shall be for the benefit of pupils who reside at inconvenient or unreasonable distances from the schools maintained by the
sending school district or for pupils who, for any other reason deemed
sufficient by the board of education of the sending school district, should
attend school in a receiving school district;

(2) the contract shall make provision for the payment of tuition by the
sending school district to the receiving school district;

(3) if a sending school district is located in this state and the receiving
school district is located in another state, the amount of tuition provided to
be paid for the attendance of a pupil or pupils at school in the receiving
school district shall not exceed \( \frac{1}{2} \) of the amount of the budget per pupil of
the sending school district under the classroom learning assuring student
success act, K.S.A. 2016 Supp. 72-6463 school district finance and
student success act, section 1 et seq., and amendments thereto, for the
current school year; and

(4) the contract shall make provision for transportation of pupils to
and from the school attended on every school day.

(f) Amounts received pursuant to contracts made and entered into
under authority of this section by a school district located in this state for
enrollment and attendance of pupils at school in regular educational
programs shall be deposited in the general fund of the school district.

(g) The provisions of subsection (e)(3) do not apply to unified school
district No. 104, Jewell county.

(h) The provisions of this section do not apply to contracts made and
entered into under authority of the special education for exceptional
children act.

(i) The provisions of this section are deemed to be alternative to the
provisions of K.S.A. 72-8233, and amendments thereto, and no procedure
or authorization under K.S.A. 72-8233, and amendments thereto, shall be
limited by the provisions of this section.

Sec. 73. K.S.A. 2016 Supp. 72-6760 is hereby amended to read as
follows: 72-6760. (a) Except as provided by this section and K.S.A. 72-
6760b, no expenditure involving an amount greater than $20,000 for
construction, reconstruction or remodeling or for the purchase of materials,
goods or wares shall be made by the board of education of any school
district except upon sealed proposals, and to the lowest responsible bidder.

(b) The provisions of subsection (a) do not apply to expenditures by a
board of education for the purchase of:

(1) Services;

(2) products required to be purchased under the provisions of K.S.A.
75-3317 through 75-3322, and amendments thereto;

(3) educational materials directly related to curriculum and secured
by copyright;

(4) motor fuels required to provide or furnish transportation;

(5) food and foodstuffs necessary for the implementation or operation
of any child nutrition program;

(6) articles or products that are produced, manufactured or provided by inmates under the prison-made goods act of Kansas;

(7) natural gas that will be consumed in buildings owned or operated by the school district;

(8) materials, goods or wares required for reconstructing, remodeling, repairing or equipping buildings when such purchase has been necessitated by the occurrence of a loss against which the board of education has purchased property or casualty insurance; and

(9) materials, goods or wares which are purchased:

(A) From vendors who have entered into contracts with the state director of purchases pursuant to state purchasing statutes for purchases by state agencies;

(B) under the same pricing provisions established in the state contracts, subject to agreement of the vendor to honor the state contract prices; and

(C) under the same pricing provisions established in federal, national or other state contracts facilitated by a federal or local governmental entity or agency, subject to:

(i) Agreement of the vendor to honor the contract prices; and

(ii) approval by the board of education for expenditures in an amount greater than $20,000.

(c) (1) Whenever the board of education of any school district lets bids for the purchase of materials, goods or wares and bids are submitted by bidders domiciled within the school district and by bidders domiciled outside the school district and the low bid is submitted by a bidder domiciled outside the school district, the school district domiciliary which submitted the lowest bid may be deemed the preferred bidder and awarded the bid if:

(1) The quality, suitability and usability of the materials, goods or wares are equal;

(2) the amount of the bid of the school district domiciliary is not more than 1% greater than the amount of the low bid; and

(3) the school district domiciliary agrees to meet the low bid by filing a written agreement to that effect within 72 hours after receiving notification of being deemed the preferred bidder.

(d) (2) The provisions of this subsection—(c) do not apply to expenditures for construction, reconstruction or remodeling.

(d) No expenditure for construction, reconstruction or remodeling of a facility for which bonds have been issued by the school district to finance such expenditure shall be made unless such school district has received at least three sealed proposals.

Sec. 74. K.S.A. 2016 Supp. 72-67,115 is hereby amended to read as
follows: 72-67,115. (a) The board of education of any school district may:
   (1) Offer and teach courses and conduct preschool programs for children under the age of eligibility to attend kindergarten.
   (2) Enter into cooperative or interlocal agreements with one or more other boards for the establishment, operation and maintenance of such preschool programs.
   (3) Contract with private, nonprofit corporations or associations or with any public or private agency or institution, whether located within or outside the state, for the establishment, operation and maintenance of such preschool programs.
   (4) Prescribe and collect fees for providing such preschool programs.
   (b) Fees for providing preschool programs shall be prescribed and collected only to recover the costs incurred as a result of and directly attributable to the establishment, operation and maintenance of the preschool programs. Revenues from fees collected by a board under this section shall be deposited in the general fund of the school district and shall be considered reimbursements to the district for the purpose of the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 school district finance and student success act, section 1 et seq., and amendments thereto, and may be expended whether the same have been budgeted or not and amounts so expended shall not be considered operating expenses.

Sec. 75. K.S.A. 2016 Supp. 72-7535 is hereby amended to read as follows: 72-7535. (a) In order to equip students with the knowledge and skills needed to become self-supporting and to enable students to make critical decisions regarding personal finances, the state board of education shall authorize and assist in the implementation of programs on teaching personal financial literacy.
   (b) The state board of education shall develop a curriculum, materials and guidelines that local boards of education and governing authorities of accredited nonpublic schools may use in implementing the program of instruction on personal financial literacy. The state board of education shall adopt a glossary of personal financial literacy terms which shall be used by school districts when implementing the program on personal financial literacy.
   (c) The state board of education shall develop state curriculum standards for personal financial literacy, for all grade levels, within the existing mathematics curriculum or another appropriate subject-matter curriculum.
   (d) The state board of education shall encourage school districts when selecting textbooks for mathematics, economics, family and consumer science, accounting or other appropriate courses, to select those textbooks which contain substantive provisions on personal finance, including
personal budgeting, credit, debt management and other topics concerning
personal financial literacy.

(e) The state board of education shall include questions relating to
personal financial literacy in the statewide assessments for mathematics or
social studies required under K.S.A. 2016 Supp. 72-6479 section 21, and
amendments thereto. When the statewide assessments for mathematics or
social studies are reviewed or rewritten, the state board of education shall
examine the questions relating to personal financial literacy and rewrite
such questions in order to determine if programs on personal financial
literacy are equipping students with the knowledge and skills needed to
become self-supporting and enabling students to make critical decisions
regarding personal finances.

Sec. 76. K.S.A. 2016 Supp. 72-8187 is hereby amended to read as
follows: 72-8187. (a) In each school year, to the extent that appropriations
are available, each school district which has provided educational services
for pupils residing at the Flint Hills job corps center, for pupils housed at a
psychiatric residential treatment facility or for pupils confined in a juvenile
detention facility is eligible to receive a grant of state moneys in an
amount to be determined by the state board of education.

(b) In order to be eligible for a grant of state moneys provided for by
this section, each school district which has provided educational services
for pupils residing at the Flint Hills job corps center, for pupils housed at a
psychiatric residential treatment facility or for pupils confined in a juvenile
detention facility shall submit to the state board of education an
application for a grant and shall certify the amount expended, and not
reimbursed or otherwise financed, in the school year for the services
provided. The application and certification shall be prepared in such form
and manner as the state board shall require and shall be submitted at a time
to be determined and specified by the state board. Approval by the state
board of applications for grants of state moneys is prerequisite to the
award of grants.

(c) Each school district which is awarded a grant under this section
shall make such periodic and special reports of statistical and financial
information to the state board as it may request.

(d) All moneys received by a school district under authority of this
section shall be deposited in the general fund of the school district and
shall be considered reimbursement of the district for the purpose of the
classroom learning assuring student success act, K.S.A. 2016 Supp. 72-
6463 school district finance and student success act, section 1 et seq., and
amendments thereto.

(e) The state board of education shall approve applications of school
districts for grants, determine the amount of grants and be responsible for
payment of grants to school districts. In determining the amount of a grant
which a school district is eligible to receive, the state board shall compute the amount of state financial aid the district would have received on the basis of enrollment of pupils residing at the Flint Hills job corps center, housed at a psychiatric residential treatment facility or confined in a juvenile detention facility if such pupils had been counted as two pupils under the school district finance and quality performance act and compare such computed amount to the amount certified by the district under subsection (b). The amount of the grant the district is eligible to receive shall be an amount equal to the lesser of the amount computed under this subsection or the amount certified under subsection (b). If the amount of appropriations for the payment of grants under this section is insufficient to pay in full the amount each school district is determined to be eligible to receive for the school year, the state board shall prorate the amount appropriated among all school districts which are eligible to receive grants of state moneys in proportion to the amount each school district is determined to be eligible to receive.

(f) On or before July 1 of each year, the secretary for aging and disability services shall submit to the Kansas department of education a list of facilities which have been certified and licensed as psychiatric residential treatment facilities.

(g) As used in this section:

(1) "Enrollment" means the number of pupils who are: (A) Residing at the Flint Hills job corps center, confined in a juvenile detention facility or residing at a psychiatric residential treatment facility; and (B) for whom a school district is providing educational services on September 20, on November 20, or on April 20 of a school year, whichever is the greatest number of pupils;

(2) "juvenile detention facility" means any public or private facility which is used for the lawful custody of accused or adjudicated juvenile offenders and which shall not be a jail; and

(3) "psychiatric residential treatment facility" means a facility which provides psychiatric services to individuals under the age of 21 and which conforms with the regulations of the centers for medicare/medicaid services, is licensed and certified by the Kansas department for aging and disability services pursuant to subsection (f).

Sec. 77. K.S.A. 72-8208a is hereby amended to read as follows: 72-8208a. (a) The board of education of any school district may authorize, by separate resolutions, the establishment of school activity funds from which to make needed expenditures for the payment of expenses attributable to activities in which pupils of the district may participate directly or indirectly. Every such resolution shall specify the general purpose for which the fund is to be established and shall authorize an employee of the school district to administer the fund.
(b) The employee authorized to administer any school activity fund established by any resolution provided for in this section shall keep a record of all receipts and expenditures from the fund, and *the transfer of any moneys to or from such fund.* Such employee shall, from time to time, and at the end of each school year, prepare a statement for the board of education showing all receipts, expenditures, transfers and the balance in the fund. The fund shall be kept separate from all other funds and be used only for authorized expenditures, and itemized receipts shall be taken for each expenditure.

(c) All moneys received from the sale of admissions to activities which the school district sponsors shall be credited to school activity funds in accordance with policies and procedures adopted by the board of education. Such moneys shall not be considered to be moneys of the school district for the purposes of K.S.A. 72-8202d, and amendments thereto.

(d) The provisions of K.S.A. 12-105b, and amendments thereto, shall not apply to claims against any school activity fund established by any resolution provided for in this section.

(e) As used in this section, the term "activities" means activities, events, and competitions in such fields as athletics, music, forensics, and dramatics, and other interschool or intraschool extracurricular activities in which pupils may participate directly or indirectly those activities provided or supported by a school district, but that are not required by or a substantial part of any curriculum of such school district. The term "activities" shall not include co-curricular activities, as defined in section 19, and amendments thereto.

Sec. 78. K.S.A. 2016 Supp. 72-8230 is hereby amended to read as follows: 72-8230. (a) In the event the boards of education of any two or more school districts enter into a school district interlocal cooperation agreement for the purpose of jointly and cooperatively performing any of the services, duties, functions, activities, obligations or responsibilities which are authorized or required by law to be performed by school districts of this state, the following conditions shall apply:

(1) A school district interlocal cooperation agreement shall establish a board of directors which shall be responsible for administering the joint or cooperative undertaking. The agreement shall specify the organization and composition of and manner of appointment to the board of directors. Only members of boards of education of school districts party to the agreement shall be eligible for membership on the board of directors. The terms of office of members of the board of directors shall expire concurrently with their terms as board of education members. Vacancies in the membership of the board of directors shall be filled within 30 days from the date of the vacancy in the manner specified in the agreement.
(2) A school district interlocal cooperation agreement may provide for the establishment and composition of an executive board. The members of the executive board, if established, shall be selected by the board of directors from its membership. The executive board shall exercise the powers, have the responsibilities, and perform the duties and functions of the board of directors to the extent authority to do so is delegated by the board of directors.

(3) A school district interlocal cooperation agreement shall be effective only after approval by the state board of education.

(4) A school district interlocal cooperation agreement shall be subject to change or termination by the legislature.

(5) The duration of a school district interlocal cooperation agreement for joint or cooperative action in performing any of the services, duties, functions, activities, obligations or responsibilities, other than the provision of special education services, which are authorized or required by law to be performed by school districts of this state, shall be for a term of at least three years but not exceeding five years.

(6) (A) The duration of a school district interlocal cooperation agreement for joint or cooperative action in providing special education services shall be perpetual unless the agreement is partially or completely terminated in accordance with this provision. This provision applies to every school district interlocal cooperation agreement for the provision of special education services entered into under authority of this section after the effective date of this act and to every such agreement entered into under this section prior to the effective date of this act, and extant on the effective date of this act, regardless of any provisions in such an agreement to the contrary.

(B) Partial termination of a school district interlocal cooperation agreement for the provision of special education services entered into by the boards of three or more school districts may be accomplished only upon petition for withdrawal from the agreement by a contracting school district to the other contracting school districts and approval by the state board of written consent to the petition by such other school districts or upon order of the state board after appeal to it by a school district from denial of consent to a petition for withdrawal and hearing thereon conducted by the state board. The state board shall consider all the testimony and evidence brought forth at the hearing and issue an order approving or disapproving withdrawal by the school district from the agreement.

(C) Complete termination of a school district interlocal cooperation agreement for the provision of special education services made and entered into by the boards of two school districts may be accomplished upon approval by the state board of a joint petition made to the state board
for termination of the agreement by both of the contracting school districts after adoption of a resolution to that effect by each of the contracting school districts or upon petition for withdrawal from the agreement made by a contracting school district to the other contracting school district and approval by the state board of written consent to the petition by such other school district or upon order of the state board after appeal to it by a school district from denial of consent to a petition for withdrawal and hearing thereon conducted by the state board. The state board shall consider all the testimony and evidence brought forth at the hearing and issue an order approving or disapproving withdrawal by the school district from the agreement.

(D) Complete termination of a school district interlocal cooperation agreement for the provision of special education services made and entered into by the boards of three or more school districts may be accomplished only upon approval by the state board of a joint petition made to the state board for termination of the agreement by not less than 2/3 of the contracting school districts after adoption of a resolution to that effect by each of the contracting school districts seeking termination of the agreement. The state board shall consider the petition and approve or disapprove termination of the agreement.

(E) The state board shall take such action in approving or disapproving the complete or partial termination of a school district interlocal cooperation agreement for the provision of special education services as the state board deems to be in the best interests of the involved school districts and of the state as a whole in the provision of special education services for exceptional children. Whenever the state board has disapproved the complete or partial termination of such an agreement, no further action with respect to such agreement shall be considered or taken by the state board for a period of not less than three years.

(7) A school district interlocal cooperation agreement shall specify the method or methods to be employed for disposing of property upon partial or complete termination.

(8) Within the limitations provided by law, a school district interlocal cooperation agreement may be changed or modified by affirmative vote of not less than 2/3 of the contracting school districts.

(b) Except as otherwise specifically provided in this subsection, any power or powers, privileges or authority exercised or capable of exercise by any school district of this state, or by any board of education thereof, may be jointly exercised pursuant to the provisions of a school district interlocal cooperation agreement. No power or powers, privileges or authority with respect to the levy and collection of taxes, the issuance of bonds, or the purposes and provisions of the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 school district finance
and student success act, section 1 et seq., and amendments thereto, or title
I of public law 874 shall be created or effectuated for joint exercise
pursuant to the provisions of a school district interlocal cooperation
agreement.

(c) Payments from the general fund of each school district which
enters into any school district interlocal cooperation agreement for the
purpose of financing the joint or cooperative undertaking provided for by
the agreement shall be operating expenses.

(d) Upon partial termination of a school district interlocal cooperation
agreement, the board of directors established under a renegotiated
agreement thereof shall be the successor in every respect to the board of
directors established under the former agreement.

(e) Nothing contained in this section shall be construed to abrogate,
interfere with, impair, qualify or affect in any manner the exercise and
enjoyment of all of the powers, privileges and authority conferred upon
school districts and boards of education thereof by the provisions of the
interlocal cooperation act, except that boards of education and school
districts are required to comply with the provisions of this section when
entering into an interlocal cooperation agreement that meets the definition
of school district interlocal cooperation agreement.

(f) As used in this section:

(1) "School district interlocal cooperation agreement" means an
agreement which is entered into by the boards of education of two or more
school districts pursuant to the provisions of the interlocal cooperation act.

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

Sec. 79. K.S.A. 2016 Supp. 72-8233 is hereby amended to read as
follows: 72-8233. (a) In accordance with the provisions of this section, the
boards of education of any two or more unified school districts may make
and enter into agreements providing for the attendance of pupils residing
in one school district at school in kindergarten or any of the grades one
through 12 maintained by any such other school district. The boards of
education may also provide by agreement for the combination of
enrollments for kindergarten or one or more grades, courses or units of
instruction.

(b) Prior to entering into any agreement under authority of this
section, the board of education shall adopt a resolution declaring that it has
made a determination that such an agreement should be made and that the
making and entering into of such an agreement would be in the best
interests of the educational system of the school district. Any such
agreement is subject to the following conditions:

(1) The agreement may be for any term not exceeding a term of five
years.

(2) The agreement shall be subject to change or termination by the
(3) Within the limitations provided by law, the agreement may be changed or terminated by mutual agreement of the participating boards of education.

(4) The agreement shall make provision for transportation of pupils to and from the school attended on every school day, for payment or sharing of the costs and expenses of pupil attendance at school, and for the authority and responsibility of the participating boards of education.

(c) Provision by agreements entered into under authority of this section for the attendance of pupils at school in a school district of nonresidence of such pupils shall be deemed to be compliance with the kindergarten, grade, course and units of instruction requirements of law.

(d) The board of education of any school district which enters into an agreement under authority of this section for the attendance of pupils at school in another school district may discontinue kindergarten or any or all of the grades, courses and units of instruction specified in the agreement for attendance of pupils enrolled in kindergarten or any such grades, courses and units of instruction at school in such other school district. Upon discontinuing kindergarten or any grade, course or unit of instruction under authority of this subsection, the board of education may close any school building or buildings operated or used for attendance by pupils enrolled in such discontinued kindergarten, grades, courses or units of instruction. The closing of any school building under authority of this subsection shall require a majority vote of the members of the board of education and shall require no other procedure or approval.

(e) Pupils attending school in a school district of nonresidence of such pupils in accordance with an agreement made and entered into under authority of this section shall be counted as regularly enrolled in and attending school in the school district of residence of such pupils for the purpose of computations under the classroom learning assuring student success act, K.S.A. 2016 Supp. 72-6463 school district finance and student success act, section 1 et seq., and amendments thereto.

(f) Pupils who satisfactorily complete grade 12 while in attendance at school in a school district of nonresidence of such pupils in accordance with the provisions of an agreement entered into under authority of this section shall be certified as having graduated from the school district of residence of such pupils unless otherwise provided for by the agreement.

Sec. 80. K.S.A. 2016 Supp. 72-8236 is hereby amended to read as follows: 72-8236. (a) The board of education of any school district may: (1) Establish, operate and maintain a child care facility; (2) enter into cooperative or interlocal agreements with one or more other boards for the establishment, operation and maintenance of a child care facility; (3) contract with private, nonprofit corporations or associations or with any
public or private agency or institution, whether located within or outside
the state, for the establishment, operation and maintenance of a child care
facility; and (4) prescribe and collect fees for providing care at a child care
facility.

(b) Fees for providing care at a child care facility established under
authority of this section shall be prescribed and collected only to recover
the costs incurred as a result of and directly attributable to the
establishment, operation and maintenance of the child care facility.
Revenues from fees collected by a board under this section shall be
deposited in the general fund of the school district and shall be considered
reimbursements to the district for the purpose of the classroom learning
assuring student success act, K.S.A. 2016 Supp. 72-6463 school district
finance and student success act, section 1 et seq., and amendments thereto,
and may be expended whether the same have been budgeted or not and
amounts so expended shall not be considered operating expenses.

(c) Every school district which establishes, operates and maintains a
child care facility shall be subject to the provisions contained in article 5 of
chapter 65 of Kansas Statutes Annotated, and amendments thereto.

(d) As used in this section, the term "child" means any child who is
three years of age or older, and any infant or toddler whose parent or
parents are pupils or employees of a school district which establishes,
operates and maintains, or cooperates in the establishment, operation and
maintenance of, a child care facility under authority of this act.

Sec. 81. K.S.A. 2016 Supp. 72-8251 is hereby amended to read as
follows: 72-8251. Whenever a school district is required by law to make
any payment during the month of June and there is insufficient revenue to
make such payment as a result of the payment of state aid after the date
prescribed by the state board of education pursuant to K.S.A. 2016 Supp.
72-6466 section 11, and amendments thereto, the school district shall make
such payment as soon as moneys are available.

Sec. 82. K.S.A. 2016 Supp. 72-8254 is hereby amended to read as
follows: 72-8254. (a) This section shall be known and may be cited as the
Kansas uniform financial accounting and reporting act.

(b) As used in this section:
(1) "Budget summary" means a one-page summary of the official
budget adopted by the board of education of the school district, and shall
include, but is not limited to, graphs depicting the total expenditures in the
budget by category, supplemental and general fund expenditures,
instruction expenditures, enrollment figures, mill rates by fund and
average salaries. For purposes of this section, a one-page budget at a
glance format developed by the state board, and any successor format shall
be deemed a budget summary, provided it complies with the requirements
of this section.
(2) "Reporting system" means the uniform reporting system, including a uniform chart of accounts, developed by the state board as required by this section.

(3) "School district" means a unified school district organized and operated under the laws of this state.

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

(c) The state board shall develop and maintain a uniform reporting system for the receipts and expenditures of school districts. The accounting records maintained by each school district shall be coordinated with the uniform reporting system. Each school district shall record the receipts and expenditures of the district in accordance with a uniform classification of accounts or chart of accounts and reports as shall be prescribed by the state board. Each school district shall submit such reports and statements as may be required by the state board. The state board shall design, revise and direct the use of accounting records and fiscal procedures and prescribe uniform classifications for receipts and expenditures for all school districts. The reporting system shall include all funds held by a school district regardless of the source of the moneys held in such funds, including, but not limited to, all funds funded by fees or other sources of revenue not derived from tax levies. The state board shall prescribe the necessary forms to be used by school districts in connection with such uniform reporting system.

(d) The reporting system developed by the state board shall be developed in such a manner that allows school districts to record and report any information required by state or federal law.

(e) The reporting system shall provide records showing by funds, accounts and other pertinent classifications, the amounts appropriated, the estimated revenues, actual revenues or receipts, the amounts available for expenditure, the total and itemized expenditures, the unencumbered cash balances, excluding state aid receivable, actual balances on hand and the unencumbered balances of allotments or appropriations for each school district.

(f) The reporting system shall allow a person to search the data and allow for the comparison of data by school district.

(g) The reporting system shall require that all receipts and expenditures for activities, whether extracurricular or co-curricular, be reported by the specific activity to which the receipt or expenditure relates. The reporting of activity receipts and expenditures also shall differentiate between extracurricular and co-curricular activities.

(h) Each school district shall annually submit a report to the state board on all construction activity undertaken by the school district which was financed by the issuance of bonds and which such bonds have not matured. Such report shall include all revenue receipts, all expenditures of...
bond proceeds authorized by law, the dates for commencement and
completion of such construction activity, the estimated cost and the actual
cost of such construction activity. The information provided in the report
shall be in a form so as to readily identify such information with a specific
construction project. Such report shall be submitted in a form and manner
prescribed by the state board in accordance with the provisions of this
section.

(3) From and after July 1, 2012, the board of education of each
school district shall record and report the receipts and expenditures of the
district in the manner prescribed by the state board in accordance with this
section.

(4) Each school district shall annually publish on such district’s
internet website:

(A) A copy of form 150, estimated legal maximum general fund
budget, or any successor document containing the same or similar
information, that was submitted by such district to the state board of
education for the immediately preceding school year; and

(B) the budget summary for the current school year and actual
expenditures for the immediately preceding two school years showing total
dollars net of transfers and dollars per pupil for each of the following:

(i) Function 1000, instruction;
(ii) function 2100, student support;
(iii) function 2200, instructional staff support;
(iv) functions 2300 through 2500, administration;
(v) function 2600, operation and maintenance;
(vi) function 2700, transportation;
(vii) function 3100, food service;
(viii) functions 2900, 3200 and 3300, other current spending;
(ix) function 4000, capital outlay;
(x) function 5100, debt service;
(xi) the total expenditures which is the sum of the amounts in clauses
(i) through (x);
(xii) the spending allocated to function 1000, instruction, excluding
capital outlay and debt service expenditures, as a percentage of total
expenditures;
(xiii) the spending allocated to function 1000, instruction, excluding
capital outlay and debt service expenditures, as a percentage of current
spending, which is the sum of expenditures for functions 1000 through
3300 less capital outlay and debt service expenditures included in any of
those functions; and
(xiv) the revenue in total dollars net of transfers both in total and
disaggregated to show the amount of revenue received from local, state
and federal revenue sources.
(2) For purposes of subsection (i)(1)(B) (j)(1)(B), all per pupil amounts shall be calculated using the full-time equivalent enrollment of the school district. All function categories and other accounting categories shall refer to those same categories as established and required for financial accounting purposes by the state board 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.

(3) Publications required by this subsection shall be published with an easily identifiable link located on such district's website homepage.

(4) Publications required by this subsection shall be made available to the public at every meeting held by the board of education of each school district when the board is discussing the district's budget or any other school finance matter.

(j) (k) (1) The department of education shall annually publish on its internet website:

(A) All of the publications required under subsection (i) (j); and

(B) the following expenditures for each school district on a per pupil basis:

(i) Total expenditures;

(ii) capital outlay expenditures;

(iii) bond and interest expenditures; and

(iv) all other expenditures not included in (ii) or (iii).

(2) Publications required by this subsection shall be published with an easily identifiable link located on the department's website homepage.

Sec. 83. K.S.A. 2016 Supp. 72-8316 is hereby amended to read as follows: 72-8316. (a) Any board of education, pursuant to a policy developed and adopted by it, may provide for the use of district-owned or leased school buses when such buses are not being used for regularly required school purposes. The policy may provide for:

(1) (A) Transporting parents and other adults to or from school-related functions or activities; (B) transporting pupils to or from functions or activities sponsored by organizations, the membership of which is principally composed of children of school age; and (C) transporting persons engaged in field trips in connection with their participation in an adult education program maintained by the transporting school district or by any other school district, within or outside the boundaries of the transporting school district; and

(2) contracting with: (A) The governing body of any township, city or county for transportation of individuals, groups or organizations; (B) the governing authority of any nonpublic school for transportation of pupils attending such nonpublic school to or from interschool or intraschool functions or activities; (C) the board of trustees of any community college
for transportation of students enrolled in such community college to or
from attendance at class at the community college or to and from functions
or activities of the community college; (D) a public recreation commission
established and operated under the laws of this state, for any purposes
related to the operation of the recreation commission and all programs and
services thereof; (E) the board of education of any other school district for
transportation, on a cooperative and shared-cost basis, of pupils, school
personnel, parents and other adults to or from school-related functions or
activities; or (F) a four-year college or university, area vocational school or
area vocational-technical school for transportation of students to or from
attendance at class at the four-year college or university, area vocational
school or area vocational-technical school or for transportation of students,
alumni and other members of the public to or from functions or activities
of the four-year college or university, area vocational school or area
vocational-technical school.

(b) Transportation fees may be charged by the board to offset, totally
or in part, the costs incurred for the use of school buses under authority of
this section.

(c) Any revenues received by a board of education as transportation
fees or under any contract entered into pursuant to this section shall be
deposited in the general fund of the school district and shall be considered
reimbursements to the school district for the purpose of the classroom-
learning assuring student success act, K.S.A. 2016 Supp. 72-6463 school
district finance and student success act, section 1 et seq., and amendments
thereto. Such revenues may be expended whether the same have been
budgeted or not.

(d) The provisions of K.S.A. 8-1556(c), and amendments thereto,
apply to the use of school buses under authority of this section.

Sec. 84. K.S.A. 2016 Supp. 72-8415b is hereby amended to read as
follows: 72-8415b. (a) Any school district that elects to become a self-
insurer under the provisions of K.S.A. 72-8414, and amendments thereto,
may transfer moneys from its general fund to the special reserve fund of
the district as provided by K.S.A. 2016 Supp. 72-6478 section 18, and
amendments thereto.

(b) Any community college that elects to become a self-insurer under
the provisions of K.S.A. 72-8414, and amendments thereto, may transfer
such amounts from its general fund to the health care services reserve fund
or the disability income benefits reserve fund, or the group life benefit
reserve fund, or all three, as may be deemed necessary to meet the cost of
health care services or disability income benefits, or group life insurance
claims, whichever is applicable.

Sec. 85. K.S.A. 2016 Supp. 72-8801 is hereby amended to read as
follows: 72-8801. (a) The board of education of any school district may
make an annual tax levy at a mill rate not to exceed the statutorily
prescribed mill rate upon the taxable tangible property in the school
district for the purposes specified in this act and for the purpose of paying
a portion of the principal and interest on bonds issued by cities under the
authority of K.S.A. 12-1774, and amendments thereto, for the financing of
redevelopment projects upon property located within the school district.
No levy shall be made under this act until a resolution is adopted by the
board of education in the following form:
Unified School District No. _____,
________________________ County, Kansas.
RESOLUTION
Be It Resolved that:
The above-named school board shall be authorized to make an annual
tax levy for a period not to exceed ______ years in an amount not to
exceed _____ mills upon the taxable tangible property in the school
district for the purpose of acquisition, construction, reconstruction, repair,
remodeling, additions to, furnishing, maintaining and equipping of school
district property and equipment necessary for school district purposes,
including: (1) Acquisition of computer software; (2) acquisition of
performance uniforms; (3) housing and boarding pupils enrolled in an area
vocational school operated under the board; (4) architectural expenses; (5)
acquisition of building sites; (6) undertaking and maintenance of asbestos
control projects; (7) acquisition of school buses; and (8) acquisition of
other fixed assets, and for the purpose of paying a portion of the principal
and interest on bonds issued by cities under the authority of K.S.A. 12-
1774, and amendments thereto, for the financing of redevelopment
projects upon property located within the school district. The tax levy
authorized by this resolution may be made, unless a petition in opposition
to the same, signed by not less than 10% of the qualified electors of the
school district, is filed with the county election officer of the home county
of the school district within 40 calendar days after the last publication of
this resolution. In the event a petition is filed, the county election officer
shall submit the question of whether the tax levy shall be authorized to the
electors in the school district at an election called for that purpose or at the
next general election, as is specified by the board of education of the
above 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 above resolution shall be appropriately filled.
The blank preceding the word "years" shall be filled with a specific number, and the blank preceding the word "mills" shall be filled with a specific number, and no word shall be inserted in either of the blanks. The resolution shall be published once a week for two consecutive weeks in a newspaper having general circulation in the school district. If no petition as specified above is filed in accordance with the provisions of the resolution, the board of education may make the tax levy specified in the resolution. If a petition is filed as provided in the resolution, the board of education may notify the county election officer of the date of an election to be held to submit the question of whether the tax levy shall be authorized. If the board of education fails to notify the county election officer within 60 calendar days after a petition is filed, the resolution shall be deemed abandoned and no like resolution shall be adopted by the board of education within the nine months following the first publication of the resolution.

(b) As used in this act:

(1) "Unconditionally authorized to make a capital outlay tax levy" means that the school district has adopted a resolution under this section, has published the same, and either that the resolution was not protested or that it was protested and an election has been held by which the tax levy specified in the resolution was approved;

(2) "statutorily prescribed mill rate" means: (A) Eight mills; (B) the mill levy rate in excess of eight mills if the resolution fixing such rate was approved at an election prior to the effective date of this act; or (C) the mill levy rate in excess of eight mills if no petition or no sufficient petition was filed in protest to a resolution fixing such rate in excess of eight mills and the protest period for filing such petition has expired;

(3) "asbestos control project" means any activity which is necessary or incidental to the control of asbestos-containing material in buildings of school districts and includes, but not by way of limitation, any activity undertaken for the removal or encapsulation of asbestos-containing material, for any remodeling, renovation, replacement, rehabilitation or other restoration necessitated by such removal or encapsulation, for conducting inspections, reinspections and periodic surveillance of buildings, performing response actions, and developing, implementing and updating operations and maintenance programs and management plans;

(4) "asbestos" means the asbestiform varieties of chrysotile (serpentine), crocidolite (riebeckite), amosite (cummingtonite-grunerite), anthophyllite, tremolite, and actinolite; and

(5) "asbestos-containing material" means any material or product which contains more than 1% asbestos.

Sec. 86. K.S.A. 2016 Supp. 72-8804 is hereby amended to read as follows: 72-8804. (a) Any moneys in the capital outlay fund of any school
district and any moneys received from issuance of bonds under K.S.A. 72-8805 or 72-8810, and amendments thereto, may be used for the purpose of the acquisition, construction, reconstruction, repair, remodeling, additions to, furnishing, maintaining and equipping of school district property and equipment necessary for school district purposes, including: (1) Acquisition of computer software; (2) acquisition of performance uniforms; (3) housing and boarding pupils enrolled in an area vocational school operated under the board of education; (4) architectural expenses; (5) acquisition of building sites; (6) undertaking and maintenance of asbestos control projects; (7) acquisition of school buses; and (8) acquisition of other fixed assets, and, for school years 2015-2016 and 2016-2017 year 2017-2018 and each school year thereafter, subject to the provisions of K.S.A. 2016 Supp. 72-6478 section 18, and amendments thereto, may be transferred to the general fund of the school district as approved by the board of education.

(b) The board of education of any school district is hereby authorized to invest any portion of the capital outlay fund of the school district which is not currently needed in investments authorized by K.S.A. 12-1675, and amendments thereto, in the manner prescribed therein, or may invest the same in direct obligations of the United States government maturing or redeemable at par and accrued interest within three years from date of purchase, the principal and interest whereof is guaranteed by the government of the United States. All interest received on any such investment shall upon receipt thereof be credited to the capital outlay fund.

Sec. 87. K.S.A. 2016 Supp. 72-8908 is hereby amended to read as follows: 72-8908. As used in this act:

(a) "Juvenile" means a person who is less than 18 years of age;

(b) "adult" means a person who is 18 years of age or older;

(c) "felony" means any crime designated a felony by the laws of Kansas or the United States;

(d) "misdemeanor" means any crime designated a misdemeanor by the laws of Kansas or the United States;

(e) "school day" means any day on which school is maintained;

(f) "school year" has the meaning ascribed thereto in K.S.A. 2016 Supp. 72-6464 section 3, and amendments thereto;

(g) "counsel" means any person a pupil selects to represent and advise the pupil at all proceedings conducted pursuant to the provisions of this act; and

(h) "principal witness" means any witness whose testimony is of major importance in support of the charges upon which a proposed suspension or expulsion from school is based, or in determination of material questions of fact.

Sec. 88. K.S.A. 2016 Supp. 72-99a02 is hereby amended to read as
follows: 72-99a02. As used in the tax credit for low income students scholarship program act:

(a) "Contributions" means monetary gifts or donations and in-kind contributions, gifts or donations that have an established market value.
(b) "Department" means the Kansas department of revenue.
(c) "Educational scholarship" means an amount not to exceed $8,000 per school year provided to an eligible student, or to a qualified school with respect to an eligible student, to cover all or a portion of the costs of education including tuition, fees and expenses of a qualified school and, if applicable, the costs of transportation to a qualified school if provided by such qualified school.
(d) "Eligible student" means a child who:
   (1) (A) Qualifies as an at-risk pupil as defined in K.S.A. 72-6407, prior to its repeal, and who is attending a public school Whose family household income does not exceed 185% of the federal poverty level established under the most recent poverty income guidelines published in the calendar year by the United States department of health and human services; or (B) has been eligible to receive an educational scholarship under this program and has not graduated from high school or reached 21 years of age;
   (2) who resides in Kansas while eligible for an educational scholarship; and
   (3) (A) was enrolled in any public school in the previous school year in which an educational scholarship is first sought for the child; or (B) is eligible to be enrolled in any public school in the school year in which an educational scholarship is first sought for the child and the child is under the age of six years who has not graduated from high school or reached 21 years of age.
(e) "Parent" includes a guardian, custodian or other person with authority to act on behalf of the child.
(f) "Program" means the tax credit for low income students scholarship program established in K.S.A. 2016 Supp. 72-99a01 through 72-99a07, and amendments thereto.
(g) "Public school" means a school that would qualify as either a title I focus school or a title I priority school as described by the state board under the elementary and secondary education act flexibility waiver as amended in January 2013 and is operated by a school district.
(h) "Qualified school" means any nonpublic school that provides education to elementary or secondary students, has notified the state board of its intention to participate in the program and complies with the requirements of the program.
(i) "Scholarship granting organization" means an organization that complies with the requirements of this program and provides educational
scholarships to eligible students or to qualified schools in which parents have enrolled eligible students.

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

(k) "School year" shall have the meaning ascribed thereto in K.S.A. 2016 Supp. 72-6464 section 3, and amendments thereto.

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

Sec. 89. K.S.A. 2016 Supp. 72-99a03 is hereby amended to read as follows: 72-99a03. (a) There is hereby established the tax credit for low income students scholarship program. The program shall provide eligible students with an opportunity to attend schools of their parents' choice.

(b) Each scholarship granting organization shall issue a receipt, in a form prescribed by the secretary, to each contributing taxpayer indicating the value of the contribution received. Each taxpayer shall provide a copy of such receipt when claiming the tax credit established in K.S.A. 2016 Supp. 72-99a07, and amendments thereto.

(c) Prior to awarding an educational scholarship with respect to an eligible student, unless such student is under the age of six years, the scholarship granting organization shall receive written verification from the state board that such student is an eligible student under this program, provided the state board and the board of education of the school district in which the eligible student was enrolled the previous school year have received written consent from such eligible student's parent authorizing the release of such information.

(d) Upon receipt of information in accordance with K.S.A. 2016 Supp. 72-99a04(a)(2), and amendments thereto, the state board shall inform the scholarship granting organization whether an educational scholarship has been awarded by another scholarship granting organization with respect to the eligible student.

(e) In each school year, no more than $8,000 in educational scholarships may be awarded under this program with respect to an eligible student.

Sec. 90. K.S.A. 2016 Supp. 72-99a04 is hereby amended to read as follows: 72-99a04. (a) To be eligible to participate in the program, a scholarship granting organization shall comply with the following:

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

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

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

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

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

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

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

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

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

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

(7) at the end of the calendar year, the scholarship granting
organization shall have its accounts examined and audited by a certified
public accountant. Such audit shall include, but not be limited to,
information verifying that the educational scholarships awarded by the
scholarship granting organization were distributed to qualified schools
with respect to eligible students determined by the state board under
K.S.A. 2016 Supp. 72-99a03(c), and amendments thereto, and information
specified in this section. Prior to filing a copy of the audit with the state
board, such audit shall be duly verified and certified by a certified public
accountant; and

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

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

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

(d) (1) A scholarship granting organization may continue to provide
an educational scholarship with respect to a student who was an eligible
student in the year immediately preceding the current school year.
(2) When distributing educational scholarships, a scholarship
granting organization shall give priority to those eligible students who
received an educational scholarship to attend a qualified school in the
year immediately preceding the current school year.

(e) A scholarship granting organization shall direct payments of
educational scholarships to the qualified school attended by the eligible
student or in which the eligible student is enrolled. Payment may be made
by check made payable to both the parent and the qualified school or to
only the qualified school. Payments shall be made in two installments.
One installment payment shall be made on or before the 31st calendar day
of the first semester and one installment payment shall be made on or
before the 31st calendar day of the second semester. If an eligible student
transfers to a new qualified school during a school year, the scholarship
granting organization shall direct payment in a prorated amount to the
original qualified school and the new qualified school based on the eligible
student's attendance. If the eligible student transfers to a public school and
enrolls in such public school after September 20 of the current school year,
the scholarship granting organization shall direct payment in a prorated
amount to the original qualified school and the public school based on the
eligible student's attendance. The prorated amount to the public school
shall be considered a donation and shall be paid to the school district of
such public school in accordance with K.S.A. 72-8210, and amendments
thereto.

(f) By June 1 of each year, a scholarship granting organization shall
submit a report to the state board for the educational scholarships provided
in the immediately preceding 12 months. Such report shall be in a form
and manner as prescribed by the state board, approved and signed by a
certified public accountant, and shall contain the following information:
(1) The name and address of the scholarship granting organization;
(2) the name and address of each eligible student with respect to whom an educational scholarship was awarded by the scholarship granting organization;
(3) the total number and total dollar amount of contributions received during the 12-month reporting period; and
(4) the total number and total dollar amount of educational scholarships awarded during the 12-month reporting period and the total number and total dollar amount of educational scholarships awarded during the 12-month reporting period with respect to eligible students who qualified under K.S.A. 2016 Supp. 72-99a02(d), and amendments thereto.

(g) No scholarship granting organization shall:
(1) Provide an educational scholarship with respect to an eligible student that is established by funding from any contributions made by any relative of such eligible student; or
(2) accept a contribution from any source with the express or implied condition that such contribution be directed toward an educational scholarship for a particular eligible student.

Sec. 91. K.S.A. 2016 Supp. 72-99a07 is hereby amended to read as follows: 72-99a07. (a) (1) There shall be allowed a credit against the corporate income tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax liability imposed upon a taxpayer pursuant to the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and the premium tax liability imposed upon a taxpayer pursuant to the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto, for tax years commencing after December 31, 2014, and ending before January 1, 2017, an amount equal to 70% of the amount contributed to a scholarship granting organization authorized pursuant to K.S.A. 2016 Supp. 72-99a01 et seq., and amendments thereto.
(2) There shall be allowed a credit against the tax liability imposed upon a taxpayer pursuant to the Kansas income tax act, the privilege tax liability imposed upon a taxpayer pursuant to the privilege tax imposed upon any national banking association, state bank, trust company or savings and loan association pursuant to article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments thereto, and the premium tax liability imposed upon a taxpayer pursuant to the premiums tax and privilege fees imposed upon an insurance company pursuant to K.S.A. 40-252, and amendments thereto, for tax years commencing after December 31, 2016, an amount equal to 90% of the amount contributed to a scholarship granting organization authorized pursuant to K.S.A. 2016
Supp. 72-99a01 et seq., and amendments thereto.

(b) The credit shall be claimed and deducted from the taxpayer's tax liability during the tax year in which the contribution was made to any such scholarship granting organization.

(c) No credit shall be allowed to any taxpayer who designates such taxpayer's contribution to a scholarship granting organization, or any portion thereof, for the direct benefit of any dependent of such taxpayer, or who designates a student beneficiary as a condition of the contribution to a scholarship granting organization. No credit shall be allowed to any taxpayer who, with the intent to benefit a dependent of the taxpayer, agrees with one or more other taxpayers to designate each taxpayer's contribution to a scholarship granting organization, or any portion thereof, for the direct benefit of any dependent of such taxpayer.

d) For each tax year tax years 2015 and 2016, in no event shall the total amount of credits allowed under this section exceed $10,000,000 for any one tax year. Except as otherwise provided, the allocation of such tax credits for each scholarship granting organization shall be determined by the scholarship granting organization in consultation with the secretary, and such determination shall be completed prior to the issuance of any tax credits pursuant to this section.

Beginning in tax year 2017, the total amount of credits allowed under this section shall be $10,000,000, except that in any tax year when the total amount of credits awarded is equal to or greater than 95% of the total amount of credits allowed, the total amount of credits allowed under this section for the next succeeding tax year shall increase by 25%. Such increase in the amount of tax credits allowed shall apply to all succeeding tax years unless otherwise further increased pursuant to the provisions of this subsection. The state department of education and the department of revenue shall publish information on their websites identifying the total amount of credits allowed under this section.

e) If the amount of any such tax credit claimed by a taxpayer exceeds the taxpayer's income, privilege or premium tax liability, such excess amount may be carried over for deduction from the taxpayer's income, privilege or premium tax liability in the next succeeding year or years until the total amount of the credit has been deducted from tax liability.

(f) The secretary shall adopt rules and regulations regarding filing of documents that support the amount of credit claimed pursuant to this section.

Sec. 92. K.S.A. 2016 Supp. 74-4939a is hereby amended to read as follows: 74-4939a. On and after the effective date of this act for each fiscal year commencing with fiscal year 2005, notwithstanding the provisions of K.S.A. 74-4939, and amendments thereto, or any other statute, all moneys
appropriated for the department of education from the state general fund
commencing with fiscal year 2005, and each ensuing fiscal year thereafter,
by appropriation act of the legislature, in the KPERS — employer
contributions account and all moneys appropriated for the department of
education from the state general fund or any special revenue fund for each
fiscal year commencing with fiscal year 2005, and each ensuing fiscal year
thereafter, by any such appropriation act in that account or any other
account for payment of employer contributions for school districts, shall
be distributed by the department of education to school districts in
accordance with this section. Notwithstanding the provisions of K.S.A. 74-
4939, and amendments thereto, for school year 2015-2016, the department
development shall disburse to each school district that is an eligible
employer as specified in K.S.A. 74-4931(1), and amendments thereto, an
amount in accordance with K.S.A. 2016 Supp. 72-6465(a)(6), and
amendments thereto, which shall be disbursed pursuant to K.S.A. 2016-
Supp. 72-6465, and amendments thereto. Notwithstanding the provisions
of K.S.A. 74-4939, and amendments thereto, for school year 2016-2017,
development shall disburse to each school district that is an
eligible employer as specified in K.S.A. 74-4931(1), and amendments-
thereto, an amount in accordance with K.S.A. 2016 Supp. 72-6465(b)(4),
and amendments thereto, which shall be disbursed pursuant to K.S.A.
2016 Supp. 72-6465, and amendments thereto. Notwithstanding the provisions
of trustees of the Kansas public employees retirement system that is equal to
the participating employer's obligation of such school district to the
system in accordance with policies and procedures that are hereby
authorized and directed to be adopted by the state board of education for
the purposes of this section and in accordance with any requirements
prescribed by the board of trustees of the Kansas public employees
retirement system, and that shall be disbursed pursuant to section 4(a)(6),
and amendments thereto, as applicable to such school district. Upon
receipt of each such disbursement of moneys, the school district shall
deposit the entire amount thereof into a special retirement contributions
fund of the school district, which shall be established by the school district
in accordance with such policies and procedures and which shall be used
for the sole purpose of receiving such disbursements from the department
of education and making the remittances to the system in accordance with
this section and such policies and procedures. Upon receipt of each such
disbursement of moneys from the department of education, the school
district shall remit, in accordance with the provisions of such policies and
procedures and in the manner and on the date or dates prescribed by the
board of trustees of the Kansas public employees retirement system, an
equal amount to the Kansas public employees retirement system from the
special retirement contributions fund of the school district to satisfy such
school district's obligation as a participating employer. Notwithstanding
the provisions of K.S.A. 74-4939, and amendments thereto, each school
district that is an eligible employer as specified in K.S.A. 74-4931(1), and
amendments thereto, shall show within the budget of such school district
all amounts received from disbursements into the special retirement
contributions fund of such school district. Notwithstanding the provisions
of any other statute, no official action of the school board of such school
district shall be required to approve a remittance to the system in
accordance with this section and such policies and procedures. All
remittances of moneys to the system by a school district in accordance
with this subsection and such policies and procedures shall be deemed to
be expenditures of the school district.

Sec. 93. K.S.A. 2016 Supp. 74-8925 is hereby amended to read as
follows: 74-8925. (a) For the purposes of this act, the term "taxing
subdivision" shall include the county, the city, the unified school district
and any other taxing subdivision levying real property taxes, the territory
or jurisdiction of which includes any currently existing or subsequently
created redevelopment district. The term "real property taxes" includes all
taxes levied on an ad valorem basis upon land and improvements thereon,
other than the property tax levied pursuant to the provisions of K.S.A.-
2016 Supp. 72-6470 section 15, and amendments thereto, or any other
property tax levied by or on behalf of a school district.

(b) All tangible taxable property located within a redevelopment
district shall be assessed and taxed for ad valorem tax purposes pursuant to
law in the same manner that such property would be assessed and taxed if
located outside such district, and all ad valorem taxes levied on such
property shall be paid to and collected by the county treasurer in the same
manner as other taxes are paid and collected. Except as otherwise provided
in this section, the county treasurer shall distribute such taxes as may be
collected in the same manner as if such property were located outside a
redevelopment district. Each redevelopment district established under the
provisions of this act shall constitute a separate taxing unit for the purpose
of the computation and levy of taxes.

(c) Beginning with the first payment of taxes which are levied
following the date of approval of any redevelopment district established
pursuant to K.S.A. 74-8921, and amendments thereto, real property taxes
received by the county treasurer resulting from taxes which are levied
subject to the provisions of this act by and for the benefit of a taxing
subdivision, as herein defined, on property located within such
redevelopment district constituting a separate taxing unit under the
provisions of this section, shall be divided as follows:

(1) From the taxes levied each year subject to the provisions of this
act by or for each of the taxing subdivisions upon property located within a
redevelopment district constituting a separate taxing unit under the
provisions of this act, the county treasurer first shall allocate and pay to
each such taxing subdivision all of the real property taxes collected which
are produced from that portion of the current assessed valuation of such
real property located within such separate taxing unit which is equal to the
total assessed value of such real property on the date of the establishment
of the redevelopment district.

(2) Any real property taxes produced from that portion of the current
assessed valuation of real property within the redevelopment district
constituting a separate taxing unit under the provisions of this section in
excess of an amount equal to the total assessed value of such real property
on the effective date of the establishment of the district shall be allocated
and paid by the county treasurer according to specified percentages of the
tax increment expressly agreed upon and consented to by the governing
bodies of the county and school district in which the redevelopment
district is located. The amount of the real property taxes allocated and
payable to the authority under the agreement shall be paid by the county
treasurer to the treasurer of the state. The remaining amount of the real
property taxes not payable to the authority shall be allocated and paid in
the same manner as other ad valorem taxes. Any real property taxes paid to
the state treasurer under this section shall be deposited in the
redevelopment bond finance fund of the authority which is created
pursuant to K.S.A. 74-8927, and amendments thereto, to pay the costs of
any approved redevelopment project, including the payment of principal of
and interest on any bonds issued by the authority to finance, in whole or in
part, such project. When such bonds and interest thereon have been paid,
all moneys thereafter received from real property taxes within such
redevelopment district shall be allocated and paid to the respective taxing
subdivisions in the same manner as are other ad valorem taxes. If such
bonds and interest thereon have been paid before the completion of a
project, the authority may continue to use such moneys for any purpose
authorized by the redevelopment agreement until such time as the project
costs are paid or reimbursed, but for a period not to exceed the final
scheduled maturity of the bonds.

(d) In any redevelopment plan or in the proceedings for the issuing of
any bonds by the authority to finance a project, the property tax increment
portion of taxes provided for in subsection (c)(2) may be irrevocably
pledged for the payment of the principal of and interest on such bonds. The
authority may adopt a redevelopment plan in which only a specified
percentage of the tax increment realized from taxpayers in the
redevelopment district is pledged to the payment of costs.

Sec. 94. K.S.A. 2016 Supp. 74-99b43 is hereby amended to read as
follows: 74-99b43. (a) The Kansas development finance authority is
hereby authorized to issue special obligation bonds pursuant to K.S.A. 74-8901 et seq., and amendments thereto, in one or more series to finance the undertaking of any bioscience development project in accordance with the provisions of this act. No special obligation bonds may be issued pursuant to this section unless the Kansas development finance authority has received a resolution of the board of the authority requesting the issuance of such bonds. Such special obligation bonds shall be made payable, both as to principal and interest from one or more of the following, as directed by the authority:

1. From ad valorem tax increments allocated to, and paid into the bioscience development bond fund for the payment of the project costs of a bioscience development project under the provisions of this section;
2. From any private sources, contributions or other financial assistance from the state or federal government;
3. From a pledge of a portion or all of the revenue received from transient guest, sales and use taxes collected pursuant to K.S.A. 12-1696 et seq., 79-3601 et seq., 79-3701 et seq. and 12-187 et seq., and amendments thereto, and which are collected from taxpayers doing business within that portion of the bioscience development district and paid into the bioscience development bond fund;
4. From a pledge of a portion or all increased revenue received by any city from franchise fees collected from utilities and other businesses using public right-of-way within the bioscience development district; or
5. By any combination of these methods.

(b) All tangible taxable property located within a bioscience development district shall be assessed and taxed for ad valorem tax purposes pursuant to law in the same manner that such property would be assessed and taxed if located outside such district, and all ad valorem taxes levied on such property shall be paid to and collected by the county treasurer in the same manner as other taxes are paid and collected. Except as otherwise provided in this section, the county treasurer shall distribute such taxes as may be collected in the same manner as if such property were located outside a bioscience development district. Each bioscience development district established under the provisions of this act shall constitute a separate taxing unit for the purpose of the computation and levy of taxes.

(c) Beginning with the first payment of taxes which are levied following the date of the establishment of the bioscience development district real property taxes received by the county treasurer resulting from taxes which are levied subject to the provisions of this act by and for the benefit of a taxing subdivision, as defined in K.S.A. 2016 Supp. 12-1770a, and amendments thereto, on property located within such bioscience development district constituting a separate taxing unit under the
provisions of this section, shall be divided as follows:

(1) From the taxes levied each year subject to the provisions of this act by or for each of the taxing subdivisions upon property located within a bioscience development district constituting a separate taxing unit under the provisions of this act, the county treasurer first shall allocate and pay to each such taxing subdivision all of the real property taxes collected which are produced from the base year assessed valuation.

(2) Any real property taxes, except for property taxes levied for schools pursuant to K.S.A. 2016 Supp. 72-6470 section 15, and amendments thereto, produced from that portion of the current assessed valuation of real property within the bioscience development district constituting a separate taxing unit under the provisions of this section in excess of the base year assessed valuation shall be allocated and paid by the county treasurer to the bioscience development bond fund to pay the bioscience development project costs including the payment of principal and interest on any special obligation bonds to finance, in whole or in part, such bioscience development projects.

(d) The authority may pledge the bioscience development bond fund or other available revenue to the repayment of such special obligation bonds prior to, simultaneously with, or subsequent to the issuance of such special obligation bonds.

(e) Any bonds issued under the provisions of this act and the interest paid thereon, unless specifically declared to be taxable in the authorizing resolution of the Kansas development finance authority, shall be exempt from all state, county and municipal taxes, and the exemption shall include income, estate and property taxes.

Sec. 95. K.S.A. 2016 Supp. 75-2319 is hereby amended to read as follows: 75-2319. (a) There is hereby established in the state treasury the school district capital improvements fund. The fund shall consist of all amounts transferred thereto under the provisions of subsection (c).

(b) Subject to the provisions of subsection (e), in each school year, each school district which is obligated to make payments from its capital improvements fund shall be entitled to receive payment from the school district capital improvements fund in an amount determined by the state board of education as provided in this subsection.

(1) For general obligation bonds approved for issuance at an election held prior to July 1, 2015, the state board of education shall:

(A) Determine the amount of the assessed valuation per pupil (AVPP) of each school district in the state and round such amount to the nearest $1,000. The rounded amount is the AVPP of a school district for the purposes of this subsection (b)(1);

(B) determine the median AVPP of all school districts;

(C) prepare a schedule of dollar amounts using the amount of the
median AVPP of all school districts as the point of beginning. The schedule of dollar amounts shall range upward in equal $1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the highest AVPP of all school districts and shall range downward in equal $1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the lowest AVPP of all school districts;

(D) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the median AVPP shown on the schedule, decreasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each $1,000 interval above the amount of the median AVPP, and increasing the state aid computation percentage assigned to the amount of the median AVPP by one percentage point for each $1,000 interval below the amount of the median AVPP. Except as provided by K.S.A. 2016 Supp. 75-2319c, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district. The state aid percentage factor of a school district shall not exceed 100%. The state aid computation percentage is 25%;

(E) determine the amount of payments that a school district is obligated to make from its bond and interest fund attributable to general obligation bonds approved for issuance at an election held prior to July 1, 2015; and

(F) multiply the amount determined under subsection (b)(1)(E) by the applicable state aid percentage factor.

(2) For general obligation bonds approved for issuance at an election held on or after July 1, 2015, but prior to January 1, 2017, the state board of education shall:

(A) Determine the amount of the AVPP of each school district in the state and round such amount to the nearest $1,000. The rounded amount is the AVPP of a school district for the purposes of this subsection (b)(2);

(B) prepare a schedule of dollar amounts using the amount of the AVPP of the school district with the lowest AVPP of all school districts as the point of beginning. The schedule of dollar amounts shall range upward in equal $1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the highest AVPP of all school districts;

(C) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the lowest AVPP shown on the schedule and decreasing the state aid computation percentage assigned to the amount of the lowest AVPP by one percentage
point for each $1,000 interval above the amount of the lowest AVPP. Except as provided by K.S.A. 2016 Supp. 75-2319c, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district. The state aid computation percentage is 75%;

(D) determine the amount of payments that a school district is obligated to make from its bond and interest fund attributable to general obligation bonds approved for issuance at an election held on or after July 1, 2015; and

(E) multiply the amount determined under subsection (b)(2)(D) by the applicable state aid percentage factor.

(3) For general obligation bonds approved for issuance at an election held on or before June 30, 2016, the sum of the amount determined under subsection (b)(1)(F) and the amount determined under subsection (b)(2)(E) is the amount of payment the school district is entitled to receive from the school district capital improvements fund in the school year.

(4) For general obligation bonds approved for issuance at an election held on or after July 1, 2016, the amount determined under subsection (b)(2)(E) is the amount of payment the school district shall receive from the school district capital improvements fund in the school year, except the total amount of payments school districts receive from the school district capital improvements fund in the school year for such bonds shall not exceed the six-year average amount of capital improvement state aid as determined by the state board of education.

(A) The state board of education shall determine the six-year average amount of capital improvement state aid by calculating the average of the total amount of moneys expended per year from the school district capital improvements fund in the immediately preceding six fiscal years, not to include the current fiscal year.

(B) (i) Subject to clause (ii), the state board of education shall prioritize the allocations to school districts from the school district capital improvements fund in accordance with the priorities set forth as follows in order of highest priority to lowest priority:

(a) Safety of the current facility and disability access to such facility as demonstrated by a state fire marshal report, an inspection under the Americans with disabilities act, 42 U.S.C. § 12101 et seq.; or other similar evaluation;

(b) Enrollment growth and imminent overcrowding as demonstrated by successive increases in enrollment of the school district in the immediately preceding three school years;

(c) Impact on the delivery of educational services as demonstrated by restrictive inflexible design or limitations on installation of technology; and
(d) energy usage and other operational inefficiencies as demonstrated by a district-wide energy usage analysis, district-wide architectural analysis or other similar evaluation.

(ii) In allocating capital improvement state aid, the state board shall give higher priority to those school districts with a lower AVPP compared to the other school districts that are to receive capital improvement state aid under this section.

(C) On and after July 1, 2016, The state board of education shall approve the amount of state aid payments a school district shall receive from the school district capital improvements fund pursuant to subsection (b)(5) prior to an election to approve the issuance of general obligation bonds January 1, 2017, subject to the provisions of section 29, and amendments thereto, the state board shall:

(A) Determine the amount of the AVPP of each school district in the state and round such amount to the nearest $1,000. The rounded amount is the AVPP of a school district for the purposes of this subsection (b)(4);

(B) prepare a schedule of dollar amounts using the amount of the AVPP of the school district with the lowest AVPP of all school districts as the point of beginning. The schedule of dollar amounts shall range upward in equal $1,000 intervals from the point of beginning to and including an amount that is equal to the amount of the AVPP of the school district with the highest AVPP of all school districts;

(C) determine a state aid percentage factor for each school district by assigning a state aid computation percentage to the amount of the lowest AVPP shown on the schedule and decreasing the state aid computation percentage assigned to the amount of the lowest AVPP by one percentage point for each $1,000 interval above the amount of the lowest AVPP. Except as provided by K.S.A. 2016 Supp. 75-2319c, and amendments thereto, the state aid percentage factor of a school district is the percentage assigned to the schedule amount that is equal to the amount of the AVPP of the school district. The state aid computation percentage is 75%;

(D) determine the amount of payments that a school district is obligated to make from its bond and interest fund attributable to general obligation bonds approved for issuance at an election held on or after January 1, 2017;

(E) multiply the amount determined under subsection (b)(4)(D) by the applicable state aid percentage factor; and

(F) multiply the amount calculated under subsection (b)(4)(E) by the percentage certified by the joint committee on state building construction pursuant to section 29, and amendments thereto, if any.

(5) The sum of the amounts determined under subsection (b)(3) and the amount determined or allocated to the district by the state board of
education pursuant to subsection (b)(4), is the amount of payment the school district is entitled to shall receive from the school district capital improvements fund in the school year.

(c) The state board of education shall certify to the director of accounts and reports the entitlements of school districts total amount of capital improvement state aid school districts are to receive as determined under the provisions of subsection (b), and an amount equal thereto shall be transferred by the director from the state general fund to the school district capital improvements fund for distribution to school districts. All transfers made in accordance with the provisions of this subsection shall be considered to be demand transfers from the state general fund, except that all such transfers during the fiscal years ending June 30, 2013, June 30, 2014, June 30, 2015, and June 30, 2016, shall be considered to be revenue transfers from the state general fund.

(d) Payments from the school district capital improvements fund shall be distributed to school districts at times determined by the state board of education to be necessary to assist school districts in making scheduled payments pursuant to contractual bond obligations. The state board of education shall certify to the director of accounts and reports the amount due each school district entitled to payment from the fund, and the director of accounts and reports shall draw a warrant on the state treasurer payable to the treasurer of the school district. Upon receipt of the warrant, the treasurer of the school district shall credit the amount thereof to the bond and interest fund of the school district to be used for the purposes of such fund.

(e) The provisions of this section apply only to contractual obligations incurred by school districts pursuant to general obligation bonds issued upon approval of a majority of the qualified electors of the school district voting at an election upon the question of the issuance of such bonds.

(f) On or before the first day of the legislative session in 2017, and each year thereafter, the state board of education shall prepare and submit a report to the legislature that includes information on school district elections held on or after July 1, 2016, to approve the issuance of general obligation bonds and the amount of payments school districts were approved to receive from the school district capital improvements fund pursuant to subsection (b)(4)(C).

Sec. 96. K.S.A. 2016 Supp. 75-6506 is hereby amended to read as follows: 75-6506. (a) The participation of a person qualified to participate in the state health care benefits program shall be voluntary, and the cost of the state health care benefits program for such person shall be established by the Kansas state employees health care commission.

(b) Periodic deductions from state payrolls may be made in
accordance with procedures prescribed by the secretary of administration to cover the costs of the state health care benefits program payable by persons who are on the state payroll when authorized by such persons. Any such periodic payroll deductions in effect on an implementation date for biweekly payroll periods shall be collected in the manner prescribed by the secretary of administration.

(c) In the event that the Kansas state employees health care commission designates by rules and regulations a group of persons on the payroll of a county, township, city, special district or other local governmental entity, public school district, licensed child care facility operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the Kansas department for children and families, nonprofit community mental health center, as provided in K.S.A. 19-4001 et seq., and amendments thereto, nonprofit community facility for people with intellectual disability, as provided in K.S.A. 19-4001 et seq., and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101, and amendments thereto, as qualified to participate in the state health care benefits program, periodic deductions from payrolls of the local governmental entity, public school district, licensed child care facility operated by a not-for-profit corporation providing residential group foster care for children and receiving reimbursement for all or part of such care from the Kansas department for children and families, nonprofit community mental health center, as provided in K.S.A. 19-4001 et seq., and amendments thereto, nonprofit community facility for people with intellectual disability, as provided in K.S.A. 19-4001 et seq., and amendments thereto, or nonprofit independent living agency, as defined in K.S.A. 65-5101, and amendments thereto, may be made to cover the costs of the state health care benefits program payable by such persons when authorized by such persons. All such moneys deducted from payrolls shall be remitted to the Kansas state employees health care commission in accordance with the directions of the commission.

(d) Whenever the Kansas state employees health care commission designates any entity listed in subsection (c) as qualified to participate in the state health care benefits program, such entity's participation shall be conditioned upon the following:

1. At least 70% of such entity's employees shall participate in the state health care plan;
2. except as provided by paragraph (6) of this subsection, the rate of the premium paid by the entity as the employer's share of the total amount of premium paid shall be at least equal to the rate paid by the state of Kansas for its employees;
3. the entity shall not create, maintain or permit any exemption from
participation in the state health care plan for such entity's employees;
(4) the rate charged to such entity shall be sufficient to pay for any
administrative or underwriting costs incurred by the state employees health
care commission;
(5) the rate charged to such entity shall not increase the rate of
premium paid by the state of Kansas for its employees;
(6) the entity shall elect to participate for a minimum of three
consecutive years in the state health care benefits program; and
(7) the commission may authorize an entity to pay less than the state
rate for the employee coverage for no more than three years and no more
than five years for dependent coverage on the condition that the entity
elects to participate for at least three consecutive years after first paying
the state rate for employee coverage.

Sec. 97. K.S.A. 2016 Supp. 75-6508 is hereby amended to read as
follows: 75-6508. (a) (1) Each state agency which has on its payroll
persons participating in the state health care benefits program shall pay
from any moneys available to the agency for such purpose an amount
specified by the Kansas state employees health care commission, including
any amounts prescribed under a cafeteria plan established under K.S.A.
75-6512, and amendments thereto. All such payments shall continue on the
behalf of employees otherwise eligible for participation in the state health
care benefits program in accordance with the continuation provisions of
The commission may charge each state agency a uniform amount per
person as the cost to the agency for the state's contribution for persons
participating in the state health care benefits program. Such amounts may
include the costs of administering the program.
(2) In the event that the Kansas state employees health care
commission designates by rules and regulations a group of persons on the
payroll of a county, township, city, special district or other local
governmental entity, public school district, licensed child care facility
operated by a not-for-profit corporation providing residential group foster
care for children and receiving reimbursement for all or part of such care
from the Kansas department for children and families, nonprofit
community mental health center, as provided in K.S.A. 19-4001 et seq.,
and amendments thereto, nonprofit community facility for people with
intellectual disability, as provided in K.S.A. 19-4001 et seq., and
amendments thereto, or nonprofit independent living agency, as defined in
K.S.A. 65-5101, and amendments thereto, as qualified to participate in the
state health care benefits program, each local governmental entity, public
school district, licensed child care facility operated by a not-for-profit
corporation providing residential group foster care for children and
receiving reimbursement for all or part of such care from the Kansas
department for children and families, nonprofit community mental health
center, as provided in K.S.A. 19-4001 et seq., and amendments thereto,
nonprofit community facility for people with intellectual disability, as
provided in K.S.A. 19-4001 et seq., and amendments thereto, or nonprofit
independent living agency, as defined in K.S.A. 65-5101, and amendments
thereto, which has on its payroll persons participating in the state health
care benefits program shall pay from any moneys available to the local
governmental entity, public school district, licensed child care facility
operated by a not-for-profit corporation providing residential group foster
care for children and receiving reimbursement for all or part of such care
from the Kansas department for children and families, nonprofit
community mental health center, as provided in K.S.A. 19-4001 et seq.,
and amendments thereto, nonprofit community facility for people with
intellectual disability, as provided in K.S.A. 19-4001 et seq., and
amendments thereto, or nonprofit independent living agency, as defined in
K.S.A. 65-5101, and amendments thereto, for such purpose an amount
specified by the commission. The commission may charge each local
governmental entity, public school district, licensed child care facility
operated by a not-for-profit corporation providing residential group foster
care for children and receiving reimbursement for all or part of such care
from the Kansas department for children and families, nonprofit
community mental health center, as provided in K.S.A. 19-4001 et seq.,
and amendments thereto, nonprofit community facility for people with
intellectual disability, as provided in K.S.A. 19-4001 et seq., and
amendments thereto, or nonprofit independent living agency, as defined in
K.S.A. 65-5101, and amendments thereto, a uniform amount per person as
the cost to the local governmental entity, public school district, licensed
child care facility operated by a not-for-profit corporation providing
residential group foster care for children and receiving reimbursement for
all or part of such care from the Kansas department for children and
families, nonprofit community mental health center, as provided in K.S.A.
19-4001 et seq., and amendments thereto, nonprofit community facility for
people with intellectual disability, as provided in K.S.A. 19-4001 et seq.,
and amendments thereto, or nonprofit independent living agency, as
defined in K.S.A. 65-5101, and amendments thereto, for the contribution
of the local governmental entity, public school district, licensed child care
facility operated by a not-for-profit corporation providing residential group
foster care for children and receiving reimbursement for all or part of such
care from the Kansas department for children and families, nonprofit
community mental health center, as provided in K.S.A. 19-4001 et seq.,
and amendments thereto, nonprofit community facility for people with
intellectual disability, as provided in K.S.A. 19-4001 et seq., and
amendments thereto, or nonprofit independent living agency, as defined in
K.S.A. 65-5101, and amendments thereto, for persons participating in the
state health care benefits program. Such amounts may include the costs of
administering the program.

(b) Payments from public funds for coverage under the state health
care benefits program for persons participating in that program shall not be
deemed a payment or supplement of wages of such person notwithstanding
any other provision of law or rules and regulations relating to wages of any
such person.

Sec. 98. K.S.A. 2016 Supp. 75-6509 is hereby amended to read as
follows: 75-6509. Commencing with the regular session of the legislature
in 1985 and with each regular session of the legislature thereafter, the
Kansas state employees health care commission shall submit to the
president of the senate and to the speaker of the house of representatives,
on the day the governor's budget report is submitted to the legislature,
recommendations with respect to the state health care benefits program
together with estimates of the cost of the program proposed by the
commission, including a five-year projection of the cost of the program,
and the estimated cost of admitting each entity pursuant to subsection (c)
of K.S.A. 75-6506(c), and amendments thereto; and (2) recommendations
with respect to the unified school district employee health care benefits
program together with estimates of the cost of the program proposed by
the commission, including a five-year projection of the cost of the
program. Together with the recommendations submitted, the commission
shall include alternatives for cost containment and benefit coverage for
qualified persons for both the proposed programs and the five-year projected programs. The commission shall also submit any
recommendations for legislation with respect to the state health care
benefits program and the unified school district employee health care
benefits program.

Sec. 99. K.S.A. 75-6510 is hereby amended to read as follows: 75-
6510. (a) In exercising and performing the powers, duties and functions
prescribed by K.S.A. 75-6501 to 75-6511, inclusive through 75-6524, and
sections 33 through 38, and amendments thereto, the Kansas state
employees health care commission may adopt rules and regulations and
enter into such contracts as may be necessary.

(b) The Kansas state employees health care commission may
establish an advisory committee to advise the commission on matters
relating to health care benefits of state officers and employees and school
district employees, and to assist the commission in the development of
policy with respect to such benefits.

(c) The Kansas state employees health care commission shall
maintain an ongoing study and review of the state health care benefits
program and the unified school district employee health care benefits
program in order to make necessary improvements therein and to make recommendations thereon under K.S.A. 75-6509, and amendments thereto.

Sec. 100. K.S.A. 2016 Supp. 79-201x is hereby amended to read as follows: 79-201x. For taxable years 2015 and 2016 2017 and 2018, the following described property, to the extent herein specified, shall be and is hereby exempt from the property tax levied pursuant to the provisions of K.S.A. 2016 Supp. 72-6470 section 15, and amendments thereto: Property used for residential purposes to the extent of $20,000 of its appraised valuation.

Sec. 101. K.S.A. 2016 Supp. 79-213 is hereby amended to read as follows: 79-213. (a) Any property owner requesting an exemption from the payment of ad valorem property taxes assessed, or to be assessed, against their property shall be required to file an initial request for exemption, on forms approved by the state board of tax appeals and provided by the county appraiser.

(b) The initial exemption request shall identify the property for which the exemption is requested and state, in detail, the legal and factual basis for the exemption claimed.

(c) The request for exemption shall be filed with the county appraiser of the county where such property is principally located.

(d) After a review of the exemption request, and after a preliminary examination of the facts as alleged, the county appraiser shall recommend that the exemption request either be granted or denied, and, if necessary, that a hearing be held. If a denial is recommended, a statement of the controlling facts and law relied upon shall be included on the form.

(e) The county appraiser, after making such written recommendation, shall file the request for exemption and the recommendations of the county appraiser with the state board of tax appeals. With regard to a request for exemption from property tax pursuant to the provisions of K.S.A. 79-201g and 82a-409, and amendments thereto, not filed with the board of tax appeals by the county appraiser on or before the effective date of this act, if the county appraiser recommends the exemption request be granted, the exemption shall be provided in the amount recommended by the county appraiser and the county appraiser shall not file the request for exemption and recommendations of the county appraiser with the state board of tax appeals. The county clerk or county assessor shall annually make such adjustment in the taxes levied against the real property as the owner may be entitled to receive under the provisions of K.S.A. 79-201g, and amendments thereto, as recommended by the county appraiser, beginning with the first period, following the date of issue of the certificate of completion on which taxes are regularly levied, and during the years which the landowner is entitled to such adjustment.

(f) Upon receipt of the request for exemption, the board shall docket
the same and notify the applicant and the county appraiser of such fact.

(g) After examination of the request for exemption and the county appraiser's recommendation related thereto, the board may fix a time and place for hearing, and shall notify the applicant and the county appraiser of the time and place so fixed. A request for exemption pursuant to: (1) Section 13 of article 11 of the constitution of the state of Kansas; or (2) K.S.A. 79-201a Second, and amendments thereto, for property constructed or purchased, in whole or in part, with the proceeds of revenue bonds under the authority of K.S.A. 12-1740 to 12-1749, inclusive, and amendments thereto, prepared in accordance with instructions and assistance which shall be provided by the department of commerce, shall be deemed approved unless scheduled for hearing within 30 days after the date of receipt of all required information and data relating to the request for exemption, and such hearing shall be conducted within 90 days after such date. Such time periods shall be determined without regard to any extension or continuance allowed to either party to such request. In any case where a party to such request for exemption requests a hearing thereon, the same shall be granted. Hearings shall be conducted in accordance with the provisions of the Kansas administrative procedure act. In all instances where the board sets a request for exemption for hearing, the county shall be represented by its county attorney or county counselor.

(h) Except as otherwise provided by subsection (g), in the event of a hearing, the same shall be originally set not later than 90 days after the filing of the request for exemption with the board.

(i) During the pendency of a request for exemption, no person, firm, unincorporated association, company or corporation charged with real estate or personal property taxes pursuant to K.S.A. 79-2004 and 79-2004a, and amendments thereto, on the tax books in the hands of the county treasurer shall be required to pay the tax from the date the request is filed with the county appraiser until the expiration of 30 days after the board issued its order thereon and the same becomes a final order. In the event that taxes have been assessed against the subject property, no interest shall accrue on any unpaid tax for the year or years in question nor shall the unpaid tax be considered delinquent from the date the request is filed with the county appraiser until the expiration of 30 days after the board issued its order thereon. In the event the board determines an application for exemption is without merit and filed in bad faith to delay the due date of the tax, the tax shall be considered delinquent as of the date the tax would have been due pursuant to K.S.A. 79-2004 and 79-2004a, and amendments thereto, and interest shall accrue as prescribed therein.

(j) In the event the board grants the initial request for exemption, the same shall be originally set not later than 90 days after the filing of the request for exemption with the board.
exceed 24 months prior to the date of first exempt use, the same shall be effective beginning with the date of commencement of construction.

(k) In conjunction with its authority to grant exemptions, the board shall have the authority to abate all unpaid taxes that have accrued from and since the effective date of the exemption. In the event that taxes have been paid during the period where the subject property has been determined to be exempt, the board shall have the authority to order a refund of taxes for the year immediately preceding the year in which the exemption application is filed in accordance with subsection (a).

(l) The provisions of this section shall not apply to: (1) Farm machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto; (2) personal property exempted from ad valorem taxation by K.S.A. 79-215, and amendments thereto; (3) wearing apparel, household goods and personal effects exempted from ad valorem taxation by K.S.A. 79-201c, and amendments thereto; (4) livestock; (5) all property exempted from ad valorem taxation by K.S.A. 79-201d, and amendments thereto; (6) merchants' and manufacturers' inventories exempted from ad valorem taxation by K.S.A. 79-201m, and amendments thereto; (7) grain exempted from ad valorem taxation by K.S.A. 79-201n, and amendments thereto; (8) property exempted from ad valorem taxation by K.S.A. 79-201a Seventeenth, and amendments thereto, including all property previously acquired by the secretary of transportation or a predecessor in interest, which is used in the administration, construction, maintenance or operation of the state system of highways. The secretary of transportation shall at the time of acquisition of property notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (9) property exempted from ad valorem taxation by K.S.A. 79-201a Ninth, and amendments thereto, including all property previously acquired by the Kansas turnpike authority which is used in the administration, construction, maintenance or operation of the Kansas turnpike. The Kansas turnpike authority shall at the time of acquisition of property notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (10) aquaculture machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto. As used in this section, "aquaculture" has the same meaning ascribed thereto by K.S.A. 47-1901, and amendments thereto; (11) Christmas tree machinery and equipment exempted from ad valorem taxation by K.S.A. 79-201j, and amendments thereto; (12) property used exclusively by the state or any municipality or political subdivision of the state for right-of-way purposes. The state agency or the governing body of the municipality or political subdivision shall at the time of acquisition of property for right-of-way
purposes notify the county appraiser in the county in which the property is located that the acquisition occurred and provide a legal description of the property acquired; (13) machinery, equipment, materials and supplies exempted from ad valorem taxation by K.S.A. 79-201w, and amendments thereto; (14) vehicles owned by the state or by any political or taxing subdivision thereof and used exclusively for governmental purposes; (15) property used for residential purposes which is exempted pursuant to K.S.A. 79-201x, and amendments thereto, from the property tax levied pursuant to K.S.A. 2016 Supp. section 15, and amendments thereto; (16) from and after July 1, 1998, vehicles which are owned by an organization having as one of its purposes the assistance by the provision of transit services to the elderly and to disabled persons and which are exempted pursuant to K.S.A. 79-201 Ninth, and amendments thereto; (17) from and after July 1, 1998, motor vehicles exempted from taxation by K.S.A. 79-5107(e), and amendments thereto; (18) commercial and industrial machinery and equipment exempted from property or ad valorem taxation by K.S.A. 2016 Supp. 79-223, and amendments thereto; (19) telecommunications machinery and equipment and railroad machinery and equipment exempted from property or ad valorem taxation by K.S.A. 2016 Supp. 79-224, and amendments thereto; and (20) property exempted from property or ad valorem taxation by K.S.A. 2016 Supp. 79-234, and amendments thereto.

(m) The provisions of this section shall apply to property exempt pursuant to the provisions of section 13 of article 11 of the constitution of the state of Kansas.

(n) The provisions of subsection (k) as amended by this act shall be applicable to all exemption applications filed in accordance with subsection (a) after December 31, 2001.

Sec. 102. K.S.A. 2016 Supp. 79-2001 is hereby amended to read as follows: 79-2001. (a) As soon as the county treasurer receives the tax roll of the county, the treasurer shall enter in a column opposite the description of each tract or parcel of land the amount of unpaid taxes and the date of unredeemed sales, if any, for previous years on such land. The treasurer shall cause a notice to be published in the official county paper once each week for three consecutive weeks, stating in the notice the amount of taxes charged for state, county, township, school, city or other purposes for that year, on each $1,000 of valuation.

(b) Each year after receipt of the tax roll from the county clerk and before December 15, the treasurer shall mail to each taxpayer, as shown by the rolls, a tax statement which indicates the taxing unit, assessed value of real and personal property, the mill levy and tax due. In addition, with respect to land devoted to agricultural use, such statement shall indicate the acreage and description of each parcel of such land. The tax statement
shall also indicate separately each parcel of real property which is
separately classified for property tax purposes. The county appraiser shall
provide the information necessary for the county treasurer to comply with
the provisions of this section. The tax statement also may include the
intangible tax due the county. All items may be on one statement or may
be shown on separate statements and may be on a form prescribed by the
county treasurer. The statement shall be mailed to the last known address
of the taxpayer or to a designee authorized by the taxpayer to accept the
tax statement, if the designee has an interest in receiving the statement.
When any statement is returned to the county treasurer for failure to find
the addressee, the treasurer shall make a diligent effort to find a
forwarding address of the taxpayer and mail the statement to the new
address. All tax statements mailed pursuant to this section shall be mailed
by first-class mail. The requirement for mailing a tax statement shall
extend only to the initial statement required to be mailed in each year and
to any follow-up required by this section.
(c) For tax year 1998, and all tax years thereafter, after receipt of the
tax roll from the county clerk and before December 15, the treasurer shall
mail to each taxpayer, as shown by the tax rolls, a tax information form
which indicates the taxing unit, assessed value of real property for the
current and next preceding taxable year, the mill levy for the current and
next preceding taxable year and, in the case of unified school districts, the
mill levy required by K.S.A. 2016 Supp. 72-6470 section 15, and
amendments thereto, shall be separately indicated, the tax due and an
itemization of each taxing unit's mill levy for the current and next
preceding taxable year and the percentage change in the amount of
revenue produced therefrom, if any. In addition, with respect to land
devoted to agricultural use, such form shall indicate the acreage and
description of each parcel of such land. The tax information form shall
also indicate separately each parcel of real property which is separately
classified for property tax purposes. The county appraiser shall provide the
information necessary for the county treasurer to comply with the
provisions of this section. The tax information form may be separate from
the tax statement or a part of the tax statement. The tax information form
shall be in a format prescribed by the director of property valuation. The
tax information form shall be mailed to the last known address of the
taxpayer. When a tax information form is returned to the county treasurer
for failure to find the addressee, the treasurer shall make a diligent effort to
find a forwarding address of the taxpayer and mail the tax information
form to the new address. All tax information forms mailed pursuant to this
section shall be mailed by first class mail.
Sec. 103. K.S.A. 2016 Supp. 79-2925b is hereby amended to read as
follows: 79-2925b. (a) Without a majority vote so providing, the governing
body of any municipality shall not approve any appropriation or budget, as the case requires, which may be funded by revenue produced from property taxes, and which provides for funding with such revenue in an amount exceeding that of the next preceding year, adjusted to reflect changes in the consumer price index for all urban consumers as published by the United States department of labor for the preceding calendar year. If the total tangible property valuation in any municipality increases from the next preceding year due to increases in the assessed valuation of existing tangible property and such increase exceeds changes in the consumer price index, the governing body shall lower the amount of ad valorem tax to be levied to the amount of ad valorem tax levied in the next preceding year, adjusted to reflect changes in the consumer price index. This subsection shall not apply to ad valorem taxes levied under K.S.A. 76-6b01 and 76-6b04 and K.S.A. 2016 Supp. 72-6470 section 15, and amendments thereto, and any other ad valorem tax levy which was previously approved by the voters of such municipality. Notwithstanding the requirements of this subsection, nothing herein shall prohibit a municipality from increasing the amount of ad valorem tax to be levied if the municipality approves the proposed increase with a majority vote of the governing body by the adoption of a resolution and publishes its vote to approve the appropriation or budget including the increase as provided in subsection (c).

(b) Revenue that, in the current year, is produced and attributable to the taxation of:

1. New improvements to real property;
2. Increased personal property valuation;
3. Property located within added jurisdictional territory; or
4. Property which has changed in use shall not be considered when determining whether revenue produced from property has increased from the next preceding year.

(c) In the event the governing body votes to approve any appropriation or budget, as the case requires, which may be funded by revenue produced from property taxes, and which provides for funding with such revenue in an amount exceeding that of the next preceding year as provided in subsection (a), notice of such vote shall be published in the official county newspaper of the county where such municipality is located.

(d) The provisions of this section shall be applicable to all fiscal and budget years commencing on and after the effective date of this act.

(e) The provisions of this section shall not apply to revenue received from property tax levied for the sole purpose of repayment of the principal of and interest upon bonded indebtedness, temporary notes and no-fund warrants.

(f) For purposes of this section:
(1) "Municipality" means any political subdivision of the state which
levies an ad valorem tax on property and includes, but is not limited to,
any township, municipal university, school district, community college,
drainage district or other taxing district;

(2) "municipality" shall not include:

(A) Any such political subdivision or taxing district which receives
$1,000 or less in revenue from property taxes in the current year; or

(B) any city or county.

Sec. 104. K.S.A. 2016 Supp. 79-32,117 is hereby amended to read as
follows: 79-32,117. (a) The Kansas adjusted gross income of an individual
means such individual's federal adjusted gross income for the taxable year,
with the modifications specified in this section.

(b) There shall be added to federal adjusted gross income:

(i) Interest income less any related expenses directly incurred in the
purchase of state or political subdivision obligations, to the extent that the
same is not included in federal adjusted gross income, on obligations of
any state or political subdivision thereof, but to the extent that interest
income on obligations of this state or a political subdivision thereof issued
prior to January 1, 1988, is specifically exempt from income tax under the
laws of this state authorizing the issuance of such obligations, it shall be
excluded from computation of Kansas adjusted gross income whether or
not included in federal adjusted gross income. Interest income on
obligations of this state or a political subdivision thereof issued after
December 31, 1987, shall be excluded from computation of Kansas
adjusted gross income whether or not included in federal adjusted gross
income.

(ii) Taxes on or measured by income or fees or payments in lieu of
income taxes imposed by this state or any other taxing jurisdiction to the
extent deductible in determining federal adjusted gross income and not
credited against federal income tax. This paragraph shall not apply to taxes
imposed under the provisions of K.S.A. 79-1107 or 79-1108, and
amendments thereto, for privilege tax year 1995, and all such years
thereafter.

(iii) The federal net operating loss deduction.

(iv) Federal income tax refunds received by the taxpayer if the
deduction of the taxes being refunded resulted in a tax benefit for Kansas
income tax purposes during a prior taxable year. Such refunds shall be
included in income in the year actually received regardless of the method
of accounting used by the taxpayer. For purposes hereof, a tax benefit shall
be deemed to have resulted if the amount of the tax had been deducted in
determining income subject to a Kansas income tax for a prior year
regardless of the rate of taxation applied in such prior year to the Kansas
taxable income, but only that portion of the refund shall be included as
bears the same proportion to the total refund received as the federal taxes
deducted in the year to which such refund is attributable bears to the total
federal income taxes paid for such year. For purposes of the foregoing
sentence, federal taxes shall be considered to have been deducted only to
the extent such deduction does not reduce Kansas taxable income below
zero.

(v) The amount of any depreciation deduction or business expense
deduction claimed on the taxpayer's federal income tax return for any
capital expenditure in making any building or facility accessible to the
handicapped, for which expenditure the taxpayer claimed the credit
allowed by K.S.A. 79-32,177, and amendments thereto.

(vi) Any amount of designated employee contributions picked up by
an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965,
and amendments thereto.

(vii) The amount of any charitable contribution made to the extent the
same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-
32,196, and amendments thereto.

(viii) The amount of any costs incurred for improvements to a swine
facility, claimed for deduction in determining federal adjusted gross
income, to the extent the same is claimed as the basis for any credit
allowed pursuant to K.S.A. 2016 Supp. 79-32,204, and amendments
thereto.

(ix) The amount of any ad valorem taxes and assessments paid and
the amount of any costs incurred for habitat management or construction
and maintenance of improvements on real property, claimed for deduction
in determining federal adjusted gross income, to the extent the same is
claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203,
and amendments thereto.

(x) Amounts received as nonqualified withdrawals, as defined by
K.S.A. 2016 Supp. 75-643, and amendments thereto, if, at the time of
contribution to a family postsecondary education savings account, such
amounts were subtracted from the federal adjusted gross income pursuant
to K.S.A. 79-32,117(c)(xv), and amendments thereto, or if such amounts
are not already included in the federal adjusted gross income.

(xi) The amount of any contribution made to the same extent the
same is claimed as the basis for the credit allowed pursuant to K.S.A. 2016
Supp. 74-50,154, and amendments thereto.

(xii) For taxable years commencing after December 31, 2004,
amounts received as withdrawals not in accordance with the provisions of
K.S.A. 2016 Supp. 74-50,204, and amendments thereto, if, at the time of
contribution to an individual development account, such amounts were
subtracted from the federal adjusted gross income pursuant to subsection
(c)(xiii), or if such amounts are not already included in the federal adjusted
gross income.

(xiii) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 2016 Supp. 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

(xiv) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2016 Supp. 79-32,221, and amendments thereto.


(xvii) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 2016 Supp. 79-32,256, and amendments thereto.

(xviii) For taxable years commencing after December 31, 2006, the amount of any ad valorem or property taxes and assessments paid to a state other than Kansas or local government located in a state other than Kansas by a taxpayer who resides in a state other than Kansas, when the law of such state does not allow a resident of Kansas who earns income in such other state to claim a deduction for ad valorem or property taxes or assessments paid to a political subdivision of the state of Kansas in determining taxable income for income tax purposes in such other state, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xix) For all taxable years beginning after December 31, 2012, the amount of any: (1) Loss from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) loss from rental real estate, royalties, partnerships, S corporations, except those with wholly owned subsidiaries subject to the Kansas privilege tax, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040.
federal individual income tax return; and (3) farm loss as determined under
the federal internal revenue code and reported from schedule F and on line
18 of the taxpayer's form 1040 federal income tax return; all to the extent
deducted or subtracted in determining the taxpayer's federal adjusted gross
income. For purposes of this subsection, references to the federal form
1040 and federal schedule C, schedule E, and schedule F, shall be to such
form and schedules as they existed for tax year 2011, and as revised
thereafter by the internal revenue service.

(xx) For all taxable years beginning after December 31, 2012, the
amount of any deduction for self-employment taxes under section 164(f)
of the federal internal revenue code as in effect on January 1, 2012, and
amendments thereto, in determining the federal adjusted gross income of
an individual taxpayer, to the extent the deduction is attributable to income
reported on schedule C, E or F and on line 12, 17 or 18 of the taxpayer's
form 1040 federal income tax return.

(xxi) For all taxable years beginning after December 31, 2012, the
amount of any deduction for pension, profit sharing, and annuity plans of
self-employed individuals under section 62(a)(6) of the federal internal
revenue code as in effect on January 1, 2012, and amendments thereto, in
determining the federal adjusted gross income of an individual taxpayer.

(xxii) For all taxable years beginning after December 31, 2012, the
amount of any deduction for health insurance under section 162(l) of the
federal internal revenue code as in effect on January 1, 2012, and
amendments thereto, in determining the federal adjusted gross income of
an individual taxpayer.

(xxiii) For all taxable years beginning after December 31, 2012, the
amount of any deduction for domestic production activities under section
199 of the federal internal revenue code as in effect on January 1, 2012, and
amendments thereto, in determining the federal adjusted gross income
of an individual taxpayer.

(xxiv) For taxable years commencing after December 31, 2013, that
portion of the amount of any expenditure deduction claimed in
determining federal adjusted gross income for expenses paid for medical
care of the taxpayer or the taxpayer's spouse or dependents when such
expenses were paid or incurred for an abortion, or for a health benefit plan,
as defined in K.S.A. 2016 Supp. 65-6731, and amendments thereto, for the
purchase of an optional rider for coverage of abortion in accordance with
K.S.A. 2016 Supp. 40-2,190, and amendments thereto, to the extent that
such taxes and assessments are claimed as an itemized deduction for
federal income tax purposes.

(xxv) For taxable years commencing after December 31, 2013, that
portion of the amount of any expenditure deduction claimed in
determining federal adjusted gross income for expenses paid by a taxpayer
for health care when such expenses were paid or incurred for abortion
coverage, a health benefit plan, as defined in K.S.A. 2016 Supp. 65-6731,
and amendments thereto, when such expenses were paid or incurred for
abortion coverage or amounts contributed to health savings accounts for
such taxpayer's employees for the purchase of an optional rider for
coverage of abortion in accordance with K.S.A. 2016 Supp. 40-2,190, and
amendments thereto, to the extent that such taxes and assessments are
claimed as a deduction for federal income tax purposes.

(xxvi) For all taxable years beginning after December 31, 2016, the
amount of any charitable contribution made to the extent the same is
claimed as the basis for the credit allowed pursuant to K.S.A. 2016 Supp.
72-99a07, and amendments thereto, and is also claimed as an itemized
deduction for federal income tax purposes.

(c) There shall be subtracted from federal adjusted gross income:
(i) Interest or dividend income on obligations or securities of any
authority, commission or instrumentality of the United States and its
possessions less any related expenses directly incurred in the purchase of
such obligations or securities, to the extent included in federal adjusted
gross income but exempt from state income taxes under the laws of the
United States.
(ii) Any amounts received which are included in federal adjusted
gross income but which are specifically exempt from Kansas income
taxation under the laws of the state of Kansas.
(iii) The portion of any gain or loss from the sale or other disposition
of property having a higher adjusted basis for Kansas income tax purposes
than for federal income tax purposes on the date such property was sold or
disposed of in a transaction in which gain or loss was recognized for
purposes of federal income tax that does not exceed such difference in
basis, but if a gain is considered a long-term capital gain for federal
income tax purposes, the modification shall be limited to that portion of
such gain which is included in federal adjusted gross income.
(iv) The amount necessary to prevent the taxation under this act of
any annuity or other amount of income or gain which was properly
included in income or gain and was taxed under the laws of this state for a
taxable year prior to the effective date of this act, as amended, to the
taxpayer, or to a decedent by reason of whose death the taxpayer acquired
the right to receive the income or gain, or to a trust or estate from which
the taxpayer received the income or gain.
(v) The amount of any refund or credit for overpayment of taxes on
or measured by income or fees or payments in lieu of income taxes
imposed by this state, or any taxing jurisdiction, to the extent included in
gross income for federal income tax purposes.
(vi) Accumulation distributions received by a taxpayer as a
beneficiary of a trust to the extent that the same are included in federal
adjusted gross income.

(vii) Amounts received as annuities under the federal civil service
retirement system from the civil service retirement and disability fund and
other amounts received as retirement benefits in whatever form which
were earned for being employed by the federal government or for service
in the armed forces of the United States.

(viii) Amounts received by retired railroad employees as a
supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and
228c (a)(1) et seq.

(ix) Amounts received by retired employees of a city and by retired
employees of any board of such city as retirement allowances pursuant to
K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter
ordinance exempting a city from the provisions of K.S.A. 13-14,106, and
amendments thereto.

(x) For taxable years beginning after December 31, 1976, the amount
of the federal tentative jobs tax credit disallowance under the provisions of
26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the
amount of the targeted jobs tax credit and work incentive credit
disallowances under 26 U.S.C. § 280 C.

(xi) For taxable years beginning after December 31, 1986, dividend
income on stock issued by Kansas venture capital, inc.

(xii) For taxable years beginning after December 31, 1989, amounts
received by retired employees of a board of public utilities as pension and
retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249,
and amendments thereto.

(xiii) For taxable years beginning after December 31, 2004, amounts
contributed to and the amount of income earned on contributions deposited
to an individual development account under K.S.A. 2016 Supp. 74-50,201
et seq., and amendments thereto.

(xiv) For all taxable years commencing after December 31, 1996, that
portion of any income of a bank organized under the laws of this state or
any other state, a national banking association organized under the laws of
the United States, an association organized under the savings and loan
code of this state or any other state, or a federal savings association
organized under the laws of the United States, for which an election as an
S corporation under subchapter S of the federal internal revenue code is in
effect, which accrues to the taxpayer who is a stockholder of such
corporation and which is not distributed to the stockholders as dividends of
the corporation. For all taxable years beginning after December 31, 2012,
the amount of modification under this subsection shall exclude the portion
of income or loss reported on schedule E and included on line 17 of the
taxpayer's form 1040 federal individual income tax return.
(xv) For all taxable years beginning after December 31, 2006, amounts not exceeding $3,000, or $6,000 for a married couple filing a joint return, for each designated beneficiary which are contributed to a family postsecondary education savings account established under the Kansas postsecondary education savings program or a qualified tuition program established and maintained by another state or agency or instrumentality thereof pursuant to section 529 of the internal revenue code of 1986, as amended, for the purpose of paying the qualified higher education expenses of a designated beneficiary at an institution of postsecondary education. The terms and phrases used in this paragraph shall have the meaning respectively ascribed thereto by the provisions of K.S.A. 2016 Supp. 75-643, and amendments thereto, and the provisions of such section are hereby incorporated by reference for all purposes thereof.

(xvi) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are or were members of the armed forces of the United States, including service in the Kansas army and air national guard, as a recruitment, sign up or retention bonus received by such taxpayer as an incentive to join, enlist or remain in the armed services of the United States, including service in the Kansas army and air national guard, and amounts received for repayment of educational or student loans incurred by or obligated to such taxpayer and received by such taxpayer as a result of such taxpayer's service in the armed forces of the United States, including service in the Kansas army and air national guard.

(xvii) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are eligible members of the Kansas army and air national guard as a reimbursement pursuant to K.S.A. 48-281, and amendments thereto, and amounts received for death benefits pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section 1 or section 2 of chapter 207 of the 2005 Session Laws of Kansas, and amendments thereto, to the extent that such death benefits are included in federal adjusted gross income of the taxpayer.

(xviii) For the taxable year beginning after December 31, 2006, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of $50,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly; and for all taxable years beginning after December 31, 2007, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of $75,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly.

(xix) Amounts received by retired employees of Washburn university
as retirement and pension benefits under the university's retirement plan.

(xx) For all taxable years beginning after December 31, 2012, the amount of any: (1) Net profit from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) net income, not including guaranteed payments as defined in section 707(c) of the federal internal revenue code and as reported to the taxpayer from federal schedule K-1, (form 1065-B), in box 9, code F or as reported to the taxpayer from federal schedule K-1, (form 1065) in box 4, from rental real estate, royalties, partnerships, S corporations, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) net farm profit as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return; all to the extent included in the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011 and as revised thereafter by the internal revenue service.

(xxi) For all taxable years beginning after December 31, 2013, amounts equal to the unreimbursed travel, lodging and medical expenditures directly incurred by a taxpayer while living, or a dependent of the taxpayer while living, for the donation of one or more human organs of the taxpayer, or a dependent of the taxpayer, to another person for human organ transplantation. The expenses may be claimed as a subtraction modification provided for in this section to the extent the expenses are not already subtracted from the taxpayer's federal adjusted gross income. In no circumstances shall the subtraction modification provided for in this section for any individual, or a dependent, exceed $5,000. As used in this section, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung or bone marrow. 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.

(xxii) For all taxable years beginning after December 31, 2012, the amount of net gain from the sale of: (1) Cattle and horses, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 24 months or more from the date of acquisition; and (2) other livestock, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer
for 12 months or more from the date of acquisition. The subtraction from
federal adjusted gross income shall be limited to the amount of the
additions recognized under the provisions of subsection (b)(xix)
attributable to the business in which the livestock sold had been used. As
used in this paragraph, the term "livestock" shall not include poultry.

(xxiii) For all taxable years beginning after December 31, 2012,
amounts received under either the Overland Park, Kansas police
department retirement plan or the Overland Park, Kansas fire department
retirement plan, both as established by the city of Overland Park, pursuant
to the city's home rule authority.

(xxiv) For all taxable years beginning after December 31, 2013, the
net gain from the sale from Christmas trees grown in Kansas and held by
the taxpayer for six years or more.

(d) There shall be added to or subtracted from federal adjusted gross
income the taxpayer's share, as beneficiary of an estate or trust, of the
Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and
amendments thereto.

(e) The amount of modifications required to be made under this
section by a partner which relates to items of income, gain, loss, deduction
or credit of a partnership shall be determined under K.S.A. 79-32,131, and
amendments thereto, to the extent that such items affect federal adjusted
gross income of the partner.

Sec. 105. K.S.A. 46-1701, 72-8208a and 75-6510 and K.S.A. 2016
Supp. 10-116a, 12-1770a, 12-1775a, 12-1776a, 60-2102, 72-978, 72-
1046b, 72-1398, 72-1414, 72-1923, 72-3715, 72-5333b, 72-5413, 72-6482,
72-64b01, 72-64b03, 72-64c03, 72-64c05, 72-6624, 72-6625, 72-6757, 72-
6760, 72-67,115, 72-7535, 72-8187, 72-8230, 72-8233, 72-8236, 72-8251,
72-8254, 72-8316, 72-8415b, 72-8801, 72-8804, 72-8908, 72-99a02, 72-
99a03, 72-99a04, 72-99a07, 74-4939a, 74-8925, 74-99b43, 75-2319, 75-
6506, 75-6508, 75-6509, 79-201x, 79-213, 79-2001, 79-2925b and 79-
32,117 are hereby repealed.

Sec. 106. This act shall take effect and be in force from and after its
publication in the statute book.