AN ACT concerning financial institutions; relating to banks and banking;
amending K.S.A. 9-1134 and 60-513 and K.S.A. 2017 Supp. 9-701, 9-
808, 9-809, 9-1133, 9-1703, 39-709, 58-3974, 75-3036 and 75-3170a
and repealing the existing sections; also repealing K.S.A. 17-5101, 17-
5102, 17-5201, 17-5202, 17-5203, 17-5204, 17-5205, 17-5206, 17-
5207, 17-5208, 17-5209, 17-5210, 17-5211, 17-5212, 17-5213, 17-
5214, 17-5215, 17-5216, 17-5217, 17-5218, 17-5219, 17-5220, 17-
5221, 17-5225, 17-5225a, 17-5225b, 17-5225c, 17-5226, 17-5227, 17-
5228, 17-5229, 17-5230, 17-5301, 17-5302, 17-5303, 17-5304, 17-
5305, 17-5306, 17-5307, 17-5308, 17-5309, 17-5310, 17-5311, 17-
5312, 17-5313, 17-5314, 17-5315, 17-5316, 17-5317, 17-5318, 17-
5319, 17-5320, 17-5321, 17-5322, 17-5323, 17-5324, 17-5325, 17-
5326, 17-5327, 17-5328, 17-5329, 17-5401, 17-5402, 17-5403, 17-
5404, 17-5405, 17-5406, 17-5407, 17-5408, 17-5409, 17-5410, 17-
5412, 17-5413, 17-5414, 17-5415, 17-5416, 17-5417, 17-5418, 17-
5419, 17-5420, 17-5421, 17-5422, 17-5423, 17-5424, 17-5425, 17-
5426, 17-5427, 17-5428, 17-5429, 17-5430, 17-5501, 17-5501c, 17-
5502, 17-5502a, 17-5503, 17-5504, 17-5505, 17-5506, 17-5508, 17-
5509, 17-5510, 17-5511, 17-5512, 17-5512a, 17-5513, 17-5514, 17-
5515, 17-5516, 17-5517, 17-5519, 17-5520, 17-5521, 17-5522, 17-
5523, 17-5524, 17-5525, 17-5526, 17-5527, 17-5528, 17-5529, 17-
5530, 17-5531, 17-5532, 17-5533, 17-5534, 17-5535, 17-5536, 17-
5537, 17-5538, 17-5539, 17-5540, 17-5541, 17-5542, 17-5543, 17-
5544, 17-5545, 17-5546, 17-5547, 17-5548, 17-5549, 17-5550, 17-
5551, 17-5552, 17-5553, 17-5554, 17-5555, 17-5556, 17-5557, 17-
5558, 17-5559, 17-5560, 17-5561, 17-5562, 17-5563, 17-5564, 17-
5565, 17-5566, 17-5567, 17-5568, 17-5569, 17-5570, 17-5571, 17-
5572, 17-5601, 17-5602, 17-5603, 17-5604, 17-5605, 17-5606, 17-
5607, 17-5609a, 17-5611, 17-5612, 17-5613, 17-5614, 17-5615, 17-
5616, 17-5617, 17-5618, 17-5619, 17-5620, 17-5621, 17-5622, 17-
5623, 17-5624, 17-5625, 17-5626, 17-5627, 17-5628, 17-5629, 17-
5630, 17-5631, 17-5632, 17-5633, 17-5634, 17-5635, 17-5636, 17-
5637, 17-5638, 17-5639, 17-5640, 17-5641, 17-5642, 17-5643, 17-
5644, 17-5645, 17-5702, 17-5703, 17-5704, 17-5705, 17-5706, 17-
5801, 17-5802, 17-5803, 17-5804, 17-5805, 17-5806, 17-5807, 17-
5808, 17-5809, 17-5810, 17-5811, 17-5812, 17-5814, 17-5816, 17-
Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) Any state stock bank, national bank, federal savings association or federal savings bank organized under the laws of the United States and located in this state may become a mutual state bank upon the affirmative vote of not less than $\frac{2}{3}$ of the institution's outstanding voting shares. Any state stock bank, national bank, federal savings association or federal savings bank desiring to become a mutual state bank shall apply to the commissioner for permission to convert to a mutual state bank and: (1) Submit a transcript of the minutes of the meeting of the institution's stockholders showing approval of the proposed conversion; (2) select a name for the bank that is not the name of any other bank doing business in the same city or town or located within a 15-mile radius of the converted institution. The name shall be accepted or rejected by the commissioner, although any bank may request exemption from the commissioner from this paragraph; and (3) provide any other information required in the application form prescribed by the commissioner.

(b) A national bank operating in a stock form must also convert to a mutual form prior to converting to a mutual state bank and shall submit appropriate documentation to the commissioner to show that the appropriate federal regulator has approved such stock to mutual conversion.

(c) Upon receipt of each of the items required by this section the commissioner shall make or cause to be made such investigation as the commissioner deems necessary to determine whether: (1) All state and federal requirements for a conversion have been satisfied; (2) the conversion or the financial condition of the bank will not adversely affect the interests of the depositors; (3) the resulting mutual state bank will have an adequate capital structure in accordance with K.S.A. 9-901a et seq., and amendments thereto; and (4) the competence, experience or integrity of the proposed management personnel indicates that approving the conversion would be in the interest of the depositors of the bank and in the interest of the public.

(d) If the commissioner determines each of the matters in subsection (c) favorably, the conversion shall be approved, and the commissioner shall issue a certificate of authority. Upon issuance of a certificate of authority, the articles of incorporation, duly executed as required by the
Kansas corporation code, shall be filed with the Kansas secretary of state's office.

(e) In any conversion authorized by this section, the resulting mutual state bank by operation of law shall continue all trust functions being exercised by the national bank, federal savings association or federal savings bank and shall be substituted for the national bank, federal savings association or federal savings bank and shall have the right to exercise trust or fiduciary powers created by any instrument designating the national bank, federal savings association or federal savings bank, even though such instruments are not yet effective.

(f) In any conversion authorized by this section, the resulting mutual state bank shall succeed by operation of law without any conveyance or transfer by the act of the national bank, federal savings association or federal savings bank to all the actual or potential assets, real property, tangible personal property, intangible personal property, rights, franchises and interests, including those in a fiduciary capacity of the national bank, federal savings association or federal savings bank and shall be subject to all of the liabilities of the national bank, federal savings association or federal savings bank.

(g) In any conversion authorized by this section the corporate existence of the national bank, federal savings association or federal savings bank shall be continued in the resulting mutual state bank, and the resulting mutual state bank shall be deemed to be the identical corporate entity as the national bank, federal savings association or federal savings bank.

(h) Within a reasonable time after the effective date of the conversion, the resulting mutual state bank shall divest all assets and liabilities that do not conform to state banking laws and rules and regulations. The length of this transition period shall be determined by the commissioner.

(i) This section shall be a part of and supplemental to the state banking code.

New Sec. 2. (a) Any savings and loan association or savings bank is hereby authorized to exercise by its board of directors or duly authorized officers or agents, subject to law, the power to make investments in the capital stock, obligations, or other securities of any corporation organized under the laws of this state, if such corporation's entire capital stock is available for purchase only by Kansas chartered savings and loan associations and savings banks and by federal associations having their home offices in Kansas.

(b) No savings and loan association or savings bank may make any investment under this section if the association's aggregate outstanding investment under this section would exceed 3% of the association's assets. Not less than $\frac{1}{2}$ of the investment permitted under this section that exceeds
1% of the association's assets shall be used primarily for community, inner
city, and community development purposes.
(c) This section shall be a part of and supplemental to the state
banking code.

New Sec. 3. (a) Subject to the terms of its articles of incorporation
and bylaws, and regulations of the commissioner, a mutual state bank may:
(1) Raise funds through deposit, share or other accounts, including demand
deposits accounts, hereafter referred to as "accounts"; and
(2) issue passbooks, certificates or other evidence of accounts.
(b) No mutual state bank shall permit any overdraft, including an
intraday overdraft, on behalf of an affiliate, or incur any overdraft in its
account at a federal reserve bank or federal home loan bank on behalf of
an affiliate.
(c) A mutual state bank may require no less than a 14-day notice prior
to payment of savings accounts if the articles of incorporation or bylaws of
the bank or the rules and regulations of the commissioner so provide.
(d) If a mutual state bank does not pay all withdrawals in full, subject
to the right of the bank, where applicable, to require notice, the payment of
withdrawals from accounts shall be subject to the provisions prescribed by
the bank's articles of incorporation or bylaws or the rules and regulations
of the commissioner. Except as authorized in writing by the
commissioner, any mutual state bank that fails to make full payment of any
withdrawal when due shall be deemed to be in an unsafe or unsound
condition.
(e) A depositor of a mutual state bank shall be a voting member and
shall have such ownership interest in the bank as may be provided in the
articles of incorporation and bylaws of the bank.
(f) The articles of incorporation and the bylaws of a mutual state bank
may provide that all borrowers from the bank are members and, if so, shall
provide for their rights and privileges.
(g) All savings accounts and demand accounts shall have the same
priority upon liquidation.
(h) This section shall be a part of and supplemental to the state
banking code.

Sec. 4. K.S.A. 9-1134 is hereby amended to read as follows: 9-1134.
If any provision of K.S.A. 9-1132, 9-1133; 17-2268 and 17-5834; and
amendments thereto, or the application thereof to any person or
circumstance is held invalid, such invalidity shall not affect other
provisions or applications of such statutes which can be given effect
without the invalid provision or application, and to this end the provisions
of such statutes are declared to be severable.

Sec. 5. K.S.A. 60-513 is hereby amended to read as follows: 60-513.
(a) The following actions shall be brought within two years:
(1) An action for trespass upon real property.

(2) An action for taking, detaining or injuring personal property, including actions for the specific recovery thereof.

(3) An action for relief on the ground of fraud, but the cause of action shall not be deemed to have accrued until the fraud is discovered.

(4) An action for injury to the rights of another, not arising on contract, and not herein enumerated.

(5) An action for wrongful death.

(6) An action to recover for an ionizing radiation injury as provided in K.S.A. 60-513a, 60-513b and 60-513c, and amendments thereto.

(b) Except as provided in subsections (c) and (d), the causes of action listed in subsection (a) shall not be deemed to have accrued until the act giving rise to the cause of action first causes substantial injury, or, if the fact of injury is not reasonably ascertainable until some time after the initial act, then the period of limitation shall not commence until the fact of injury becomes reasonably ascertainable to the injured party, but in no event shall an action be commenced more than 10 years beyond the time of the act giving rise to the cause of action.

(c) A cause of action arising out of the rendering of or the failure to render professional services by a health care provider, not arising on contract, shall be deemed to have accrued at the time of the occurrence of the act giving rise to the cause of action, unless the fact of injury is not reasonably ascertainable until some time after the initial act, then the period of limitation shall not commence until the fact of injury becomes reasonably ascertainable to the injured party, but in no event shall such an action be commenced more than four years beyond the time of the act giving rise to the cause of action.

(d) A negligence cause of action by a corporation or association against an officer or director of the corporation or association shall not be deemed to have accrued until the act giving rise to the cause of action first causes substantial injury, or, if the fact of injury is not reasonably ascertainable until some time after the initial act, then the period of limitation shall not commence until the fact of injury becomes reasonably ascertainable to the injured party, but in no event shall such an action be commenced more than five years beyond the time of the act giving rise to the cause of action. All other causes of action by a corporation or association against an officer or director of the corporation or association shall not be deemed to have accrued until the act giving rise to the cause of action first causes substantial injury and there exists a disinterested majority of nonculpable directors of the corporation or association, or, if the fact of injury is not reasonably ascertainable until some time after the
initial act, then the period of limitation shall not commence until the fact
of injury becomes reasonably ascertainable and there exists a disinterested
majority of nonculpable directors of the corporation or association, but in
no event shall such an action be commenced more than 10 years beyond
the time of the act giving rise to the cause of action. For purposes of this
subsection, the term "negligence cause of action" shall not include a cause
of action seeking monetary damages for any breach of the officer's or
director's duty of loyalty to the corporation or association, for acts or
omissions not in good faith or which involve intentional misconduct or a
knowing violation of law, for liability under K.S.A. 17-5812, 17-6410, 17-
6423, 17-6424 or 17-6603, and amendments thereto, or for any transaction
from which the officer or director derived an improper personal benefit.

(e) The provisions of this section as it was constituted prior to July 1,
1996, shall continue in force and effect for a period of two years from that
date with respect to any act giving rise to a cause of action occurring prior
to that date.

Sec. 6. K.S.A. 2017 Supp. 9-701 is hereby amended to read as
follows: 9-701. Unless otherwise clearly indicated by the context, the
following words when used in the state banking code, for the purposes of
the state banking code, shall have the meanings respectively ascribed to
them in this section:

(a) "Bank" means a state bank, savings and loan association or
savings bank incorporated under the laws of Kansas.

(b) "Business of banking" means receiving or accepting money on
deposit, and may include the performance of related activities that are not
exclusive to banks, including paying drafts or checks, lending money or
any other activity authorized by applicable law. "Business of banking"
shall not include any activity conducted by a student bank.

(c) "Trust company" means a trust company incorporated under the
laws of Kansas which does not accept deposits.

(d) "Commissioner" means the Kansas state bank commissioner.

(e) "Executive officer" means a person who participates or has
authority to participate, other than in the capacity of a director, in major
policymaking functions of the bank or trust company, whether or not the
officer has an official title, the title designates the officer as an assistant or
the officer is serving without salary or other compensation. The
chairperson of the board, the president, every vice president, the cashier,
the secretary and the treasurer of a company or bank are considered
executive officers.

(1) A bank may, by resolution of the board of directors or by the
bylaws of the bank or trust company, exempt an officer from participation,
other than in the capacity of a director, in major policymaking functions of
the bank or trust company if the officer does not actually participate
therein.

(2) The commissioner may make the determination that a person is an executive officer if the commissioner determines that the criteria are met despite the existence of a resolution allowed pursuant to this subsection.

(f) "Demand deposit" means a deposit that: (1) (A) Is payable on demand;

(B) is issued with an original maturity or required notice period of less than seven days;

(C) represents funds for which the depository institution does not reserve the right to require at least seven days' written notice of an intended withdrawal; or

(D) represents funds for which the depository institution does reserve the right to require at least seven days' written notice of an intended withdrawal; and

(2) is not also a negotiable order of withdraw account.

(3) "Demand deposit" does not include "time deposits" or "savings deposits" as defined in this section.

(g) "Time deposit," also known as a certificate of deposit, means a deposit that the depositor does not have a right and is not permitted to make withdrawals from within six days after the date of deposit unless the deposit is subject to an early withdrawal penalty of at least seven days' simple interest on amounts withdrawn within the first six days after deposit. A time deposit from which partial early withdrawals are permitted must impose additional early withdrawal penalties for at least seven days' simple interest on amounts withdrawn within six days after each partial withdrawal. If such additional early withdrawal penalties are not contractually imposed, the account ceases to be a time deposit, but may become a savings deposit if the account meets the requirements for a savings deposit.

(h) "Savings deposit" means a deposit or account with respect to which the depositor is not required by the deposit contract, but may at any time, be required by the depository institution to give written notice of an intended withdrawal not less than seven days before such withdrawal is made and that is not payable on a specified date or at the expiration of a specified time after the date of deposit.

(i) "Public moneys" means all moneys coming into the custody of the United States government or any board, commission or agency thereof, and also shall mean all moneys coming into the custody of any officer of any municipal or quasi-municipal or public corporation, the state or any political subdivision thereof, pursuant to any provision of law authorizing any such official to collect or receive the same.

(j) "Municipal corporation" means any city incorporated under the laws of Kansas.
(k) "Quasi-municipal corporation" means any county, township, school district, drainage district, rural water district or any other governmental subdivision in the state of Kansas having authority to receive or hold moneys or funds.

(l) "Certificate of authority" means a certificate signed and sealed by the commissioner evidencing the authority of a bank or trust company to transact a general banking or trust business as provided by law.

(m) "Trust business" means engaging in, or holding out to the public as willing to engage in, the business of acting as a fiduciary for hire, except that no accountant, attorney, credit union, insurance broker, insurance company, investment adviser, real estate broker or sales agent, savings and loan association, savings bank, securities broker or dealer, real estate title insurance company or real estate escrow company shall be deemed to be engaged in a trust company business with respect to fiduciary services customarily performed by those persons or entities for compensation as a traditional incident to their regular business activities.

(n) "Community and economic development entity" means an entity that makes investments or conducts activities that primarily benefit low-income and moderate-income individuals, low-income and moderate-income areas, or other areas targeted by a governmental entity for redevelopment, or would receive consideration as "qualified investments" under the community reinvestment act pub. L. 95-128, title VIII, 91 stat. 1147, 12 U.S.C. § 2901 et seq., and any state tax credit equity fund established pursuant to K.S.A. 74-8904, and amendments thereto.

(o) "Depository institution" means any state bank, national banking association, state savings and loan or federal savings association, without regard to the state where the institution is chartered or the state in which the institution's main office is located.

(p) "Student bank" means any nonprofit program offered by a high school accredited by the state board of education, where deposits are received, checks are paid or money is lent for limited in-school purposes.

(q) "Stock state bank" means a bank that has an ownership structure represented by shares of stock.

(r) "Mutual state bank" means a bank that does not have an ownership structure represented by shares of stock.

(s) "Savings and loan association" or "savings bank" means a bank having qualified thrift investments that equal or exceed 65% of its portfolio assets, and its qualified thrift investments continue to equal or exceed 65% of its portfolio assets in nine out of every 12 months. For purposes of this subsection, "portfolio assets" and "qualified thrift investments" have the same meanings as those terms are defined in 12 U.S.C. § 1467a, as in effect on July 1, 2018.

Sec. 7. K.S.A. 2017 Supp. 9-808 is hereby amended to read as
follows: 9-808. (a) Any national bank, federal savings association or federal savings bank organized under the laws of the United States and located in this state may become a stock state bank upon the affirmative vote of not less than $2/3$ of the institution's outstanding voting stock. Any national bank, federal savings association or federal savings bank desiring to become a stock state bank shall apply to the commissioner for permission to convert to a stock state bank and:

1. **Shall**—Submit a transcript of the minutes of the meeting of the institution's stockholders showing approval of the proposed conversion;
2. **the name selected select a name** for the bank that shall not be the name of any other bank: (A) doing business in the same city or town; or
   B) located within a 15-mile radius of the location of the converted institution. The name shall be accepted or rejected by the commissioner, although any bank may request exemption from the commissioner from this paragraph; and
3. **provide any other information required in the application form prescribed by the commissioner.**

(b) A federal savings association or federal savings bank operating in a mutual form must also convert to a stock form prior to converting to a state bank and shall submit appropriate documentation to the commissioner to show that the appropriate federal regulator has approved such mutual to stock conversion.

(c) Upon receipt of each of the items required by this section the commissioner shall make or cause to be made such investigation as the commissioner deems necessary to determine whether:

1. All state and federal requirements for a conversion have been satisfied;
2. the conversion or the financial condition of the bank will not adversely affect the interests of the depositors;
3. the resulting state bank will have an adequate capital structure in accordance with K.S.A. 9-901a et seq., and amendments thereto; and
4. the competence, experience or integrity of the proposed management personnel indicates that approving the conversion would be in the interest of the depositors of the bank and in the interest of the public.

(d) If the commissioner determines each of the matters in subsection (c) favorably, the conversion shall be approved, and the commissioner shall issue a certificate of authority. Upon issuance of a certificate of authority, the articles of incorporation, duly executed as required by the Kansas corporate corporation code, shall be filed with the Kansas secretary of state's office.

(e) In any conversion authorized by this section, the resulting stock state bank by operation of law shall continue all trust functions being exercised by the national bank, federal savings association or federal
savings bank and shall be substituted for the national bank, federal savings
association or federal savings bank and shall have the right to exercise
trust or fiduciary powers created by any instrument designating the
national bank, federal savings association or federal savings bank, even
though such instruments are not yet effective.

(f) In any conversion authorized by this section, the resulting stock
state bank shall succeed by operation of law without any conveyance or
transfer by the act of the national bank, federal savings association or
federal savings bank to all the actual or potential assets, real property,
tangible personal property, intangible personal property, rights, franchises
and interests, including those in a fiduciary capacity of the national bank,
federal savings association or federal savings bank and shall be subject to
all of the liabilities of the national bank, federal savings association or
federal savings bank.

(g) In any conversion authorized by this section the corporate
existence of the national bank, federal savings association or federal
savings bank shall be continued in the resulting stock state bank, and the
resulting stock state bank shall be deemed to be the identical corporate
entity as the national bank, federal savings association or federal savings
bank.

(h) Within a reasonable time after the effective date of the conversion,
the resulting stock state bank shall divest all assets and liabilities that do
not conform to state banking laws and rules and regulations. The length of
this transition period shall be determined by the commissioner.

Sec. 8. K.S.A. 2017 Supp. 9-809 is hereby amended to read as
follows: 9-809. (a) Any stock state bank may convert to a national bank
upon the affirmative vote of not less than 2/3 of the bank's outstanding
voting stock.

(b) The stock state bank shall provide a copy of the application
submitted to the comptroller of currency to the commissioner within 10
days after the date the state bank applies for approval to convert to a
national banking association from the office of the comptroller of the
currency.

(c) The stock state bank shall provide to the commissioner written
notice of approval by the comptroller of currency to convert to a national
bank within 10 days of receiving the approval.

(d) Within 15 days following the issuance of a charter certificate to
the stock state bank by the comptroller, the stock state bank shall surrender
its state certificate of authority or charter and shall certify in writing that
notice of the conversion has been given to the Kansas secretary of state's
office.

Sec. 9. K.S.A. 2017 Supp. 9-1133 is hereby amended to read as
follows: 9-1133. The provisions of K.S.A. 17-2268 and 17-583, and
amendments thereto, apply to an action brought against a director or
officer of an insured depository institution, regardless of whether the
action was filed before, on, or after May 20, 1993, unless the action was
finally adjudicated before May 20, 1993. The provisions of this section
shall not apply to executive officers as defined in K.S.A. 9-701 and 17-
2268 and 17-5831, and amendments thereto.

Sec. 10. K.S.A. 2017 Supp. 9-1703 is hereby amended to read as
follows: 9-1703. (a) The expense of every regular examination, together
with the expense of administering the banking and savings and loan laws,
including salaries, travel expenses, supplies and equipment shall be paid
by the banks and savings and loan associations of the state. Prior to the
beginning of each fiscal year, the commissioner shall make an estimate of
the expenses to be incurred by the department during such fiscal year.
From this total amount, the commissioner shall deduct the estimated
amount of the anticipated annual income to the fund from all sources other
than bank and savings and loan association assessments. The
commissioner shall allocate and assess the remainder to the banks and
savings and loan associations in the state on the basis of their total assets,
as reflected in the last March 31 report called for by the federal deposit
insurance corporation under the provisions of section 7 of the federal
deposit insurance act, 12 U.S.C. § 1817—or K.S.A. 17-5610, and
amendments thereto, except that the annual assessment will not be less
than $1,000 for any bank or savings and loan association.

(b) (1) The expense of every regular trust examination, together with
the expense of administering trust laws, including salaries, travel expenses,
supplies and equipment, shall be paid by the trust companies and trust
departments of banks of this state. Prior to the beginning of each fiscal
year, the commissioner shall make an estimate of the trust expenses to be
incurred by the department during such fiscal year. The commissioner
shall allocate and assess the trust departments in the state on the basis of
their total fiduciary assets, as reflected in the last December 31 report
called for by the federal deposit insurance corporation under the provisions
of section 7 of the federal deposit insurance act, 12 U.S.C. § 1817—or
K.S.A. 17-5610, and amendments thereto, except that the annual
assessment shall not be less than $1,000 for any active trust department.
The commissioner shall allocate and assess the trust companies in the state
on the basis of their fiduciary assets as reflected in the last December 31
report filed with the commissioner pursuant to K.S.A. 9-1704, and
amendments thereto, except that the annual assessment will not be less
than $1,000 for any active trust company. A trust department or trust
company which has no fiduciary assets, as reflected in the last December
31 report called for by the federal deposit insurance corporation under the
provisions of section 7 of the federal deposit insurance act, 12 U.S.C. §
1817 or K.S.A. 17-5610, and amendments thereto, may be granted inactive
status by the commissioner and the annual assessment shall not be more
than $100 for the inactive trust department.

(2) No inactive trust department or trust company shall accept any
fiduciary assets or exercise any part of or all of its trust authority until such
time as it has applied for and received prior written approval of the
commissioner to reactivate its trust authority.

(c) (1) A statement of each assessment made under the provisions of
subsection (a) or (b) shall be sent by the commissioner on July 1 or the
next business day thereafter, to each bank, savings and loan association,
trust department and trust company that exists as a corporate entity with
the secretary of state's office and is authorized by the commissioner to
conduct banking, savings and loan or trust business. The assessment may
be collected by the commissioner as needed and in such installment
periods as the commissioner deems appropriate, but no more frequently
than monthly. When the commissioner issues an invoice to collect the
assessment, payment shall be due within 15 days of the date of the invoice.
The commissioner may impose a penalty upon any bank, savings and loan
association, trust department or trust company which fails to pay its annual
assessment when it is 15 days or more past due. The penalty shall be
assessed in the amount of $50 for each day the assessment is past due.

(2) The commissioner shall remit all moneys received from such
examination fees 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 credit 10% of each deposit to the state general fund with the
balance transferred to the bank commissioner fee fund. All expenditures
from the bank commissioner fee fund shall be made in accordance with
appropriation acts upon warrants of the director of accounts and reports
issued pursuant to vouchers approved by the commissioner or by a person
or persons designated by the commissioner.

(d) The amount of expenses incurred and the cost of service
performed on account of any bank, trust department or trust company or
other corporation which are outside the normal expenses of an
examination required under the provisions of K.S.A. 9-1701 or 17-5612,
and amendments thereto, shall be charged to and paid by the bank, trust
department, trust company or corporation for which such expenses were
incurred or cost of services performed.

(e) As used in this section, "savings and loan association" means a
Kansas state-chartered savings and loan association.

(f) (1) In the event a bank, savings and loan association or trust
company is merged into, consolidated with or the assets and liabilities of
which are purchased and assumed by another bank, savings and loan
association or trust company between the preceding March 31 and June 30, for banks and savings and loan associations, or the preceding December 31 and June 30, for trust companies, the surviving or acquiring bank, savings and loan association or trust company is obligated to pay the assessment based on the value of the assets of all institutions involved with the merger, consolidation or assumption for the following fiscal year commencing July 1.

(2) In the event a bank, savings and loan association or trust company is merged into, consolidated with or the assets and liabilities of which are purchased and assumed by another bank, savings and loan association or trust company after July 1, the surviving entity shall be obligated to pay the unpaid portion of the assessment for the remainder of the fiscal year commencing July 1 which would have been due of the institution being merged, consolidated or assumed.

Sec. 11. K.S.A. 2017 Supp. 39-709 is hereby amended to read as follows: 39-709. (a) General eligibility requirements for assistance for which federal moneys are expended. Subject to the additional requirements below, assistance in accordance with plans under which federal moneys are expended may be granted to any needy person who:

(1) Has insufficient income or resources to provide a reasonable subsistence compatible with decency and health. Where a husband and wife or cohabiting partners are living together, the combined income or resources of both shall be considered in determining the eligibility of either or both for such assistance unless otherwise prohibited by law. The secretary, in determining need of any applicant for or recipient of assistance shall not take into account the financial responsibility of any individual for any applicant or recipient of assistance unless such applicant or recipient is such individual's spouse, cohabiting partner or such individual's minor child or minor stepchild if the stepchild is living with such individual. The secretary in determining need of an individual may provide such income and resource exemptions as may be permitted by federal law. For purposes of eligibility for temporary assistance for needy families, for food assistance and for any other assistance provided through the Kansas department for children and families under which federal moneys are expended, the secretary for children and families shall consider one motor vehicle owned by the applicant for assistance, regardless of the value of such vehicle, as exempt personal property and shall consider any equity in any boat, personal water craft, recreational vehicle, recreational off-highway vehicle or all-terrain vehicle, as defined by K.S.A. 8-126, and amendments thereto, or any additional motor vehicle owned by the applicant for assistance to be a nonexempt resource of the applicant for assistance except that any additional motor vehicle used by the applicant, the applicant's spouse or the applicant's cohabiting partner......
for the primary purpose of earning income may be considered as exempt personal property in the secretary's discretion.

(2) Is a citizen of the United States or is an alien lawfully admitted to the United States and who is residing in the state of Kansas.

(b) Temporary assistance for needy families. Assistance may be granted under this act to any dependent child, or relative, subject to the general eligibility requirements as set out in subsection (a), who resides in the state of Kansas or whose parent or other relative with whom the child is living resides in the state of Kansas. Such assistance shall be known as temporary assistance for needy families. Where the husband and wife or cohabiting partners are living together, both shall register for work under the program requirements for temporary assistance for needy families in accordance with criteria and guidelines prescribed by rules and regulations of the secretary.

(1) As used in this subsection, "family group" or "household" means the applicant or recipient for TANF, child care subsidy or employment services and all individuals living together in which there is a relationship of legal responsibility or a qualifying caretaker relationship. This will include a cohabiting boyfriend or girlfriend living with the person legally responsible for the child. The family group shall not be eligible for TANF if the family group contains at least one adult member who has received TANF, including the federal TANF assistance received in any other state, for 24 calendar months beginning on and after October 1, 1996, unless the secretary determines a hardship exists and grants an extension allowing receipt of TANF until the 36-month limit is reached. No extension beyond 36 months shall be granted. Hardship provisions for a recipient include:

(A) Is a caretaker of a disabled family member living in the household;

(B) has a disability which precludes employment on a long-term basis or requires substantial rehabilitation;

(C) needs a time limit extension to overcome the effects of domestic violence/sexual assault;

(D) is involved with prevention and protection services (PPS) and has an open social service plan; or

(E) is determined by the 24th month to have an extreme hardship other than what is designated in criteria listed in subparagraphs (A) through (D).

This determination will be made by the executive review team.

(2) All adults applying for TANF shall be required to complete a work program assessment as specified by the Kansas department for children and families, including those who have been disqualified for or denied TANF due to non-cooperation, drug testing requirements or fraud. Adults who are not otherwise eligible for TANF, such as ineligible aliens, relative/non-relative caretakers and adults receiving supplemental security
income are not required to complete the assessment process. During the
application processing period, applicants must complete at least one
module or its equivalent of the work program assessment to be considered
eligible for TANF benefits, unless good cause is found to be exempt from
the requirements. Good cause exemptions shall only include:

(A) The applicant can document an existing certification verifying
completion of the work program assessment;

(B) the applicant has a valid offer of employment or is employed a
minimum of 20 hours a week;

(C) the applicant is a parenting teen without a GED or high school
diploma;

(D) the applicant is enrolled in job corps;

(E) the applicant is working with a refugee social services agency; or

(F) the applicant has completed the work program assessment within
the last 12 months.

(3) The department for children and families shall maintain a
sufficient level of dedicated work program staff to enable the agency to
conduct work program case management services to TANF recipients in a
timely manner and in full accordance with state law and agency policy.

(4) TANF mandatory work program applicants and recipients shall
participate in work components that lead to competitive, integrated
employment. Components are defined by the federal government as being
either primary or secondary. In order to meet federal work participation
requirements, households need to meet at least 30 hours of participation
per week, at least 20 hours of which need to be primary and at least 10
hours may be secondary components in one parent households where the
youngest child is six years of age or older. Participation hours shall be 55
hours in two parent households (35 hours per week if child care is not
used). The maximum assignment is 40 hours per week per individual. For
two parent families to meet the federal work participation rate both parents
must participate in a combined total of 55 hours per week, 50 hours of
which must be in primary components, or one or both parents could be
assigned a combined total of 35 hours per week (30 hours of which must
be primary components) if department for children and families paid child
care is not received by the family. Single parent families with a child under
age six meet the federal participation requirement if the parent is engaged
in work or work activities for at least 20 hours per week in a primary work
component. The following components meet federal definitions of primary
hours of participation: Full or part-time employment, apprenticeship, work
study, self-employment, job corps, subsidized employment, work
experience sites, on-the-job training, supervised community service,
vocational education, job search and job readiness. Secondary components
include: Job skills training, education directly related to employment such
as adult basic education and English as a second language, and completion of a high school diploma or GED.

(5) A parent or other adult caretaker personally providing care for a child under the age of three months in their TANF household is exempt from work participation activities until the month the child turns three months of age. Such three-month limitation shall not apply to a parent or other adult caretaker who is personally providing care for a child born significantly premature, with serious medical conditions or with a disability as defined by the secretary, in consultation with the secretary of health and environment, and adopted in the rules and regulations. The three-month period is defined as two consecutive months starting with the month after childbirth. The exemption for caring for a child under three months cannot be claimed:

(A) By either parent when two parents are in the home and the household meets the two-parent definition for federal reporting purposes;

(B) by one parent or caretaker when the other parent or caretaker is in the home, and available, capable and suitable to provide care and the household does not meet the two-parent definition for federal reporting purposes;

(C) by a person age 19 or younger when such person is pregnant or a parent of a child in the home and the person does not possess a high school diploma or its equivalent. Such person shall become exempt the month such person turns age 20; or

(D) by any person assigned to a work participation activity for substance use disorders.

(6) TANF work experience placements shall be reviewed after 90 days and are limited to six months per 24-month lifetime limit. A client’s progress shall be reviewed prior to each new placement regardless of the length of time they are at the work experience site.

(7) TANF participants with disabilities shall engage in required employment activities to the maximum extent consistent with their abilities. TANF participants shall provide current documentation by a qualified medical practitioner that details the abilities to engage in employment and any limitations in work activities along with the expected duration of such limitations. Disability is defined as a physical or mental impairment constituting or resulting in a substantial impediment to employment for such individual.

(8) Non-cooperation is the failure of the applicant or recipient to comply with all requirements provided in state and federal law, federal and state rules and regulations and agency policy. The period of ineligibility for TANF benefits based on non-cooperation with work programs shall be as follows:

(A) For a first penalty, three months and full cooperation with work
program activities;

(B) for a second penalty, six months and full cooperation with work program activities;

(C) for a third penalty, one year and full cooperation with work program activities; and

(D) for a fourth or subsequent penalty, 10 years.

(9) Individuals that have not cooperated with TANF work programs shall be ineligible to participate in the food assistance program. The comparable penalty shall be applied to only the individual in the food assistance program who failed to comply with the TANF work requirement. The agency shall impose the same penalty to the member of the household who failed to comply with TANF requirements. The penalty periods are three months, six months, one year, or 10 years.

(10) Non-cooperation is the failure of the applicant or recipient to comply with all requirements provided in state and federal law, federal and state rules and regulations and agency policy. The period of ineligibility for child care subsidy or TANF benefits based on parents' non-cooperation with child support services shall be as follows:

(A) For the first penalty, three months and cooperation with child support services prior to regaining eligibility;

(B) for a second penalty, six months and cooperation with child support services prior to regaining eligibility;

(C) for a third penalty, one year and cooperation with child support services prior to regaining eligibility; and

(D) for a fourth penalty, 10 years.

(11) Individuals that have not cooperated without good cause with child support services shall be ineligible to participate in the food assistance program. The period of disqualification ends once it has been determined that such individual is cooperating with child support services.

(12) (A) Any individual who is found to have committed fraud or is found guilty of the crime of theft pursuant to K.S.A. 39-720 and K.S.A. 2017 Supp. 21-5801, and amendments thereto, in either the TANF or child care program shall render all adults in the family unit ineligible for TANF assistance. Adults in the household who were determined to have committed fraud or were convicted of the crime of theft pursuant to K.S.A. 39-720 and K.S.A. 2017 Supp. 21-5801, and amendments thereto, shall render themselves and all adult household members ineligible for their lifetime for TANF, even if fraud was committed in only one program. Households who have been determined to have committed fraud or were convicted of the crime of theft pursuant to K.S.A. 39-720 and K.S.A. 2017 Supp. 21-5801, and amendments thereto, shall be required to name a protective payee as approved by the secretary or the secretary's designee to administer TANF benefits or food assistance on behalf of the children. No
adult in a household may have access to the TANF cash assistance benefit.

(B) Any individual that has failed to cooperate with a fraud investigation shall be ineligible to participate in the TANF cash assistance program and the child care subsidy program until the department for children and families determines that such individual is cooperating with the fraud investigation. The department for children and families shall maintain a sufficient level of fraud investigative staff to enable the department to conduct fraud investigations in a timely manner and in full accordance with state law and department rules and regulations or policies.

(13) (A) Food assistance shall not be provided to any person convicted of a felony offense occurring on or after July 1, 2015, which includes as an element of such offense the manufacture, cultivation, distribution, possession or use of a controlled substance or controlled substance analog. For food assistance, the individual shall be permanently disqualified if they have been convicted of a state or federal felony offense occurring on or after July 1, 2015, involving possession or use of a controlled substance or controlled substance analog.

(B) Notwithstanding the provisions of subparagraph (A), an individual shall be eligible for food assistance if the individual enrolls in and participates in a drug treatment program approved by the secretary, submits to and passes a drug test and agrees to submit to drug testing if requested by the department pursuant to a drug testing plan.

An individual's failure to submit to testing or failure to successfully pass a drug test shall result in ineligibility for food assistance until a drug test is successfully passed. Failure to successfully complete a drug treatment program shall result in ineligibility for food assistance until a drug treatment plan approved by the secretary is successfully completed, the individual passes a drug test and agrees to submit to drug testing if requested by the department pursuant to a drug testing plan.

(C) The provisions of subparagraph (B) shall not apply to any individual who has been convicted for a second or subsequent felony offense as provided in subparagraph (A).

(14) No TANF cash assistance shall be used to purchase alcohol, cigarettes, tobacco products, lottery tickets, concert tickets, professional or collegiate sporting event tickets or tickets for other entertainment events intended for the general public or sexually oriented adult materials. No TANF cash assistance shall be used in any retail liquor store, casino, gaming establishment, jewelry store, tattoo parlor, massage parlor, body piercing parlor, spa, nail salon, lingerie shop, tobacco paraphernalia store, vapor cigarette store, psychic or fortune telling business, bail bond company, video arcade, movie theater, swimming pool, cruise ship, theme park, dog or horse racing facility, parimutuel facility, or sexually oriented business or any retail establishment which provides adult-oriented
entertainment in which performers disrobe or perform in an unclothed state for entertainment, or in any business or retail establishment where minors under age 18 are not permitted. No TANF cash assistance shall be used for purchases at points of sale outside the state of Kansas.

(15) (A) The secretary for children and families shall place a photograph of the recipient, if agreed to by such recipient of public assistance, on any Kansas benefits card issued by the Kansas department for children and families that the recipient uses in obtaining food, cash or any other services. When a recipient of public assistance is a minor or otherwise incapacitated individual, a parent or legal guardian of such recipient may have a photograph of such parent or legal guardian placed on the card.

(B) Any Kansas benefits card with a photograph of a recipient shall be valid for voting purposes as a public assistance identification card in accordance with the provisions of K.S.A. 25-2908, and amendments thereto.

(C) As used in this paragraph and its subparagraphs, "Kansas benefits card" means any card issued to provide food assistance, cash assistance or child care assistance, including, but not limited to, the vision card, EBT card and Kansas benefits card.

(D) The Kansas department for children and families shall monitor all recipient requests for a Kansas benefits card replacement and, upon the fourth such request in a 12-month period, send a notice alerting the recipient that the recipient's account is being monitored for potential suspicious activity. If a recipient makes an additional request for replacement subsequent to such notice, the department shall refer the investigation to the department's fraud investigation unit.

(16) The secretary for children and families shall adopt rules and regulations:

(A) In determining eligibility for the child care subsidy program, including an income of a cohabiting partner in a child care household; and

(B) in determining and maintaining eligibility for non-TANF child care, requiring that all included adults shall be employed a minimum of 20 hours per week or more as defined by the secretary or meet the following specific qualifying exemptions:

(i) Adults who are not capable of meeting the requirement due to a documented physical or mental condition;

(ii) adults who are former TANF recipients who need child care for employment after their TANF case has closed and earned income is a factor in the closure in the two months immediately following TANF closure;

(iii) adult parents included in a case in which the only child receiving benefits is the child of a minor parent who is working on completion of
high school or obtaining a GED;

(iv) adults who are participants in a food assistance employment and training program; or

(v) adults who are participants in an early head start child care partnership program and are working or in school or training.

The department for children and families shall provide child care for the pursuit of any degree or certification if the occupation has at least an average job outlook listed in the occupational outlook of the U.S. department of labor, bureau of labor statistics. For occupations with less than an average job outlook, educational plans shall require approval of the secretary or secretary's designee. Child care may also be approved if the student provides verification of a specific job offer that will be available to such student upon completion of the program. Child care for post-secondary education shall be allowed for a lifetime maximum of 24 months per adult. The 24 months may not have to be consecutive. Students shall be engaged in paid employment for a minimum of 15 hours per week. In a two-parent adult household, child care would not be allowed if both parents are adults and attending a formal education or training program at the same time. The household may choose which one of the parents is participating as a post-secondary student. The other parent shall meet another approvable criteria for child care subsidy.

(17) (A) The secretary for children and families is prohibited from requesting or implementing a waiver or program from the U.S. department of agriculture for the time limited assistance provisions for able-bodied adults aged 18 through 49 without dependents in a household under the food assistance program. The time on food assistance for able-bodied adults aged 18 through 49 without dependents in the household shall be limited to three months in a 36-month period if such adults are not meeting the requirements imposed by the U.S. department of agriculture that they must work for at least 20 hours per week or participate in a federally approved work program or its equivalent.

(B) Each food assistance household member who is not otherwise exempt from the following work requirements shall: Register for work; participate in an employment and training program, if assigned to such a program by the department; accept a suitable employment offer; and not voluntarily quit a job of at least 30 hours per week.

(C) Any recipient who has not complied with the work requirements under subparagraph (B) shall be ineligible to participate in the food assistance program for the following time period and until the recipient complies with such work requirements:

(i) For a first penalty, three months;

(ii) for a second penalty, six months; and

(iii) for a third penalty and any subsequent penalty, one year.
(18) Eligibility for the food assistance program shall be limited to those individuals who are citizens or who meet qualified non-citizen status as determined by U.S. department of agriculture. Non-citizen individuals who are unable or unwilling to provide qualifying immigrant documentation, as defined by the U.S. department of agriculture, residing within a household shall not be included when determining the household's size for the purposes of assigning a benefit level to the household for food assistance or comparing the household's monthly income with the income eligibility standards. The gross non-exempt earned and unearned income and resources of disqualified individuals shall be counted in its entirety as available to the remaining household members.

(19) The secretary for children and families shall not enact the state option from the U.S. department of agriculture for broad-based categorical eligibility for households applying for food assistance according to the provisions of 7 C.F.R. § 273.2(j)(2)(ii).

(20) No federal or state funds shall be used for television, radio or billboard advertisements that are designed to promote food assistance benefits and enrollment. No federal or state funding shall be used for any agreements with foreign governments designed to promote food assistance.

(21) (A) The secretary for children and families shall not apply gross income standards for food assistance higher than the standards specified in 7 U.S.C. § 2015(c) unless expressly required by federal law. Categorical eligibility exempting households from such gross income standards requirements shall not be granted for any non-cash, in-kind or other benefit unless expressly required by federal law.

(B) The secretary for children and families shall not apply resource limits standards for food assistance that are higher than the standards specified in 7 U.S.C. § 2015(g)(1) unless expressly required by federal law. Categorical eligibility exempting households from such resource limits shall not be granted for any non-cash, in-kind or other benefit unless expressly required by federal law.

(c) (1) On and after January 1, 2017, the department for children and families shall conduct an electronic check for any false information provided on an application for TANF and other benefits programs administered by the department. For TANF cash assistance, food assistance and the child care subsidy program, the department shall verify the identity of all adults in the assistance household.

(2) The department of administration shall provide monthly to the Kansas department for children and families the social security numbers or alternate taxpayer identification numbers of all persons who claim a Kansas lottery prize in excess of $5,000 during the reported month. The Kansas department for children and families shall verify if individuals
with such winnings are receiving TANF cash assistance, food assistance or
assistance under the child care subsidy program and take appropriate
action. The Kansas department for children and families shall use data
received under this subsection solely, and for no other purpose, to
determine if any recipient's eligibility for benefits has been affected by
lottery prize winnings. The Kansas department for children and families
shall not publicly disclose the identity of any lottery prize winner,
including recipients who are determined to have illegally received
benefits.

(d) Temporary assistance for needy families; assignment of support
rights and limited power of attorney. By applying for or receiving
temporary assistance for needy families such applicant or recipient shall be
deemed to have assigned to the secretary on behalf of the state any
accrued, present or future rights to support from any other person such
applicant may have in such person's own behalf or in behalf of any other
family member for whom the applicant is applying for or receiving aid. In
any case in which an order for child support has been established and the
legal custodian and obligee under the order surrenders physical custody of
the child to a caretaker relative without obtaining a modification of legal
custody and support rights on behalf of the child are assigned pursuant to
this section, the surrender of physical custody and the assignment shall
transfer, by operation of law, the child's support rights under the order to
the secretary on behalf of the state. Such assignment shall be of all
accrued, present or future rights to support of the child surrendered to the
caretaker relative. The assignment of support rights shall automatically
become effective upon the date of approval for or receipt of such aid
without the requirement that any document be signed by the applicant,
recipient or obligee. By applying for or receiving temporary assistance for
needy families, or by surrendering physical custody of a child to a
caretaker relative who is an applicant or recipient of such assistance on the
child's behalf, the applicant, recipient or obligee is also deemed to have
appointed the secretary, or the secretary's designee, as an attorney-in-fact
to perform the specific act of negotiating and endorsing all drafts, checks,
money orders or other negotiable instruments representing support
payments received by the secretary in behalf of any person applying for,
receiving or having received such assistance. This limited power of
attorney shall be effective from the date the secretary approves the
application for aid and shall remain in effect until the assignment of
support rights has been terminated in full.

(e) Requirements for medical assistance for which federal moneys or
state moneys or both are expended. (1) When the secretary has adopted a
medical care plan under which federal moneys or state moneys or both are
expended, medical assistance in accordance with such plan shall be
granted to any person who is a citizen of the United States or who is an
alien lawfully admitted to the United States and who is residing in the state
of Kansas, whose resources and income do not exceed the levels
prescribed by the secretary. In determining the need of an individual, the
secretary may provide for income and resource exemptions and protected
income and resource levels. Resources from inheritance shall be counted.
A disclaimer of an inheritance pursuant to K.S.A. 59-2291, and
amendments thereto, shall constitute a transfer of resources. The secretary
shall exempt principal and interest held in irrevocable trust pursuant to
K.S.A. 16-303(c), and amendments thereto, from the eligibility
requirements of applicants for and recipients of medical assistance. Such
assistance shall be known as medical assistance.

(2) For the purposes of medical assistance eligibility determinations
on or after July 1, 2004, if an applicant or recipient owns property in joint
tenancy with some other party and the applicant or recipient of medical
assistance has restricted or conditioned their interest in such property to a
specific and discrete property interest less than 100%, then such
designation will cause the full value of the property to be considered an
available resource to the applicant or recipient. Medical assistance
eligibility for receipt of benefits under the title XIX of the social security
act, commonly known as medicaid, shall not be expanded, as provided for
in the patient protection and affordable care act, public law 111-148, 124
stat. 119, and the health care and education reconciliation act of 2010,
public law 111-152, 124 stat. 1029, unless the legislature expressly
consents to, and approves of, the expansion of medicaid services by an act
of the legislature.

(3) (A) Resources from trusts shall be considered when determining
eligibility of a trust beneficiary for medical assistance. Medical assistance
is to be secondary to all resources, including trusts, that may be available
to an applicant or recipient of medical assistance.

(B) If a trust has discretionary language, the trust shall be considered
to be an available resource to the extent, using the full extent of discretion,
the trustee may make any of the income or principal available to the
applicant or recipient of medical assistance. Any such discretionary trust
shall be considered an available resource unless: (i) At the time of creation
or amendment of the trust, the trust states a clear intent that the trust is
supplemental to public assistance; and (ii) the trust: (a) Is funded from
resources of a person who, at the time of such funding, owed no duty of
support to the applicant or recipient of medical assistance; or (b) is funded
not more than nominally from resources of a person while that person
owed a duty of support to the applicant or recipient of medical assistance.

(C) For the purposes of this paragraph, "public assistance" includes,
but is not limited to, medicaid, medical assistance or title XIX of the social
security act.

(4) (A) When an applicant or recipient of medical assistance is a party to a contract, agreement or accord for personal services being provided by a nonlicensed individual or provider and such contract, agreement or accord involves health and welfare monitoring, pharmacy assistance, case management, communication with medical, health or other professionals, or other activities related to home health care, long term care, medical assistance benefits, or other related issues, any moneys paid under such contract, agreement or accord shall be considered to be an available resource unless the following restrictions are met: (i) The contract, agreement or accord must be in writing and executed prior to any services being provided; (ii) the moneys paid are in direct relationship with the fair market value of such services being provided by similarly situated and trained nonlicensed individuals; (iii) if no similarly situated nonlicensed individuals or situations can be found, the value of services will be based on federal hourly minimum wage standards; (iv) such individual providing the services will report all receipts of moneys as income to the appropriate state and federal governmental revenue agencies; (v) any amounts due under such contract, agreement or accord shall be paid after the services are rendered; (vi) the applicant or recipient shall have the power to revoke the contract, agreement or accord; and (vii) upon the death of the applicant or recipient, the contract, agreement or accord ceases.

(B) When an applicant or recipient of medical assistance is a party to a written contract for personal services being provided by a licensed health professional or facility and such contract involves health and welfare monitoring, pharmacy assistance, case management, communication with medical, health or other professionals, or other activities related to home health care, long term care, medical assistance benefits or other related issues, any moneys paid in advance of receipt of services for such contracts shall be considered to be an available resource.

(5) Any trust may be amended if such amendment is permitted by the Kansas uniform trust code.

(f) Eligibility for medical assistance of resident receiving medical care outside state. A person who is receiving medical care including long-term care outside of Kansas whose health would be endangered by the postponement of medical care until return to the state or by travel to return to Kansas, may be determined eligible for medical assistance if such individual is a resident of Kansas and all other eligibility factors are met. Persons who are receiving medical care on an ongoing basis in a long-term medical care facility in a state other than Kansas and who do not return to a care facility in Kansas when they are able to do so, shall no longer be eligible to receive assistance in Kansas unless such medical care is not available in a comparable facility or program providing such medical care
in Kansas. For persons who are minors or who are under guardianship, the
actions of the parent or guardian shall be deemed to be the actions of the
child or ward in determining whether or not the person is remaining
outside the state voluntarily.

(g) Medical assistance; assignment of rights to medical support and
limited power of attorney; recovery from estates of deceased recipients. (1)
(A) Except as otherwise provided in K.S.A. 39-786 and 39-787, and
amendments thereto, or as otherwise authorized on and after September
30, 1989, under section 303 of the federal medicare catastrophic coverage
act of 1988, whichever is applicable, by applying for or receiving medical
assistance under a medical care plan in which federal funds are expended,
any accrued, present or future rights to support and any rights to payment
for medical care from a third party of an applicant or recipient and any
other family member for whom the applicant is applying shall be deemed
to have been assigned to the secretary on behalf of the state. The
assignment shall automatically become effective upon the date of approval
for such assistance without the requirement that any document be signed
by the applicant or recipient. By applying for or receiving medical
assistance the applicant or recipient is also deemed to have appointed the
secretary, or the secretary's designee, as an attorney in fact to perform the
specific act of negotiating and endorsing all drafts, checks, money orders
or other negotiable instruments, representing payments received by the
secretary in on behalf of any person applying for, receiving or having
received such assistance. This limited power of attorney shall be effective
from the date the secretary approves the application for assistance and
shall remain in effect until the assignment has been terminated in full. The
assignment of any rights to payment for medical care from a third party
under this subsection shall not prohibit a health care provider from directly
billing an insurance carrier for services rendered if the provider has not
submitted a claim covering such services to the secretary for payment.
Support amounts collected on behalf of persons whose rights to support
are assigned to the secretary only under this subsection and no other shall
be distributed pursuant to K.S.A. 39-756(d), and amendments thereto,
except that any amounts designated as medical support shall be retained by
the secretary for repayment of the unreimbursed portion of assistance.
Amounts collected pursuant to the assignment of rights to payment for
medical care from a third party shall also be retained by the secretary for
repayment of the unreimbursed portion of assistance.

(B) Notwithstanding the provisions of subparagraph (A), the
secretary of health and environment, or the secretary's designee, is hereby
authorized to and shall exercise any of the powers specified in
subparagraph (A) in relation to performance of such secretary's duties
pertaining to medical subrogation, estate recovery or any other duties
assigned to such secretary in article 74 of chapter 75 of the Kansas Statutes Annotated, and amendments thereto.

(2) The amount of any medical assistance paid after June 30, 1992, under the provisions of subsection (e) is: (A) A claim against the property or any interest therein belonging to and a part of the estate of any deceased recipient or, if there is no estate, the estate of the surviving spouse, if any, shall be charged for such medical assistance paid to either or both; and (B) a claim against any funds of such recipient or spouse in any account under K.S.A. 9-1215, 17-2263, 17-2264, 17-5828 or 17-5829 or 17-2264, and amendments thereto. There shall be no recovery of medical assistance correctly paid to or on behalf of an individual under subsection (e) except after the death of the surviving spouse of the individual, if any, and only at a time when the individual has no surviving child who is under 21 years of age or is blind or permanently and totally disabled. Transfers of real or personal property by recipients of medical assistance without adequate consideration are voidable and may be set aside. Except where there is a surviving spouse, or a surviving child who is under 21 years of age or is blind or permanently and totally disabled, the amount of any medical assistance paid under subsection (e) is a claim against the estate in any guardianship or conservatorship proceeding. The monetary value of any benefits received by the recipient of such medical assistance under long-term care insurance, as defined by K.S.A. 40-2227, and amendments thereto, shall be a credit against the amount of the claim provided for such medical assistance under this subsection. The secretary of health and environment is authorized to enforce each claim provided for under this subsection. The secretary of health and environment shall not be required to pursue every claim, but is granted discretion to determine which claims to pursue. All moneys received by the secretary of health and environment from claims under this subsection shall be deposited in the social welfare fund. The secretary of health and environment may adopt rules and regulations for the implementation and administration of the medical assistance recovery program under this subsection.

(3) By applying for or receiving medical assistance under the provisions of article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, such individual or such individual's agent, fiduciary, guardian, conservator, representative payee or other person acting on behalf of the individual consents to the following definitions of estate and the results therefrom:

(A) If an individual receives any medical assistance before July 1, 2004, pursuant to article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, which forms the basis for a claim under paragraph (2), such claim is limited to the individual's probatable estate as defined by applicable law; and
(B) if an individual receives any medical assistance on or after July 1, 2004, pursuant to article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, which forms the basis for a claim under paragraph (2), such claim shall apply to the individual's medical assistance estate. The medical assistance estate is defined as including all real and personal property and other assets in which the deceased individual had any legal title or interest immediately before or at the time of death to the extent of that interest or title. The medical assistance estate includes, without limitation assets conveyed to a survivor, heir or assign of the deceased recipient through joint tenancy, tenancy in common, survivorship, transfer-on-death deed, payable-on-death contract, life estate, trust, annuities or similar arrangement.

(4) The secretary of health and environment or the secretary's designee is authorized to file and enforce a lien against the real property of a recipient of medical assistance in certain situations, subject to all prior liens of record and transfers for value to a bona fide purchaser of record. The lien must be filed in the office of the register of deeds of the county where the real property is located within one year from the date of death of the recipient and must contain the legal description of all real property in the county subject to the lien.

(A) After the death of a recipient of medical assistance, the secretary of health and environment or the secretary's designee may place a lien on any interest in real property owned by such recipient.

(B) The secretary of health and environment or the secretary's designee may place a lien on any interest in real property owned by a recipient of medical assistance during the lifetime of such recipient. Such lien may be filed only after notice and an opportunity for a hearing has been given. Such lien may be enforced only upon competent medical testimony that the recipient cannot reasonably be expected to be discharged and returned home. A six-month period of compensated inpatient care at a nursing home or other medical institution shall constitute a determination by the department of health and environment that the recipient cannot reasonably be expected to be discharged and returned home. To return home means the recipient leaves the nursing or medical facility and resides in the home on which the lien has been placed for a continuous period of at least 90 days without being readmitted as an inpatient to a nursing or medical facility. The amount of the lien shall be for the amount of assistance paid by the department of health and environment until the time of the filing of the lien and for any amount paid thereafter for such medical assistance to the recipient. After the lien is filed against any real property owned by the recipient, such lien will be dissolved if the recipient is discharged, returns home and resides upon the real property to which the lien is attached for a continuous period of at
least 90 days without being readmitted as an inpatient to a nursing or medical facility. If the recipient is readmitted as an inpatient to a nursing or medical facility for a continuous period of less than 90 days, another continuous period of at least 90 days shall be completed prior to dissolution of the lien.

(5) The lien filed by the secretary of health and environment or the secretary's designee for medical assistance correctly received may be enforced before or after the death of the recipient by the filing of an action to foreclose such lien in the Kansas district court or through an estate probate court action in the county where the real property of the recipient is located. However, it may be enforced only:

(A) After the death of the surviving spouse of the recipient;

(B) when there is no child of the recipient, natural or adopted, who is 20 years of age or less residing in the home;

(C) when there is no adult child of the recipient, natural or adopted, who is blind or disabled residing in the home; or

(D) when no brother or sister of the recipient is lawfully residing in the home, who has resided there for at least one year immediately before the date of the recipient's admission to the nursing or medical facility, and has resided there on a continuous basis since that time.

(6) The lien remains on the property even after a transfer of the title by conveyance, sale, succession, inheritance or will unless one of the following events occur:

(A) The lien is satisfied. The recipient, the heirs, personal representative or assigns of the recipient may discharge such lien at any time by paying the amount of the lien to the secretary of health and environment or the secretary's designee;

(B) the lien is terminated by foreclosure of prior lien of record or settlement action taken in lieu of foreclosure; or

(C) the value of the real property is consumed by the lien, at which time the secretary of health and environment or the secretary's designee may force the sale for the real property to satisfy the lien.

(7) If the secretary for aging and disability services or the secretary of health and environment, or both, or such secretary's designee has not filed an action to foreclose the lien in the Kansas district court in the county where the real property is located within 10 years from the date of the filing of the lien, then the lien shall become dormant, and shall cease to operate as a lien on the real estate of the recipient. Such dormant lien may be revived in the same manner as a dormant judgment lien is revived under K.S.A. 60-2403 et seq., and amendments thereto.

(8) Within seven days of receipt of notice by the secretary for children and families or the secretary's designee of the death of a recipient of medical assistance under this subsection, the secretary for children and
families or the secretary's designee shall give notice of such recipient's
death to the secretary of health and environment or the secretary's
designee.

(9) All rules and regulations adopted on and after July 1, 2013, and
prior to July 1, 2014, to implement this subsection shall continue to be
effective and shall be deemed to be duly adopted rules and regulations of
the secretary of health and environment until revised, amended, revoked or
nullified pursuant to law.

(h) Placement under the revised Kansas code for care of children or
revised Kansas juvenile justice code; assignment of support rights and
limited power of attorney. In any case in which the secretary for children
and families pays for the expenses of care and custody of a child pursuant
to K.S.A. 2017 Supp. 38-2201 et seq. or 38-2301 et seq., and amendments
thereto, including the expenses of any foster care placement, an
assignment of all past, present and future support rights of the child in
custody possessed by either parent or other person entitled to receive
support payments for the child is, by operation of law, conveyed to the
secretary. Such assignment shall become effective upon placement of a
child in the custody of the secretary or upon payment of the expenses of
care and custody of a child by the secretary without the requirement that
any document be signed by the parent or other person entitled to receive
support payments for the child. When the secretary pays for the expenses
of care and custody of a child or a child is placed in the custody of the
secretary, the parent or other person entitled to receive support payments
for the child is also deemed to have appointed the secretary, or the
secretary's designee, as attorney in fact to perform the specific act of
negotiating and endorsing all drafts, checks, money orders or other
negotiable instruments representing support payments received by the
secretary on behalf of the child. This limited power of attorney shall be
effective from the date the assignment to support rights becomes effective
and shall remain in effect until the assignment of support rights has been
terminated in full.

(i) No person who voluntarily quits employment or who is fired from
employment due to gross misconduct as defined by rules and regulations
of the secretary or who is a fugitive from justice by reason of a felony
conviction or charge or violation of a condition of probation or parole
imposed under federal or state law shall be eligible to receive public
assistance benefits in this state. Any recipient of public assistance who
fails to timely comply with monthly reporting requirements under criteria
and guidelines prescribed by rules and regulations of the secretary shall be
subject to a penalty established by the secretary by rules and regulations.

(j) If the applicant or recipient of temporary assistance for needy
families is a mother of the dependent child, as a condition of the mother's
eligibility for temporary assistance for needy families the mother shall identify by name and, if known, by current address the father of the dependent child except that the secretary may adopt by rules and regulations exceptions to this requirement in cases of undue hardship. Any recipient of temporary assistance for needy families who fails to cooperate with requirements relating to child support services under criteria and guidelines prescribed by rules and regulations of the secretary shall be subject to a penalty established by the secretary.

(k) By applying for or receiving child care benefits or food assistance, the applicant or recipient shall be deemed to have assigned, pursuant to K.S.A. 39-756, and amendments thereto, to the secretary on behalf of the state only accrued, present or future rights to support from any other person such applicant may have in such person's own behalf or in behalf of any other family member for whom the applicant is applying for or receiving aid. The assignment of support rights shall automatically become effective upon the date of approval for or receipt of such aid without the requirement that any document be signed by the applicant or recipient. By applying for or receiving child care benefits or food assistance, the applicant or recipient is also deemed to have appointed the secretary, or the secretary's designee, as an attorney in fact to perform the specific act of negotiating and endorsing all drafts, checks, money orders or other negotiable instruments representing support payments received by the secretary in behalf of any person applying for, receiving or having received such assistance. This limited power of attorney shall be effective from the date the secretary approves the application for aid and shall remain in effect until the assignment of support rights has been terminated in full. An applicant or recipient who has assigned support rights to the secretary pursuant to this subsection shall cooperate in establishing and enforcing support obligations to the same extent required of applicants for or recipients of temporary assistance for needy families.

(l) (1) A program of drug screening for applicants for cash assistance as a condition of eligibility for cash assistance and persons receiving cash assistance as a condition of continued receipt of cash assistance shall be established, subject to applicable federal law, by the secretary for children and families on and before January 1, 2014. Under such program of drug screening, the secretary for children and families shall order a drug screening of an applicant for or a recipient of cash assistance at any time when reasonable suspicion exists that such applicant for or recipient of cash assistance is unlawfully using a controlled substance or controlled substance analog. The secretary for children and families may use any information obtained by the secretary for children and families to determine whether such reasonable suspicion exists, including, but not limited to, an applicant's or recipient's demeanor, missed appointments and
arrest or other police records, previous employment or application for
employment in an occupation or industry that regularly conducts drug
screening, termination from previous employment due to unlawful use of a
controlled substance or controlled substance analog or prior drug screening
records of the applicant or recipient indicating unlawful use of a controlled
substance or controlled substance analog.

(2) Any applicant for or recipient of cash assistance whose drug
screening results in a positive test may request that the drug screening
specimen be sent to a different drug testing facility for an additional drug
screening. Any applicant for or recipient of cash assistance who requests
an additional drug screening at a different drug testing facility shall be
required to pay the cost of drug screening. Such applicant or recipient who
took the additional drug screening and who tested negative for unlawful
use of a controlled substance and controlled substance analog shall be
reimbursed for the cost of such additional drug screening.

(3) Any applicant for or recipient of cash assistance who tests
positive for unlawful use of a controlled substance or controlled substance
analog shall be required to complete a substance abuse treatment program
approved by the secretary for children and families, secretary of labor or
secretary of commerce, and a job skills program approved by the secretary
for children and families, secretary of labor or secretary of commerce.
Subject to applicable federal laws, any applicant for or recipient of cash
assistance who fails to complete or refuses to participate in the substance
abuse treatment program or job skills program as required under this
subsection shall be ineligible to receive cash assistance until completion of
such substance abuse treatment and job skills programs. Upon completion
of both substance abuse treatment and job skills programs, such applicant
for or recipient of cash assistance may be subject to periodic drug
screening, as determined by the secretary for children and families. Upon a
second positive test for unlawful use of a controlled substance or
controlled substance analog, a recipient of cash assistance shall be ordered
to complete again a substance abuse treatment program and job skills
program, and shall be terminated from cash assistance for a period of 12
months, or until such recipient of cash assistance completes both substance
abuse treatment and job skills programs, whichever is later. Upon a third
positive test for unlawful use of a controlled substance or controlled
substance analog, a recipient of cash assistance shall be terminated from
cash assistance, subject to applicable federal law.

(4) If an applicant for or recipient of cash assistance is ineligible for
or terminated from cash assistance as a result of a positive test for
unlawful use of a controlled substance or controlled substance analog, and
such applicant for or recipient of cash assistance is the parent or legal
guardian of a minor child, an appropriate protective payee shall be
designated to receive cash assistance on behalf of such child. Such parent or legal guardian of the minor child may choose to designate an individual to receive cash assistance for such parent's or legal guardian's minor child, as approved by the secretary for children and families. Prior to the designated individual receiving any cash assistance, the secretary for children and families shall review whether reasonable suspicion exists that such designated individual is unlawfully using a controlled substance or controlled substance analog.

(A) In addition, any individual designated to receive cash assistance on behalf of an eligible minor child shall be subject to drug screening at any time when reasonable suspicion exists that such designated individual is unlawfully using a controlled substance or controlled substance analog. The secretary for children and families may use any information obtained by the secretary for children and families to determine whether such reasonable suspicion exists, including, but not limited to, the designated individual's demeanor, missed appointments and arrest or other police records, previous employment or application for employment in an occupation or industry that regularly conducts drug screening, termination from previous employment due to unlawful use of a controlled substance or controlled substance analog or prior drug screening records of the designated individual indicating unlawful use of a controlled substance or controlled substance analog.

(B) Any designated individual whose drug screening results in a positive test may request that the drug screening specimen be sent to a different drug testing facility for an additional drug screening. Any designated individual who requests an additional drug screening at a different drug testing facility shall be required to pay the cost of drug screening. Such designated individual who took the additional drug screening and who tested negative for unlawful use of a controlled substance and controlled substance analog shall be reimbursed for the cost of such additional drug screening.

(C) Upon any positive test for unlawful use of a controlled substance or controlled substance analog, the designated individual shall not receive cash assistance on behalf of the parent's or legal guardian's minor child, and another designated individual shall be selected by the secretary for children and families to receive cash assistance on behalf of such parent's or legal guardian's minor child.

(5) If a person has been convicted under federal or state law of any offense which is classified as a felony by the law of the jurisdiction and which has as an element of such offense the manufacture, cultivation, distribution, possession or use of a controlled substance or controlled substance analog, and the date of conviction is on or after July 1, 2013, such person shall thereby become forever ineligible to receive any cash
assistance under this subsection unless such conviction is the person's first conviction. First-time offenders convicted under federal or state law of any offense which is classified as a felony by the law of the jurisdiction and which has as an element of such offense the manufacture, cultivation, distribution, possession or use of a controlled substance or controlled substance analog, and the date of conviction is on or after July 1, 2013, such person shall become ineligible to receive cash assistance for five years from the date of conviction.

(6) Except for hearings before the Kansas department for children and families or, the results of any drug screening administered as part of the drug screening program authorized by this subsection shall be confidential and shall not be disclosed publicly.

(7) The secretary for children and families may adopt such rules and regulations as are necessary to carry out the provisions of this subsection.

(8) Any authority granted to the secretary for children and families under this subsection shall be in addition to any other penalties prescribed by law.

(9) As used in this subsection:
(A) "Cash assistance" means cash assistance provided to individuals under the provisions of article 7 of chapter 39 of the Kansas Statutes Annotated, and amendments thereto, and any rules and regulations adopted pursuant to such statutes.
(B) "Controlled substance" means the same as in K.S.A. 2017 Supp. 21-5701, and amendments thereto, and 21 U.S.C. § 802.
(C) "Controlled substance analog" means the same as in K.S.A. 2017 Supp. 21-5701, and amendments thereto.

Sec. 12. K.S.A. 2017 Supp. 58-3974 is hereby amended to read as follows: 58-3974. (a) The provisions of this act shall not apply to any tangible or intangible personal property which is subject to the provisions of K.S.A. 8-1101, 8-1102, 9-1918, 10-815, 17-2206a, 17-5564, 19-320, 47-229, 47-230, 47-232, 47-236 through 47-239, inclusive, 59-514, 59-901 through 59-905, inclusive, 70-101, 70-102, 70-103 and through 70-104, and amendments thereto.
(b) This act shall not apply to any personal property which is being administered or has been distributed under the provisions of K.S.A. 59-2701 through 59-2707, inclusive, and amendments thereto.
(c) This act shall not apply to any patronage dividend or capital credit held or owing by any cooperative association, society or corporation organized under the provisions of K.S.A. 17-1501 et seq., 17-1601 et seq. or 17-4601 et seq., and amendments thereto.
(d) This act shall not apply to any patronage dividend or any capital credit held or owing by any public utility which is a member-owned nonprofit corporation organized under the provisions of K.S.A. 17-6001 et
Sec. 13. K.S.A. 2017 Supp. 75-3036 is hereby amended to read as follows: 75-3036. (a) The state general fund is exclusively defined as the fund into which shall be placed all public moneys and revenue coming into the state treasury not specifically authorized by the constitution or by statute to be placed in a separate fund, and not given or paid over to the state treasurer in trust for a particular purpose, which unallocated public moneys and revenue shall constitute the general fund of the state. Moneys received or to be used under constitutional or statutory provisions or under the terms of a gift or payment for a particular and specific purpose are to be kept as separate funds and shall not be placed in the general fund or ever become a part of it.

(b) The following funds shall be used for the purposes set forth in the statutes concerning such funds and for no other governmental purposes. It is the intent of the legislature that the following funds and the moneys deposited in such funds shall remain intact and inviolate for the purposes set forth in the statutes concerning such funds: Board of accountancy fee fund, K.S.A. 1-204 and 75-1119b, and amendments thereto, and special litigation reserve fund of the board of accountancy; bank commissioner fee fund, K.S.A. 9-1703, 16a-2-302, 17-5610, 17-5704 and 75-1308, and amendments thereto, bank investigation fund, K.S.A. 9-1111b, and amendments thereto, consumer education settlement fund and litigation expense fund of the state bank commissioner; securities act fee fund and investor education and protection fund, K.S.A. 17-12a601, and amendments thereto, of the office of the securities commissioner of Kansas; credit union fee fund, K.S.A. 17-2236, and amendments thereto, of the state department of credit unions; court reporters fee fund, K.S.A. 20-1a02, and amendments thereto, and bar admission fee fund, K.S.A. 20-1a03, and amendments thereto, of the judicial branch; fire marshal fee fund, K.S.A. 31-133a and 31-134, and amendments thereto, and boiler inspection fee fund, K.S.A. 44-926, and amendments thereto, of the state fire marshal; food service inspection reimbursement fund, K.S.A. 36-512, and amendments thereto, of the Kansas department of agriculture; wage claims assignment fee fund, K.S.A. 44-324, and amendments thereto, and workmen's compensation fee fund, K.S.A. 74-715, and amendments thereto, of the department of labor; veterinary examiners fee fund, K.S.A. 47-820, and amendments thereto, of the state board of veterinary examiners; mined-land reclamation fund, K.S.A. 49-420, and amendments thereto, of the department of health and environment; conservation fee fund and well plugging assurance fund, K.S.A. 55-155, 55-176, 55-609, 55-711 and 55-901, and amendments thereto, gas pipeline inspection fee fund, K.S.A. 66-1,155, and amendments thereto, and public service regulation fund, K.S.A. 66-1503, and amendments thereto, of the state
corporation commission; land survey fee fund, K.S.A. 58-2011, and
amendments thereto, of the state historical society; real estate recovery
revolving fund, K.S.A. 58-3074, and amendments thereto, of the Kansas
real estate commission; appraiser fee fund, K.S.A. 58-4107, and
amendments thereto, and appraisal management companies fee fund of the
real estate appraisal board; amygdalin (laetrile) enforcement fee fund,
K.S.A. 65-6b10, and amendments thereto; mortuary arts fee fund, K.S.A.
65-1718, and amendments thereto, of the state board of mortuary arts;
board of barbering fee fund, K.S.A. 65-1817a, and amendments thereto, of
the Kansas board of barbering; cosmetology fee fund, K.S.A. 65-1951 and
74-2704, and amendments thereto, of the Kansas state board of
cosmetology; healing arts fee fund, K.S.A. 65-2011, 65-2855, 65-2911, 65-
5413, 65-5513, 65-6910, 65-7210 and 65-7309, and amendments thereto,
and medical records maintenance trust fund, of the state board of healing
arts; other state fees fund, K.S.A. 2017 Supp. 65-4024b, and amendments
thereto, of the Kansas department for aging and disability services; board
of nursing fee fund, K.S.A. 74-1108, and amendments thereto, of the board
of nursing; dental board fee fund, K.S.A. 74-1405, and amendments
thereto, and special litigation reserve fund, of the Kansas dental board;
optometry fee fund, K.S.A. 74-1503, and amendments thereto, and
optometry litigation fund, of the board of examiners in optometry; state
board of pharmacy fee fund, K.S.A. 74-1609, and amendments thereto,
and state board of pharmacy litigation fund, of the state board of
pharmacy; abstracters' fee fund, K.S.A. 74-3903, and amendments thereto,
of the abstracters' board of examiners; athletic fee fund, K.S.A. 2017 Supp.
74-50,188, and amendments thereto, of the department of commerce;
hearing instrument board fee fund, K.S.A. 74-5805, and amendments
thereto, and hearing instrument litigation fund of the Kansas board of
examiners in fitting and dispensing of hearing instruments; commission on
disability concerns fee fund, K.S.A. 74-6708, and amendments thereto, of
the governor's department; technical professions fee fund, K.S.A. 74-7009,
and amendments thereto, and special litigation reserve fund of the state
board of technical professions; behavioral sciences regulatory board fee
fund, K.S.A. 74-7506, and amendments thereto, of the behavioral sciences
regulatory board; governmental ethics commission fee fund, K.S.A. 25-
4119e, and amendments thereto, of the governmental ethics commission;
emergency medical services board operating fund, K.S.A. 75-1514, and
amendments thereto, of the emergency medical services board; fire service
training program fund, K.S.A. 75-1514, and amendments thereto, of the
university of Kansas; uniform commercial code fee fund, K.S.A. 2017
Supp. 75-448, and amendments thereto, of the secretary of state; prairie
spirit rails-to-trails fee fund of the Kansas department of wildlife, parks
and tourism; water marketing fund, K.S.A. 82a-1315c, and amendments
there to, of the Kansas water office; insurance department service
regulation fund, K.S.A. 40-112, and amendments thereto, of the insurance
department; state fair special cash fund, K.S.A. 2-220, and amendments
thereto, of the state fair board; scrap metal theft reduction fee fund, K.S.A.
2017 Supp. 50-6,109a, and amendments thereto; and any other fund in
which fees are deposited for licensing, regulating or certifying a person,
profession, commodity or product.

(c) If moneys received pursuant to statutory provisions for a specific
purpose by a fee agency are proposed to be transferred to the state general
fund or a special revenue fund to be expended for general government
services and purposes in the governor's budget report submitted pursuant
to K.S.A. 75-3721, and amendments thereto, or any introduced house or
senate bill, the person or business entity who paid such moneys within the
preceding 24-month period shall be notified by the fee agency within 30
days of such submission or introduction:

(1) By electronic means, if the fee agency has an electronic address
on record for such person or business entity. If no such electronic address
is available, the fee agency shall send written notice by first class mail; or

(2) any agency that receives fees from a tax, fee, charge or levy paid
to the commissioner of insurance shall post the notification required by
this subsection on such agency's website.

(d) Any such moneys which are wrongfully or by mistake placed in
the general fund shall constitute a proper charge against such general fund.
All legislative appropriations which do not designate a specific fund from
which they are to be paid shall be considered to be proper charges against
the general fund of the state. All revenues received by the state of Kansas
or any department, board, commission, or institution of the state of
Kansas, and required to be paid into the state treasury shall be placed in
and become a part of the state general fund, except as otherwise provided
by law.

(e) The provisions of this section shall not apply to the 10% credited
to the state general fund to reimburse the state general fund for accounting,
auditing, budgeting, legal, payroll, personnel and purchasing services, and
any and all other state governmental services, as provided in K.S.A. 75-
3170a, and amendments thereto.

(f) Beginning on January 8, 2018, the director of the budget shall
prepare a report listing the unencumbered balance of each fund in
subsection (b) on June 30 of the previous fiscal year and January 1 of the
current fiscal year. Such report shall be delivered to the secretary of the
senate and the chief clerk of the house of representatives on or before the
first day of the regular legislative session each year.

(g) As used in this section, "fee agency" shall include the state
agencies specified in K.S.A. 75-3717(f), and amendments thereto, and any
other state agency that collects fees for licensing, regulating or certifying a
person, profession, commodity or product.

Sec. 14. K.S.A. 2017 Supp. 75-3170a is hereby amended to read as
follows: 75-3170a. (a) The 10% credit to the state general fund required by
K.S.A. 1-204, 9-1703, 16a-2-302, 17-12a601, 17-2236, 17-5610, 17-5701,
20-1a02, 20-1a03, 31-133a, 31-134, 36-512, 44-324, 44-926, 47-820, 49-
420, 55-155, 55-176, 55-609, 55-711, 55-901, 58-2011, 58-3074, 58-4107,
74-715, 74-1108, 74-1405, 74-1503, 74-1609, 74-2704, 74-3903, 74-
50,188, 74-5805, 74-6708, 74-7009, 74-7506, 75-1119b, 75-1308, 75-
1514, 84-9-801, and amendments thereto, is to reimburse the state general
fund for accounting, auditing, budgeting, legal, payroll, personnel and
purchasing services, and any and all other state governmental services,
which are performed on behalf of the state agency involved by other state
agencies which receive appropriations from the state general fund to
provide such services.

(b) Nothing in this act or in the sections amended by this act or
referred to in subsection (a), shall be deemed to authorize remittances to be
made less frequently than is authorized under K.S.A. 75-4215, and
amendments thereto.

(c) Notwithstanding any provision of any statute referred to in or
amended by this act or referred to in subsection (a), whenever in any fiscal
year such 10% credit to the state general fund in relation to any particular
fee fund is $100,000, in that fiscal year the 10% credit no longer shall
apply to moneys received from sources applicable to such fee fund and for
the remainder of such year the full 100% so received shall be credited to
such fee fund.

Sec. 15. K.S.A. 9-1134, 17-5101, 17-5102, 17-5201, 17-5202, 17-
5203, 17-5204, 17-5205, 17-5206, 17-5207, 17-5208, 17-5209, 17-5210,
17-5211, 17-5212, 17-5213, 17-5214, 17-5215, 17-5216, 17-5217, 17-
5218, 17-5219, 17-5220, 17-5221, 17-5225, 17-5225a, 17-5225b, 17-
5225c, 17-5226, 17-5227, 17-5228, 17-5229, 17-5230, 17-5301, 17-5302,
17-5303, 17-5304, 17-5305, 17-5306, 17-5307, 17-5308, 17-5309, 17-
5310, 17-5311, 17-5312, 17-5313, 17-5314, 17-5315, 17-5316, 17-5317,
17-5318, 17-5319, 17-5320, 17-5321, 17-5322, 17-5323, 17-5324, 17-
5325, 17-5326, 17-5327, 17-5328, 17-5329, 17-5401, 17-5402, 17-5403,
17-5404, 17-5405, 17-5406, 17-5407, 17-5408, 17-5409, 17-5410, 17-
5412, 17-5413, 17-5414, 17-5415, 17-5416, 17-5417, 17-5418, 17-5419,
17-5420, 17-5421, 17-5422, 17-5423, 17-5424, 17-5425, 17-5426, 17-
5427, 17-5428, 17-5429, 17-5430, 17-5501, 17-5501c, 17-5502, 17-5502a,
17-5503, 17-5504, 17-5505, 17-5506, 17-5508, 17-5509, 17-5510, 17-
5511, 17-5512, 17-5512a, 17-5513, 17-5514, 17-5515, 17-5516, 17-5517,
Sec. 16. This act shall take effect and be in force from and after its publication in the statute book.