

SENATE BILL No. 113

By Senators Holland, Doll, Faust-Goudeau, Francisco, Haley, Hawk, Miller and
Pettesy

2-6

1 AN ACT concerning health and healthcare; enacting the veterans first
2 medical cannabis act; relating to medical cannabis; providing for
3 registration of patients; licensure of medical cannabis grower-
4 distributors and medical cannabis dispensaries; establishing the
5 cannabis regulatory commission; taxation of cannabis; amending
6 K.S.A. 65-2836, 65-28a05, 65-28b08 and 79-5210, K.S.A. 2017 Supp.
7 65-1120, as amended by section 5 of chapter 42 of the 2018 Session
8 Laws of Kansas, and K.S.A. 2018 Supp. 21-5703, 21-5705, 21-5706,
9 21-5707, 21-5709, 21-5710, 79-3606 and 79-5201 and repealing the
10 existing sections.
11

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

13 New Section 1. The provisions of sections 1 through 13, and
14 amendments thereto, shall be known and may be cited as the veterans first
15 medical cannabis act.

16 New Sec. 2. As used in the veterans first medical cannabis act:

17 (a) "Adequate supply" means an amount of medical cannabis
18 consumer product possessed by a qualified patient, or by a qualified
19 patient's primary caregiver on behalf of the qualified patient, that is no
20 more than reasonably necessary to ensure the uninterrupted availability of
21 medical cannabis consumer product to the qualified patient for a period of
22 three months, as specified in rules and regulations adopted by the state
23 board of pharmacy.

24 (b) "Cannabis" means all parts of the plant *cannabis sativa* L.,
25 whether growing or not, and the resin extracted therefrom, solely derived
26 from intrastate sources.

27 (c) "Healthcare provider" includes: Physician; certified nurse-
28 midwife engaging in the independent practice of midwifery under the
29 independent practice of midwifery act; advanced practice registered nurse
30 licensed under the Kansas nurse practice act; or physician assistant
31 licensed under the physician assistant licensure act.

32 (d) "Medical cannabis consumer product" means the dried leaves and
33 flowers of the cannabis plant.

34 (e) "Medical cannabis dispensary" means a facility licensed under
35 section 6, and amendments thereto, to sell medical cannabis consumer

1 products to qualified patients.

2 (f) "Medical cannabis grower-distributor" means a facility licensed
3 under section 4, and amendments thereto, to cultivate and harvest cannabis
4 for sale to medical cannabis dispensaries.

5 (g) "Physician" means a person licensed by the state board of healing
6 arts to practice medicine and surgery.

7 (h) "Primary caregiver" means a person who is a resident of Kansas,
8 who is at least 18 years of age and who has been designated by a qualified
9 patient and the patient's physician as necessary to take responsibility for
10 managing the well-being of the patient with respect to the medical use of
11 cannabis.

12 (i) "Qualified patient" means a person who is a resident of Kansas,
13 has been diagnosed by a healthcare provider as having a qualifying
14 medical condition and has a written certification issued by the patient's
15 healthcare provider.

16 (j) "Qualifying medical condition" means any of the following
17 conditions, as diagnosed by a healthcare provider and documented in a
18 written certification:

19 (1) Amyotrophic lateral sclerosis;

20 (2) cancer;

21 (3) Crohn's disease;

22 (4) damage to the nervous tissue of the spinal cord, if the patient has
23 objective neurological indication of intractable spasticity;

24 (5) epilepsy or any other seizure disorder specified by the board of
25 pharmacy;

26 (6) glaucoma;

27 (7) hepatitis C virus, if the patient is receiving antiviral treatment;

28 (8) human immunodeficiency virus or acquired immune deficiency
29 syndrome;

30 (9) Huntington's disease;

31 (10) inclusion body myositis;

32 (11) inflammatory autoimmune-mediated arthritis;

33 (12) intractable nausea or vomiting;

34 (13) multiple sclerosis;

35 (14) obstructive sleep apnea;

36 (15) painful peripheral neuropathy;

37 (16) Parkinson's disease;

38 (17) post-traumatic stress disorder;

39 (18) severe chronic pain;

40 (19) severe anorexia or cachexia;

41 (20) spasmodic torticollis or cervical dystonia;

42 (21) ulcerative colitis;

43 (22) admission into hospice care; or

1 (23) any other medical condition that results in pain, suffering or
2 debility and for which there is credible evidence satisfactory to the state
3 board of pharmacy that the medical use of cannabis could benefit, as
4 specified in rules and regulations adopted by the state board of pharmacy.

5 (k) "Written certification" means a statement made and signed by a
6 patient's healthcare provider that: The healthcare provider has a valid
7 healthcare provider-patient relationship with the patient; the healthcare
8 provider has the lawful authority to issue the written certification in
9 accordance with statutes, rules and regulations and professional standards
10 of practice applicable to the healthcare provider; in the healthcare
11 provider's professional opinion, the patient has a qualifying medical
12 condition; and the healthcare provider believes that, for the patient, the
13 potential health benefits of the medical use of cannabis would likely
14 outweigh the potential health risks.

15 New Sec. 3. (a) (1) A healthcare provider may issue a written
16 certification to a patient with whom the healthcare provider has a valid
17 healthcare provider-patient relationship, effective for two years, subject to
18 all statutes, rules and regulations and standards of practice applicable to
19 the healthcare provider.

20 (2) A healthcare provider may revoke an issued written certification
21 at any time if the healthcare provider determines that the patient's
22 circumstances have changed rendering the written certification
23 inappropriate in the healthcare provider's professional judgment or
24 unlawful. The healthcare provider shall immediately notify the department
25 of health and environment of any such revocation.

26 (b) (1) A person may apply to the department of health and
27 environment for an initial or renewed patient identification card on a form,
28 in a manner and accompanied by an application fee not to exceed \$50
29 specified by the department of health and environment. If applicable, the
30 person may apply for a caregiver identification card for the patient's
31 primary caregiver on a form, in a manner and accompanied by an
32 application fee not to exceed \$50 specified by the department of health and
33 environment. If the person is a recipient of state medicaid services, the
34 application fee shall be \$10.

35 (2) A valid patient identification card shall authorize the qualified
36 patient to possess an adequate supply of medical cannabis consumer
37 product, or to collectively possess an adequate supply of medical cannabis
38 consumer product with the patient's primary caregiver, if any, and to
39 acquire an adequate supply of medical cannabis consumer product from a
40 medical cannabis dispensary.

41 (3) A valid caregiver identification card shall authorize the primary
42 caregiver to possess an adequate supply of medical cannabis consumer
43 product, or to collectively possess an adequate supply of medical cannabis

1 consumer product with the associated qualified patient, and to acquire, on
2 behalf of the associated qualified patient, an adequate supply of medical
3 cannabis consumer product from a medical cannabis dispensary.

4 (c) An applicant shall provide the following information and
5 documentation on an application for a patient identification card:

6 (1) The person's name, date of birth, address and telephone number;

7 (2) any qualifying medical condition for which the patient has a
8 current diagnosis from a healthcare provider;

9 (3) the name, address and telephone number of the patient's
10 physician;

11 (4) the name, date of birth, address and telephone number of the
12 patient's primary caregiver, if any;

13 (5) the written certification issued by the person's healthcare provider;
14 and

15 (6) any other information required by the department of health and
16 environment, as specified in rules and regulations adopted by the
17 department of health and environment.

18 (d) Within 30 calendar days of receiving any application for a patient
19 identification card or a caregiver identification card, the department of
20 health and environment shall issue a decision to grant or deny the patient
21 identification card. The department of health and environment shall verify
22 the written certification directly with the healthcare provider who issued
23 the written certification.

24 (e) The department of health and environment shall deny any
25 application for a patient identification card or caregiver identification card
26 if: The applicant did not provide any of the information required by
27 subsection (b); if the department determines any of the information
28 provided is false; or if the applicant has previously had a patient
29 identification card or caregiver identification card revoked. Any applicant
30 whose application is denied because the applicant provided false
31 information shall not be eligible to reapply for a period of six months,
32 unless specifically authorized by the department of health and
33 environment.

34 (f) Within five business days of approving an application for a patient
35 identification card or caregiver identification card, the department of
36 health and environment shall issue the patient identification card and, if
37 applicable, the caregiver identification card. The patient identification card
38 and caregiver identification card shall be effective for two years. Each
39 patient identification card and caregiver identification card shall contain:

40 (1) The name, address and date of birth of the qualified patient;

41 (2) the name, address and date of birth of the qualified patient's
42 primary caregiver, if any;

43 (3) the date of issuance and expiration date of the patient

1 identification card or caregiver identification card; and

2 (4) other information required by the department of health and
3 environment.

4 (g) The department of health and environment may refuse to issue or
5 reissue a patient identification card or caregiver identification card or
6 revoke or suspend a patient identification card or caregiver identification
7 card for any of the following reasons:

8 (1) The applicant has failed to comply with any provision of the
9 veterans first medical cannabis act, any rules and regulations adopted by
10 the department of health and environment thereunder or any order of the
11 department;

12 (2) the department has been notified by a healthcare provider that the
13 healthcare provider has revoked a written certification previously issued
14 for the applicant;

15 (3) the applicant has falsified or misrepresented any information
16 submitted to the department under this section;

17 (4) the applicant has failed to adhere to any acknowledgement,
18 verification or other representation made to the department;

19 (5) the applicant has failed to submit or disclose information
20 requested by the department under this section; or

21 (6) the applicant has threatened or harmed a healthcare provider or an
22 employee of the department in attempting to obtain a patient identification
23 card or caregiver identification card.

24 (h) All actions by the department of health and environment under
25 this section shall be in accordance with the Kansas administrative
26 procedure act and reviewable in accordance with the Kansas judicial
27 review act.

28 (i) For the first 60 days following the effective date of the veterans
29 first medical cannabis act, the department of health and environment shall
30 grant patient identification cards only to, or caregiver identification cards
31 connected to, individuals who are currently serving military service with
32 the army, navy, marine corps, air force, air or army national guard of
33 Kansas, coast guard or any branch of the military reserves of the United
34 States or who have been separated from such military service by honorable
35 discharge or general discharge under honorable conditions.

36 New Sec. 4. (a) (1) An individual may apply to the cannabis
37 regulatory commission for initial or renewed licensure as a medical
38 cannabis grower-distributor on a form, in a manner and accompanied by an
39 application fee or renewal fee not to exceed \$15,000 prescribed by the
40 cannabis regulatory commission. Licensure as a medical cannabis grower-
41 distributor shall authorize the licensee to cultivate cannabis, to dry
42 cannabis into dried leaves and flowers for sale or other transfer to a
43 medical cannabis dispensary and to distribute or transport medical

1 cannabis consumer products to a medical cannabis dispensary in
2 accordance with and for the purposes set forth in this section, and to
3 perform other acts deemed necessary and incidental thereto by the
4 cannabis regulatory commission, as established in rules and regulations
5 adopted by the cannabis regulatory commission.

6 (2) (A) No individual shall concurrently have an ownership interest in
7 a medical cannabis grower-distributor and a medical cannabis dispensary.

8 (B) No member of the legislature shall have an ownership interest in
9 a medical cannabis grower-distributor.

10 (C) No individual who is not in current compliance with any Kansas
11 tax law administered by the director of taxation of the department of
12 revenue, any tax, fee or payment administered by the department of labor
13 or any fee or charge administered by any other state agency shall have an
14 ownership interest in a medical cannabis grower-distributor.

15 (D) No individual shall concurrently have an ownership interest in
16 more than one medical cannabis grower distributor.

17 (b) An applicant shall provide the following information and
18 documentation on an application for licensure as a medical cannabis
19 grower-distributor:

20 (1) The name, address and telephone number of the applicant;

21 (2) the physical location of any premises that will be operated as a
22 part of the medical cannabis grower-distributor operations;

23 (3) documentation that the applicant is a resident of the state of
24 Kansas;

25 (4) the name of each owner of any land, structure or building where
26 any operations of the medical cannabis grower-distributor will occur or
27 any motor vehicle that will be used to distribute or transport cannabis or
28 medical cannabis consumer products and each individual who will
29 otherwise be involved with the medical cannabis grower-distributor's
30 operations, whether as an employee or agent; and

31 (5) any other information required by the cannabis regulatory
32 commission.

33 (c) (1) Each individual working as an employee or agent of a medical
34 cannabis grower-distributor shall apply for an initial or renewed permit to
35 engage in such work on a form, in a manner and accompanied by an initial
36 or renewal permit fee not to exceed \$100 prescribed by the cannabis
37 regulatory commission.

38 (2) The cannabis regulatory commission shall require any person
39 working as an employee or agent of a medical cannabis grower-distributor
40 to be fingerprinted and to submit to a state and national criminal history
41 record check. The department is authorized to submit the fingerprints to
42 the Kansas bureau of investigation and the federal bureau of investigation
43 for a state and national criminal history record check. The department shall

1 use the information obtained from fingerprinting and the state and national
2 criminal history record check for purposes of verifying the identification
3 of the person and for making a determination of the qualifications and
4 fitness of the person to work as an employee or agent of the medical
5 cannabis grower-distributor.

6 (3) The Kansas bureau of investigation may charge a reasonable fee
7 to the applicant for fingerprinting and conducting a criminal history record
8 check.

9 (4) As a condition of licensure as a medical cannabis grower-
10 distributor, the cannabis regulatory commission shall disqualify any person
11 from working as an employee or agent of a medical cannabis grower-
12 distributor if the person has been convicted of any felony violation of
13 article 57 of chapter 21 of the Kansas Statutes Annotated, and amendments
14 thereto, or K.S.A. 2010 Supp. 21-36a01 through 21-36a17, prior to their
15 transfer, any felony violation of the uniform controlled substances act prior
16 to July 1, 2009, or similar provisions of any other state or the federal
17 government.

18 (d) Within 60 calendar days of receiving any application pursuant to
19 this section, the cannabis regulatory commission shall issue a decision to
20 grant or deny licensure to the applicant as a medical cannabis grower-
21 distributor.

22 (e) If the cannabis regulatory commission denies initial or renewed
23 licensure to a medical cannabis grower-distributor, the cannabis regulatory
24 commission shall refund $\frac{1}{2}$ of the applicant's application fee or renewal
25 fee.

26 (f) Licensure as a medical cannabis grower-distributor shall be
27 effective for a period of two years. If the cannabis regulatory commission
28 grants initial or renewed licensure to a medical cannabis grower-
29 distributor, the cannabis regulatory commission shall require the applicant
30 or licensee to:

31 (1) Pay a licensure fee not to exceed \$90,000; and

32 (2) provide satisfactory evidence that the medical cannabis grower-
33 distributor has obtained a surety bond in an amount required by the
34 cannabis regulatory commission based on the size and actual and projected
35 yield of the medical cannabis grower-distributor operations, the number of
36 facilities operated by the medical cannabis grower-distributor and other
37 factors established by the cannabis regulatory commission in rules and
38 regulations.

39 (g) The cannabis regulatory commission shall remit all moneys from
40 any fees under this section to the state treasurer in accordance with K.S.A.
41 75-4215, and amendments thereto. Upon receipt of each such remittance,
42 the state treasurer shall deposit the entire amount of moneys into the state
43 treasury to the credit of the medical cannabis harvest fund created by

1 section 8, and amendments thereto.

2 (h) All actions by the cannabis regulatory commission under this
3 section shall be in accordance with the Kansas administrative procedure
4 act and reviewable in accordance with the Kansas judicial review act.

5 New Sec. 5. (a) The cannabis regulatory commission shall adopt rules
6 and regulations:

7 (1) Requiring that cannabis and dried cannabis leaves and flowers be
8 tested by an independent laboratory prior to sale or other transfer to a
9 medical cannabis dispensary;

10 (2) establishing standards and procedures for testing cannabis and
11 dried cannabis leaves;

12 (3) establishing standards for approving an independent laboratory to
13 conduct testing required by this subsection; and

14 (4) identifying appropriate tests for cannabis and dried cannabis
15 leaves and flowers that are necessary to protect the public health and
16 safety, including, but not limited to, tests for: Microbiological
17 contaminants; pesticides; other contaminants; solvents or residual solvents;
18 and concentration of tetrahydrocannabinol and cannabidiol.

19 (b) (1) Each medical cannabis grower-distributor shall make a
20 monthly report to the cannabis regulatory commission under oath, on a
21 form and in a manner prescribed by the cannabis regulatory commission
22 detailing the amount of cannabis cultivated, the amount of medical
23 cannabis consumer product sold or otherwise transferred to a medical
24 cannabis dispensary, the amount of any cannabis or medical cannabis
25 consumer product destroyed during the immediately preceding month and
26 any other information required by the cannabis regulatory commission.

27 (2) On or before July 1, 2020, the cannabis regulatory commission
28 shall adopt rules and regulations establishing requirements to submit a
29 report required by this subsection and procedures for the cannabis
30 regulatory commission to verify the reported information.

31 (c) The cannabis regulatory commission shall adopt rules and
32 regulations as necessary to implement and administer the provisions of this
33 section, including, but not limited to:

34 (1) Standards and requirements for appropriate inventory reporting
35 and management and security measures for all operations of any medical
36 cannabis grower-distributor;

37 (2) minimum and maximum concentrations of tetrahydrocannabinol
38 and cannabidiol in cannabis and medical cannabis consumer products for
39 use in accordance with the veterans first medical cannabis act; and

40 (3) requirements that proof of licensure, testing results or related
41 certifications are possessed by an individual working as an employee or
42 agent of a medical cannabis grower-distributor at all times when engaged
43 in any acts authorized by the veterans first medical cannabis act.

1 New Sec. 6. (a) (1) An individual may apply to the state board of
2 pharmacy for initial or renewed licensure as a medical cannabis dispensary
3 on a form, in a manner and accompanied by an application fee or renewal
4 application fee or renewal fee not to exceed \$5,000 prescribed by the state
5 board of pharmacy.

6 (2) (A) No individual shall concurrently have an ownership interest in
7 a medical cannabis harvester facility and a medical cannabis dispensary.

8 (B) No member of the legislature shall have an ownership interest in
9 a medical cannabis dispensary.

10 (C) No individual who is not in current compliance with any Kansas
11 tax law administered by the director of taxation of the department of
12 revenue, any tax, fee or payment administered by the department of labor
13 or any fee or charge administered by any other state agency shall have an
14 ownership interest in a medical cannabis grower-distributor.

15 (D) No individual shall concurrently have an ownership interest in
16 more than two medical cannabis dispensaries.

17 (b) An applicant shall provide the following information and
18 documentation on an application for licensure as a medical cannabis
19 dispensary:

20 (1) The name, address and telephone number of the applicant;

21 (2) the physical location of any premises that will be operated as a
22 facility for the medical cannabis dispensary's operations;

23 (3) documentation that the applicant is a resident of the state of
24 Kansas;

25 (4) the name of each owner of any land, structure or building where
26 any operations of the medical cannabis dispensary will occur and each
27 individual who will otherwise be involved with the medical cannabis
28 dispensary's operations, whether as an employee or agent; and

29 (5) any other information required by the state board of pharmacy.

30 (c) (1) Each individual working as an employee or agent of a medical
31 cannabis dispensary shall apply for an initial or renewed permit to engage
32 in such work on a form, in a manner and accompanied by an initial or
33 renewal permit fee not to exceed \$100 prescribed by the state board of
34 pharmacy.

35 (2) The state board of pharmacy shall require any person working as
36 an employee or agent of a medical cannabis dispensary to be fingerprinted
37 and to submit to a state and national criminal history record check. The
38 state board of pharmacy is authorized to submit the fingerprints to the
39 Kansas bureau of investigation and the federal bureau of investigation for
40 a state and national criminal history record check. The board shall use the
41 information obtained from fingerprinting and the state and national
42 criminal history record check for purposes of verifying the identification
43 of the person and for making a determination of the qualifications and

1 fitness of the person to work in the medical cannabis dispensary.

2 (3) The Kansas bureau of investigation may charge a reasonable fee
3 to the applicant for fingerprinting and conducting a criminal history record
4 check.

5 (4) As a condition of licensure as a medical cannabis dispensary, the
6 state board of pharmacy shall disqualify any person from working in such
7 medical cannabis dispensary if the person has been convicted of any
8 felony violation of article 57 of chapter 21 of the Kansas Statutes
9 Annotated, and amendments thereto, or K.S.A. 2010 Supp. 21-36a01
10 through 21-36a17, prior to their transfer, any felony violation of the
11 uniform controlled substances act prior to July 1, 2009, or similar
12 provisions of any other state or the federal government.

13 (d) Within 60 calendar days of receiving any application pursuant to
14 this section, the state board of pharmacy shall issue a decision to grant or
15 deny licensure to the medical cannabis dispensary.

16 (e) If the state board of pharmacy denies initial or renewed licensure
17 to a medical cannabis dispensary, the state board of pharmacy shall refund
18 $\frac{1}{2}$ of the applicant's or licensee's application fee.

19 (f) Licensure as a medical cannabis dispensary shall be effective for a
20 period of two years. If the state board of pharmacy grants initial or
21 renewed licensure to a medical cannabis dispensary, the state board of
22 pharmacy shall require the applicant or licensee to:

23 (1) Pay a licensure fee not to exceed \$30,000; and

24 (2) provide satisfactory evidence that the medical cannabis dispensary
25 has obtained a surety bond in an amount determined by the Kansas
26 department of agriculture based on the size and actual and projected
27 amounts of inventory held and sold by the medical cannabis dispensary
28 and the number of facilities operated by the medical cannabis dispensary.

29 (g) The state board of pharmacy shall remit all moneys from any fees
30 under this section to the state treasurer in accordance with K.S.A. 75-4215,
31 and amendments thereto. Upon receipt of each such remittance, the state
32 treasurer shall deposit the entire amount of moneys into the state treasury
33 to the credit of the medical cannabis dispensary fund created by section 9,
34 and amendments thereto.

35 (h) All actions by the state board of pharmacy under this section shall
36 be in accordance with the Kansas administrative procedure act and
37 reviewable in accordance with the Kansas judicial review act.

38 New Sec. 7. (a) (1) Each medical cannabis dispensary shall make a
39 monthly report to the state board of pharmacy under oath and on a form
40 and in a manner prescribed by the state board of pharmacy detailing the
41 amount of cannabis bought or otherwise transferred from a medical
42 cannabis grower-distributor, the amount of medical cannabis consumer
43 product sold to any qualified patient, the amount of any medical cannabis

1 consumer product destroyed during the immediately preceding month and
2 any other information required by the cannabis regulatory commission.

3 (2) The state board of pharmacy shall adopt rules and regulations
4 establishing requirements to submit a report required by this subsection
5 and procedures for the state board of pharmacy to verify the reported
6 information.

7 (b) The state board of pharmacy shall adopt rules and regulations as
8 necessary to implement and administer the provisions of the veterans first
9 medical cannabis act, including, but not limited to:

10 (1) Standards and requirements for appropriate inventory reporting
11 and management and security measures for all operations of any medical
12 cannabis distributor; and

13 (2) requirements that proof of licensure, testing results or related
14 certifications are possessed by an individual working as an employee or
15 agent of a medical cannabis dispensary at all times when engaged in any
16 acts authorized by the veterans first medical cannabis act.

17 New Sec. 8. (a) A tax is hereby imposed upon the privilege of
18 growing and harvesting medical cannabis in the state of Kansas at a rate of
19 \$115 per pound or each portion of a pound. For purposes of calculating the
20 tax, the weight shall be measured by the weight of all medical cannabis
21 plant material harvested after drying and processing.

22 (b) The secretary of agriculture shall adopt rules and regulations to
23 uniformly and efficiently administer the weighing of harvested cannabis
24 for purposes of this section.

25 (c) On or before the 20th day of each calendar month every medical
26 cannabis grower-distributor shall file a return with the director of taxation
27 showing the quantity of medical cannabis harvested by the medical
28 cannabis grower-distributor in this state during the preceding calendar
29 month. Each return shall be accompanied by a remittance for the full tax
30 liability shown.

31 (d) The secretary of revenue shall adopt rules and regulations to
32 implement the provisions of this section.

33 (e) The tax imposed by this section shall be in addition to the tax
34 imposed upon the privilege of selling or dispensing in medical cannabis
35 consumer products pursuant to section 9, and amendments thereto.

36 (f) There is hereby established in the state treasury the medical
37 cannabis harvest fund. The medical cannabis harvest fund shall be
38 administered by the department of revenue. All expenditures from the
39 medical cannabis harvest fund shall be used for costs related to medical
40 cannabis regulation, taxation and enforcement by the department of
41 revenue. All expenditures from the medical cannabis harvest fund shall be
42 made in accordance with appropriation acts upon warrants of the director
43 of accounts and reports issued pursuant to vouchers approved by the

1 director of taxation or the designee of the director. All moneys received by
2 the director or the designee of the director from taxes imposed by this
3 section shall be deposited in the state treasury in accordance with the
4 provisions of K.S.A. 75-4215, and amendments thereto, and shall be
5 credited to the medical cannabis harvest fund.

6 New Sec. 9. (a) A tax is hereby imposed upon the privilege of selling
7 or dispensing in medical cannabis consumer products in this state by any
8 duly licensed medical cannabis dispensary, at the rate of \$3.00 per ounce
9 of such products and a proportionate tax at the like rate on all fractional
10 parts thereof. Such tax shall be imposed at the earliest time the dispensary:
11 (1) Makes, manufactures or processes medical cannabis consumer
12 products in this state; (2) packages medical cannabis consumer products in
13 this state; or (3) sells medical cannabis consumer products to consumers
14 within this state.

15 (b) On or before the 20th day of each calendar month every medical
16 cannabis dispensary shall file a return with the director of taxation
17 showing the quantity of medical cannabis consumer product: (1) Made,
18 manufactured or processed in this state for sale in this state; (2) packaged
19 in this state for sale in this state; or (3) sold to consumers within this state
20 during the preceding calendar month. Each return shall be accompanied by
21 a remittance for the full tax liability shown.

22 (c) The secretary of revenue shall adopt rules and regulations as
23 necessary to implement and administer the provisions of this section.

24 (d) There is hereby established in the state treasury the medical
25 cannabis dispensary fund. The medical cannabis dispensary fund shall be
26 administered by the state board of pharmacy. All expenditures from the
27 medical cannabis dispensary fund shall be used for costs related to medical
28 cannabis regulation and enforcement by the board of pharmacy. All
29 expenditures from the medical cannabis harvesting fund shall be made in
30 accordance with appropriation acts upon warrants of the director of
31 accounts and reports issued pursuant to vouchers approved by the
32 president of the state board of pharmacy or the president's designee. All
33 moneys received by the director or the designee of the director from taxes
34 imposed by this section shall be deposited in the state treasury in
35 accordance with the provisions of K.S.A. 75-4215, and amendments
36 thereto, and shall be credited to the medical cannabis dispensary fund.

37 New Sec. 10. The director of taxation shall have the power to require
38 any medical cannabis grower-distributor or medical cannabis dispensary to
39 furnish additional information deemed necessary for the purpose of
40 computing the amount of the taxes due pursuant to this act, and for such
41 purpose to examine all books, records and files of such persons or entities,
42 and for such purpose, the director shall have the power to issue subpoenas
43 and examine witnesses under oath, and if any witness shall fail or refuse to

1 appear at the request of the director, or refuse access to books, records and
2 files, the district court of the proper county, or the judge thereof, on
3 application of the director, shall compel obedience by proceedings for
4 contempt, as in the case of disobedience of the requirements of a subpoena
5 issued from such court or a refusal to testify therein.

6 New Sec. 11. The provisions of K.S.A. 75-5133, 79-3610, 79-3611,
7 79-3612, 79-3613, 79-3615 and 79-3617, and amendments thereto,
8 relating to the assessment, collection, appeal and administration of the
9 retailers' sales tax, insofar as practical, shall have full force and effect with
10 respect to taxes, penalties and fines imposed by sections 8 and 9, and
11 amendments thereto.

12 New Sec. 12. (a) There is hereby established the cannabis regulatory
13 commission within the Kansas department of revenue. The cannabis
14 regulatory commission shall be administered under the direction of a
15 director of the cannabis regulatory commission, who shall be appointed by
16 and serve at the pleasure of the secretary of revenue. The director shall be
17 in the unclassified service under the Kansas civil service act and shall
18 receive an annual salary fixed by the secretary of revenue and approved by
19 the governor.

20 (b) The director of the cannabis regulatory commission shall be
21 responsible for all powers, duties and functions assigned to the department
22 of revenue under the veterans first medical cannabis act.

23 (c) The cannabis regulatory commission shall adopt rules and
24 regulations as necessary to implement and administer the provisions of the
25 veterans first medical cannabis act and may advise and consult with the
26 department of health and environment and the state board of pharmacy
27 regarding such rules and regulations.

28 (d) (1) The cannabis regulatory commission shall establish an
29 electronic database to store information detailing:

30 (A) Each license issued to any individual in accordance with the
31 veterans first medical cannabis act, including any modification, revocation,
32 suspension or other action relating to the license;

33 (B) each individual issued a patient identification card or caregiver
34 identification card in accordance with section 3, and amendments thereto;

35 (C) each individual working as an employee or agent of a medical
36 cannabis grower-distributor in accordance with section 4, and amendments
37 thereto, or medical cannabis dispensary in accordance with section 6, and
38 amendments thereto; and

39 (D) other information deemed necessary or appropriate by the
40 director of the cannabis regulatory commission.

41 (2) Information in the database shall be shared with law enforcement
42 authorities in a manner prescribed by the Kansas bureau of investigation
43 for the purpose of verifying the validity of any identification card or

1 license issued in accordance with the veterans first medical cannabis act or
2 the location of any operations authorized by the veterans first medical
3 cannabis act.

4 New Sec. 13. (a) There is hereby established the medical cannabis
5 implementation task force. The medical cannabis implementation task
6 force shall submit a report to the governor and the legislature each year on
7 or before the first day of the regular session of the legislature, including
8 information about the implementation of the veterans first medical
9 cannabis act and recommendations related thereto.

10 (b) The medical cannabis implementation task force shall consist of
11 the following members:

12 (1) One member appointed by the speaker of the house of
13 representatives;

14 (2) one member appointed by the minority leader of the house of
15 representatives;

16 (3) one member appointed by the president of the senate;

17 (4) one member appointed by the minority leader of the senate;

18 (5) one member appointed by the secretary of health and
19 environment;

20 (6) one member appointed by the secretary of agriculture;

21 (7) one member appointed by the state board of pharmacy;

22 (8) one member appointed by the secretary of revenue; and

23 (9) one member appointed by the attorney general.

24 New Sec. 14. (a) (1) Any individual who is issued a valid, unrevoked
25 and unexpired license or identification card who is acting in compliance
26 with the veterans first medical cannabis act shall be immune from criminal
27 prosecution of any state law, city ordinance or county resolution involving
28 cannabis or medical cannabis consumer products. Any individual may be
29 prosecuted for acts not authorized by the veterans first medical cannabis
30 act.

31 (2) Where circumstances involve cultivation, manufacture or
32 distribution of cannabis or medical cannabis consumer products by the
33 individual, the department of revenue must have issued a license
34 authorizing such cultivation, manufacture or distribution of cannabis or
35 medical cannabis consumer products in accordance with section 4, and
36 amendments thereto, for the individual to be immune from criminal
37 prosecution under this section.

38 (3) Where circumstances involve possession of medical cannabis
39 consumer products, the department of health and environment must have
40 issued a patient identification card or caregiver identification card, the
41 department of revenue must have issued a license for a medical cannabis
42 grower-distributor or the state board of pharmacy must have issued a
43 license for a medical cannabis dispensary authorizing such possession in

1 accordance with the veterans first medical cannabis act for the individual
2 to be immune from criminal prosecution under this section.

3 (4) As used in this subsection, "criminal prosecution" includes arrest,
4 detention in custody or charging or prosecution of the individual.

5 (b) (1) The mere possession of cannabis or medical cannabis
6 consumer products or a positive test result from a test indicating only the
7 presence of tetrahydrocannabinol by an individual authorized and issued a
8 patient identification card, caregiver identification card, medical cannabis
9 grower-distributor license or medical cannabis dispensary license in
10 accordance with the veterans first medical cannabis act shall not, in the
11 absence of other facts or circumstances, constitute probable cause for
12 arrest for possession of a controlled substance prohibited by state law, city
13 ordinance or county resolution, if the individual has a valid, unrevoked and
14 unexpired patient identification card, caregiver identification card, medical
15 cannabis grower-distributor license or medical cannabis dispensary license
16 in the individual's possession.

17 (2) As used in this subsection, "other facts or circumstances" include,
18 but are not limited to, quantity, method of packaging or labeling,
19 statements by the individual in possession or other information leading a
20 reasonable law enforcement officer to believe the acts involving cannabis
21 or medical cannabis consumer products are not in accordance with the
22 veterans first medical cannabis act.

23 (3) Absent an arrest, a law enforcement officer, with reasonable
24 suspicion that the substance is not possessed or used in accordance with
25 the veterans first medical cannabis act, may seize a portion of the
26 substance adequate for further testing.

27 (c) This section shall be part of and supplemental to article 57 of
28 chapter 21 of the Kansas Statutes Annotated, and amendments thereto.

29 Sec. 15. K.S.A. 2018 Supp. 21-5703 is hereby amended to read as
30 follows: 21-5703. (a) It shall be unlawful for any person to manufacture
31 any controlled substance or controlled substance analog.

32 (b) Violation or attempted violation of subsection (a) is a:

33 (1) Drug severity level 2 felony, except as provided in subsections (b)
34 (2) and (b)(3);

35 (2) drug severity level 1 felony if:

36 (A) The controlled substance is not methamphetamine, as defined by
37 ~~subsection (d)(3) or (f)(1) of K.S.A. 65-4107(d)(3) or (f)(1),~~ and
38 amendments thereto, or an analog thereof; and

39 (B) the offender has a prior conviction for unlawful manufacturing of
40 a controlled substance under this section, K.S.A. 65-4159, prior to its
41 repeal, K.S.A. 2010 Supp. 21-36a03, prior to its transfer, or a substantially
42 similar offense from another jurisdiction and the substance was not
43 methamphetamine, as defined by ~~subsection (d)(3) or (f)(1) of K.S.A. 65-~~

1 4107(d)(3) or (f)(1), and amendments thereto, or an analog thereof, in any
2 such prior conviction; and

3 (3) drug severity level 1 felony if the controlled substance is
4 methamphetamine, as defined by ~~subsection (d)(3) or (f)(1)~~ of K.S.A. 65-
5 4107(d)(3) or (f)(1), and amendments thereto, or an analog thereof.

6 (c) The provisions of ~~subsection (d)~~ of K.S.A. 2018 Supp. 21-
7 5301(d), and amendments thereto, shall not apply to a violation of
8 attempting to unlawfully manufacture any controlled substance or
9 controlled substance analog pursuant to this section.

10 (d) For persons arrested and charged under this section, bail shall be
11 at least \$50,000 cash or surety, and such person shall not be released upon
12 the person's own recognizance pursuant to K.S.A. 22-2802, and
13 amendments thereto, unless the court determines, on the record, that the
14 defendant is not likely to re-offend, the court imposes pretrial supervision,
15 or the defendant agrees to participate in a licensed or certified drug
16 treatment program.

17 (e) The sentence of a person who violates this section shall not be
18 subject to statutory provisions for suspended sentence, community service
19 work or probation.

20 (f) The sentence of a person who violates this section, K.S.A. 65-
21 4159, prior to its repeal or K.S.A. 2010 Supp. 21-36a03, prior to its
22 transfer, shall not be reduced because these sections prohibit conduct
23 identical to that prohibited by K.S.A. 65-4161 or 65-4163, prior to their
24 repeal, K.S.A. 2010 Supp. 21-36a05, prior to its transfer, or K.S.A. 2018
25 Supp. 21-5705, and amendments thereto.

26 (g) *The provisions of this section shall not apply to any medical*
27 *cannabis grower-distributor licensed by the department of revenue under*
28 *section 4, and amendments thereto, that is preparing medical cannabis*
29 *consumer products, as defined in section 2, and amendments thereto, when*
30 *used for acts authorized by the veterans first medical cannabis act.*

31 Sec. 16. K.S.A. 2018 Supp. 21-5705 is hereby amended to read as
32 follows: 21-5705. (a) It shall be unlawful for any person to distribute or
33 possess with the intent to distribute any of the following controlled
34 substances or controlled substance analogs thereof:

35 (1) Opiates, opium or narcotic drugs, or any stimulant designated in
36 ~~subsection (d)(1), (d)(3) or (f)(1)~~ of K.S.A. 65-4107(d)(1), (d)(3) or (f)(1),
37 and amendments thereto;

38 (2) any depressant designated in ~~subsection (e)~~ of K.S.A. 65-4105(e),
39 ~~subsection (e)~~ of K.S.A. 65-4107(e), ~~subsection (b) or (c)~~ of K.S.A. 65-
40 4109(b) or (c) or ~~subsection (b)~~ of K.S.A. 65-4111(b), and amendments
41 thereto;

42 (3) any stimulant designated in ~~subsection (f)~~ of K.S.A. 65-4105(f),
43 ~~subsection (d)(2), (d)(4), (d)(5) or (f)(2)~~ of K.S.A. 65-4107(d)(2), (d)(4),

1 ~~(d)(5) or (f)(2) or subsection (e) of K.S.A. 65-4109(e), and amendments~~
 2 ~~thereto;~~

3 (4) any hallucinogenic drug designated in ~~subsection (d) of K.S.A.~~
 4 ~~65-4105(d), subsection (g) of K.S.A. 65-4107(g) or subsection (g) of~~
 5 ~~K.S.A. 65-4109(g), and amendments thereto;~~

6 (5) any substance designated in ~~subsection (g) of K.S.A. 65-4105(g)~~
 7 ~~and subsection (e), (d), (e), (f) or (g) of K.S.A. 65-4111(c) through (g), and~~
 8 ~~amendments thereto;~~

9 (6) any anabolic steroids as defined in ~~subsection (f) of K.S.A. 65-~~
 10 ~~4109(f), and amendments thereto; or~~

11 (7) any substance designated in ~~subsection (h) of K.S.A. 65-4105(h),~~
 12 ~~and amendments thereto.~~

13 (b) It shall be unlawful for any person to distribute or possess with
 14 the intent to distribute a controlled substance or a controlled substance
 15 analog designated in K.S.A. 65-4113, and amendments thereto.

16 (c) It shall be unlawful for any person to cultivate any controlled
 17 substance or controlled substance analog listed in subsection (a).

18 (d) (1) Except as provided further, violation of subsection (a) is a:

19 (A) Drug severity level 4 felony if the quantity of the material was
 20 less than 3.5 grams;

21 (B) drug severity level 3 felony if the quantity of the material was at
 22 least 3.5 grams but less than 100 grams;

23 (C) drug severity level 2 felony if the quantity of the material was at
 24 least 100 grams but less than 1 kilogram; and

25 (D) drug severity level 1 felony if the quantity of the material was 1
 26 kilogram or more.

27 (2) Violation of subsection (a) with respect to material containing any
 28 quantity of marijuana, or an analog thereof, is a:

29 (A) Drug severity level 4 felony if the quantity of the material was
 30 less than 25 grams;

31 (B) drug severity level 3 felony if the quantity of the material was at
 32 least 25 grams but less than 450 grams;

33 (C) drug severity level 2 felony if the quantity of the material was at
 34 least 450 grams but less than 30 kilograms; and

35 (D) drug severity level 1 felony if the quantity of the material was 30
 36 kilograms or more.

37 (3) Violation of subsection (a) with respect to material containing any
 38 quantity of heroin, as defined by ~~subsection (c)(1) of K.S.A. 65-4105(c)~~
 39 ~~(1), and amendments thereto, or methamphetamine, as defined by~~
 40 ~~subsection (d)(3) or (f)(1) of K.S.A. 65-4107(d)(3) or (f)(1), and~~
 41 ~~amendments thereto, or an analog thereof, is a:~~

42 (A) Drug severity level 4 felony if the quantity of the material was
 43 less than 1 gram;

- 1 (B) drug severity level 3 felony if the quantity of the material was at
2 least 1 gram but less than 3.5 grams;
- 3 (C) drug severity level 2 felony if the quantity of the material was at
4 least 3.5 grams but less than 100 grams; and
- 5 (D) drug severity level 1 felony if the quantity of the material was
6 100 grams or more.
- 7 (4) Violation of subsection (a) with respect to material containing any
8 quantity of a controlled substance designated in K.S.A. 65-4105, 65-4107,
9 65-4109 or 65-4111, and amendments thereto, or an analog thereof,
10 distributed by dosage unit, is a:
- 11 (A) Drug severity level 4 felony if the number of dosage units was
12 fewer than 10;
- 13 (B) drug severity level 3 felony if the number of dosage units was at
14 least 10 but less than 100;
- 15 (C) drug severity level 2 felony if the number of dosage units was at
16 least 100 but less than 1,000; and
- 17 (D) drug severity level 1 felony if the number of dosage units was
18 1,000 or more.
- 19 (5) For any violation of subsection (a), the severity level of the
20 offense shall be increased one level if the controlled substance or
21 controlled substance analog was distributed or possessed with the intent to
22 distribute on or within 1,000 feet of any school property.
- 23 (6) Violation of subsection (b) is a:
- 24 (A) Class A person misdemeanor, except as provided in ~~subsection~~
25 ~~(4)(6) subparagraph~~ (B); and
- 26 (B) nondrug severity level 7, person felony if the substance was
27 distributed to or possessed with the intent to distribute to a minor.
- 28 (7) Violation of subsection (c) is a:
- 29 (A) Drug severity level 3 felony if the number of plants cultivated
30 was more than 4 but fewer than 50;
- 31 (B) drug severity level 2 felony if the number of plants cultivated was
32 at least 50 but fewer than 100; and
- 33 (C) drug severity level 1 felony if the number of plants cultivated was
34 100 or more.
- 35 (e) In any prosecution under this section, there shall be a rebuttable
36 presumption of an intent to distribute if any person possesses the following
37 quantities of controlled substances or analogs thereof:
- 38 (1) 450 grams or more of marijuana;
- 39 (2) 3.5 grams or more of heroin or methamphetamine;
- 40 (3) 100 dosage units or more containing a controlled substance; or
- 41 (4) 100 grams or more of any other controlled substance.
- 42 (f) It shall not be a defense to charges arising under this section that
43 the defendant:

1 (1) Was acting in an agency relationship on behalf of any other party
2 in a transaction involving a controlled substance or controlled substance
3 analog;

4 (2) did not know the quantity of the controlled substance or
5 controlled substance analog; or

6 (3) did not know the specific controlled substance or controlled
7 substance analog contained in the material that was distributed or
8 possessed with the intent to distribute.

9 (g) *The provisions of subsections (a)(4) and (5) shall not apply to:*

10 (1) *Any medical cannabis grower-distributor licensed by the*
11 *department of revenue under section 4, and amendments thereto, or any*
12 *employee or agent thereof, that is growing cannabis for the purpose of*
13 *sale to a medical cannabis dispensary as authorized by section 4, and*
14 *amendments thereto; or*

15 (2) *any medical cannabis dispensary licensed by the state board of*
16 *pharmacy under section 6, and amendments thereto, or any employee or*
17 *agent thereof, that is engaging in the transfer of medical cannabis*
18 *consumer products in a manner authorized by sections 6, and amendments*
19 *thereto.*

20 (h) As used in this section:

21 (1) "Material" means the total amount of any substance, including a
22 compound or a mixture, ~~which~~ *that* contains any quantity of a controlled
23 substance or controlled substance analog.

24 (2) "Dosage unit" means a controlled substance or controlled
25 substance analog distributed or possessed with the intent to distribute as a
26 discrete unit, including but not limited to, one pill, one capsule or one
27 microdot, and not distributed by weight.

28 (A) For steroids, or controlled substances in liquid solution legally
29 manufactured for prescription use, or an analog thereof, "dosage unit"
30 means the smallest medically approved dosage unit, as determined by the
31 label, materials provided by the manufacturer, a prescribing authority,
32 licensed health care professional or other qualified health authority.

33 (B) For illegally manufactured controlled substances in liquid
34 solution, or controlled substances in liquid products not intended for
35 ingestion by human beings, or an analog thereof, "dosage unit" means 10
36 milligrams, including the liquid carrier medium, except as provided in
37 subsection (g)(2)(C).

38 (C) For lysergic acid diethylamide (LSD) in liquid form, or an analog
39 thereof, a dosage unit is defined as 0.4 milligrams, including the liquid
40 medium.

41 Sec. 17. K.S.A. 2018 Supp. 21-5706 is hereby amended to read as
42 follows: 21-5706. (a) It shall be unlawful for any person to possess any
43 opiates, opium or narcotic drugs, or any stimulant designated in K.S.A. 65-

1 4107(d)(1), (d)(3) or (f)(1), and amendments thereto, or a controlled
2 substance analog thereof.

3 (b) It shall be unlawful for any person to possess any of the following
4 controlled substances or controlled substance analogs thereof:

5 (1) Any depressant designated in K.S.A. 65-4105(e), K.S.A. 65-
6 4107(e), K.S.A. 65-4109(b) or (c) or K.S.A. 65-4111(b), and amendments
7 thereto;

8 (2) any stimulant designated in K.S.A. 65-4105(f), K.S.A. 65-4107(d)
9 (2), (d)(4), (d)(5) or (f)(2) or K.S.A. 65-4109(e), and amendments thereto;

10 (3) any hallucinogenic drug designated in K.S.A. 65-4105(d), K.S.A.
11 65-4107(g) or K.S.A. 65-4109(g), and amendments thereto;

12 (4) any substance designated in K.S.A. 65-4105(g) and K.S.A. 65-
13 4111(c), (d), (e), (f) or (g), and amendments thereto;

14 (5) any anabolic steroids as defined in K.S.A. 65-4109(f), and
15 amendments thereto;

16 (6) any substance designated in K.S.A. 65-4113, and amendments
17 thereto; or

18 (7) any substance designated in K.S.A. 65-4105(h), and amendments
19 thereto.

20 (c) (1) Violation of subsection (a) is a drug severity level 5 felony.

21 (2) Except as provided in subsection (c)(3):

22 (A) Violation of subsection (b) is a class A nonperson misdemeanor,
23 except as provided in subsection (c)(2)(B); and

24 (B) violation of subsection (b)(1) through (b)(5) or (b)(7) is a drug
25 severity level 5 felony if that person has a prior conviction under such
26 subsection, under K.S.A. 65-4162, prior to its repeal, under a substantially
27 similar offense from another jurisdiction, or under any city ordinance or
28 county resolution for a substantially similar offense if the substance
29 involved was 3, 4-methylenedioxymethamphetamine (MDMA), marijuana
30 as designated in K.S.A. 65-4105(d), and amendments thereto, or any
31 substance designated in K.S.A. 65-4105(h), and amendments thereto, or an
32 analog thereof.

33 (3) If the substance involved is marijuana, as designated in K.S.A.
34 65-4105(d), and amendments thereto, or tetrahydrocannabinols, as
35 designated in K.S.A. 65-4105(h), and amendments thereto, violation of
36 subsection (b) is a:

37 (A) Class B nonperson misdemeanor, except as provided in (c)(3)(B)
38 and (c)(3)(C);

39 (B) class A nonperson misdemeanor if that person has a prior
40 conviction under such subsection, under K.S.A. 65-4162, prior to its
41 repeal, under a substantially similar offense from another jurisdiction, or
42 under any city ordinance or county resolution for a substantially similar
43 offense; and

1 (C) drug severity level 5 felony if that person has two or more prior
2 convictions under such subsection, under K.S.A. 65-4162, prior to its
3 repeal, under a substantially similar offense from another jurisdiction, or
4 under any city ordinance or county resolution for a substantially similar
5 offense.

6 (d) It shall not be a defense to charges arising under this section that
7 the defendant was acting in an agency relationship on behalf of any other
8 party in a transaction involving a controlled substance or controlled
9 substance analog.

10 (e) *If the substance involved is medical cannabis consumer product,*
11 *as defined in section 2, and amendments thereto, the provisions of*
12 *subsections (b) and (c) shall not apply to any person who is:*

13 (1) *A medical cannabis grower-distributor licensed by the Kansas*
14 *department of agriculture under section 4, and amendments thereto, or*
15 *any employee or agent thereof, whose possession is authorized by the*
16 *veterans first medical cannabis act;*

17 (2) *a medical cannabis dispensary licensed by the state board of*
18 *pharmacy under section 6, and amendments thereto, or any employee or*
19 *agent thereof, whose possession is authorized by the veterans first medical*
20 *cannabis act;*

21 (3) *a patient who has been issued a patient identification card under*
22 *section 3, and amendments thereto, whose possession is authorized by the*
23 *veterans first medical cannabis act; or*

24 (4) *a primary caregiver who has been issued a caregiver*
25 *identification card under section 3, and amendments thereto, whose*
26 *possession is authorized by the veterans first medical cannabis act.*

27 Sec. 18. K.S.A. 2018 Supp. 21-5707 is hereby amended to read as
28 follows: 21-5707. (a) It shall be unlawful for any person to knowingly or
29 intentionally use any communication facility:

30 (1) In committing, causing, or facilitating the commission of any
31 felony under K.S.A. 2018 Supp. 21-5703, 21-5705 or 21-5706, and
32 amendments thereto; or

33 (2) in any attempt to commit, any conspiracy to commit, or any
34 criminal solicitation of any felony under K.S.A. 2018 Supp. 21-5703, 21-
35 5705 or 21-5706, and amendments thereto. Each separate use of a
36 communication facility may be charged as a separate offense under this
37 subsection.

38 (b) Violation of subsection (a) is a nondrug severity level 8,
39 nonperson felony.

40 (c) *The provisions of this section shall not apply to any person using*
41 *communication facilities solely within the scope of activities authorized by*
42 *the veterans first medical cannabis act.*

43 (d) As used in this section, "communication facility" means any and

1 all public and private instrumentalities used or useful in the transmission
2 of writing, signs, signals, pictures or sounds of all kinds and includes
3 telephone, wire, radio, computer, computer networks, beepers, pagers and
4 all other means of communication.

5 Sec. 19. K.S.A. 2018 Supp. 21-5709 is hereby amended to read as
6 follows: 21-5709. (a) It shall be unlawful for any person to possess
7 ephedrine, pseudoephedrine, red phosphorus, lithium metal, sodium metal,
8 iodine, anhydrous ammonia, pressurized ammonia or
9 phenylpropanolamine, or their salts, isomers or salts of isomers with an
10 intent to use the product to manufacture a controlled substance.

11 (b) It shall be unlawful for any person to use or possess with intent to
12 use any drug paraphernalia to:

13 (1) Manufacture, cultivate, plant, propagate, harvest, test, analyze or
14 distribute a controlled substance; or

15 (2) store, contain, conceal, inject, ingest, inhale or otherwise
16 introduce a controlled substance into the human body.

17 (c) It shall be unlawful for any person to use or possess with intent to
18 use anhydrous ammonia or pressurized ammonia in a container not
19 approved for that chemical by the Kansas department of agriculture.

20 (d) It shall be unlawful for any person to purchase, receive or
21 otherwise acquire at retail any compound, mixture or preparation
22 containing more than 3.6 grams of pseudoephedrine base or ephedrine
23 base in any single transaction or any compound, mixture or preparation
24 containing more than nine grams of pseudoephedrine base or ephedrine
25 base within any 30-day period.

26 (e) (1) Violation of subsection (a) is a drug severity level 3 felony;

27 (2) violation of subsection (b)(1) is a:

28 (A) Drug severity level 5 felony, except as provided in subsection (e)
29 (2)(B); and

30 (B) class B nonperson misdemeanor if the drug paraphernalia was
31 used to cultivate fewer than five marijuana plants;

32 (3) violation of subsection (b)(2) is a class B nonperson
33 misdemeanor;

34 (4) violation of subsection (c) is a drug severity level 5 felony; and

35 (5) violation of subsection (d) is a class A nonperson misdemeanor.

36 (f) For persons arrested and charged under subsection (a) or (c), bail
37 shall be at least \$50,000 cash or surety, and such person shall not be
38 released upon the person's own recognizance pursuant to K.S.A. 22-2802,
39 and amendments thereto, unless the court determines, on the record, that
40 the defendant is not likely to reoffend, the court imposes pretrial
41 supervision or the defendant agrees to participate in a licensed or certified
42 drug treatment program.

43 (g) *The provisions of subsection (b) shall not apply to any person*

1 *licensed or authorized by the veterans first medical cannabis act whose*
 2 *possession of such equipment or material is used solely for the*
 3 *administration of medical cannabis consumer products in a manner*
 4 *authorized by the veterans first medical cannabis act.*

5 Sec. 20. K.S.A. 2018 Supp. 21-5710 is hereby amended to read as
 6 follows: 21-5710. (a) It shall be unlawful for any person to advertise,
 7 market, label, distribute or possess with the intent to distribute:

8 (1) Any product containing ephedrine, pseudoephedrine, red
 9 phosphorus, lithium metal, sodium metal, iodine, anhydrous ammonia,
 10 pressurized ammonia or phenylpropanolamine or their salts, isomers or
 11 salts of isomers if the person knows or reasonably should know that the
 12 purchaser will use the product to manufacture a controlled substance or
 13 controlled substance analog; or

14 (2) any product containing ephedrine, pseudoephedrine or
 15 phenylpropanolamine, or their salts, isomers or salts of isomers for
 16 indication of stimulation, mental alertness, weight loss, appetite control,
 17 energy or other indications not approved pursuant to the pertinent federal
 18 over-the-counter drug final monograph or tentative final monograph or
 19 approved new drug application.

20 (b) It shall be unlawful for any person to distribute, possess with the
 21 intent to distribute or manufacture with intent to distribute any drug
 22 paraphernalia, knowing or under circumstances where one reasonably
 23 should know that it will be used to manufacture or distribute a controlled
 24 substance or controlled substance analog in violation of K.S.A. 2018 Supp.
 25 21-5701 through 21-5717, and amendments thereto.

26 (c) It shall be unlawful for any person to distribute, possess with
 27 intent to distribute or manufacture with intent to distribute any drug
 28 paraphernalia, knowing or under circumstances where one reasonably
 29 should know, that it will be used as such in violation of K.S.A. 2018 Supp.
 30 21-5701 through 21-5717, and amendments thereto, ~~except subsection (b)~~
 31 ~~of K.S.A. 2018 Supp. 21-5706(b)~~, and amendments thereto.

32 (d) It shall be unlawful for any person to distribute, possess with
 33 intent to distribute or manufacture with intent to distribute any drug
 34 paraphernalia, knowing, or under circumstances where one reasonably
 35 should know, that it will be used as such in violation of ~~subsection (b)~~ of
 36 K.S.A. 2018 Supp. 21-5706(b), and amendments thereto.

37 (e) (1) Violation of subsection (a) is a drug severity level 3 felony;

38 (2) violation of subsection (b) is a:

39 (A) Drug severity level 5 felony, except as provided in subsection (e)
 40 (2)(B); and

41 (B) drug severity level 4 felony if the trier of fact makes a finding that
 42 the offender distributed or caused drug paraphernalia to be distributed to a
 43 minor or on or within 1,000 feet of any school property;

1 (3) violation of subsection (c) is a:

2 (A) Nondrug severity level 9, nonperson felony, except as provided in
3 subsection (e)(3)(B); and

4 (B) drug severity level 5 felony if the trier of fact makes a finding that
5 the offender distributed or caused drug paraphernalia to be distributed to a
6 minor or on or within 1,000 feet of any school property; and

7 (4) violation of subsection (d) is a:

8 (A) Class A nonperson misdemeanor, except as provided in
9 subsection (e)(4)(B); and

10 (B) nondrug severity level 9, nonperson felony if the trier of fact
11 makes a finding that the offender distributed or caused drug paraphernalia
12 to be distributed to a minor or on or within 1,000 feet of any school
13 property.

14 (f) For persons arrested and charged under subsection (a), bail shall
15 be at least \$50,000 cash or surety, and such person shall not be released
16 upon the person's own recognizance pursuant to K.S.A. 22-2802, and
17 amendments thereto, unless the court determines, on the record, that the
18 defendant is not likely to re-offend, the court imposes pretrial supervision
19 or the defendant agrees to participate in a licensed or certified drug
20 treatment program.

21 (g) *The provisions of subsection (c) shall not apply to any person*
22 *licensed or authorized by the veterans first medical cannabis act whose*
23 *distribution or manufacture is used solely for medical cannabis consumer*
24 *product in a manner authorized by the veterans first medical cannabis act.*

25 (h) As used in this section, "or under circumstances where one
26 reasonably should know" that an item will be used in violation of this
27 section, shall include, but not be limited to, the following:

28 (1) Actual knowledge from prior experience or statements by
29 customers;

30 (2) inappropriate or impractical design for alleged legitimate use;

31 (3) receipt of packaging material, advertising information or other
32 manufacturer supplied information regarding the item's use as drug
33 paraphernalia; or

34 (4) receipt of a written warning from a law enforcement or
35 prosecutorial agency having jurisdiction that the item has been previously
36 determined to have been designed specifically for use as drug
37 paraphernalia.

38 Sec. 21. K.S.A. 2017 Supp. 65-1120, as amended by section 5 of
39 chapter 42 of the 2018 Session Laws of Kansas, is hereby amended to read
40 as follows: 65-1120. (a) *Grounds for disciplinary actions.* The board may
41 deny, revoke, limit or suspend any license or authorization to practice
42 nursing as a registered professional nurse, as a licensed practical nurse, as
43 an advanced practice registered nurse or as a registered nurse anesthetist

1 that is issued by the board or applied for under this act, or may require the
2 licensee to attend a specific number of hours of continuing education in
3 addition to any hours the licensee may already be required to attend or
4 may publicly or privately censure a licensee or holder of a temporary
5 permit or authorization, if the applicant, licensee or holder of a temporary
6 permit or authorization is found after hearing:

7 (1) To be guilty of fraud or deceit in practicing nursing or in
8 procuring or attempting to procure a license to practice nursing;

9 (2) to have been guilty of a felony or to have been guilty of a
10 misdemeanor involving an illegal drug offense unless the applicant or
11 licensee establishes sufficient rehabilitation to warrant the public trust,
12 except that notwithstanding K.S.A. 74-120, and amendments thereto, no
13 license or authorization to practice nursing as a licensed professional
14 nurse, as a licensed practical nurse, as an advanced practice registered
15 nurse or registered nurse anesthetist shall be granted to a person with a
16 felony conviction for a crime against persons as specified in article 34 of
17 chapter 21 of the Kansas Statutes Annotated, prior to their repeal, or article
18 54 of chapter 21 of the Kansas Statutes Annotated, or K.S.A. ~~2017~~ 2018
19 Supp. 21-6104, 21-6325, 21-6326 or 21-6418, and amendments thereto;

20 (3) has been convicted or found guilty or has entered into an agreed
21 disposition of a misdemeanor offense related to the practice of nursing as
22 determined on a case-by-case basis;

23 (4) to have committed an act of professional incompetency as defined
24 in subsection (e);

25 (5) to be unable to practice with skill and safety due to current abuse
26 of drugs or alcohol;

27 (6) to be a person who has been adjudged in need of a guardian or
28 conservator, or both, under the act for obtaining a guardian or conservator,
29 or both, and who has not been restored to capacity under that act;

30 (7) to be guilty of unprofessional conduct as defined by rules and
31 regulations of the board;

32 (8) to have willfully or repeatedly violated the provisions of the
33 Kansas nurse practice act or any rules and regulations adopted pursuant to
34 that act, including K.S.A. 65-1114 and 65-1122, and amendments thereto;

35 (9) to have a license to practice nursing as a registered nurse or as a
36 practical nurse denied, revoked, limited or suspended, or to be publicly or
37 privately censured, by a licensing authority of another state, agency of the
38 United States government, territory of the United States or country or to
39 have other disciplinary action taken against the applicant or licensee by a
40 licensing authority of another state, agency of the United States
41 government, territory of the United States or country. A certified copy of
42 the record or order of public or private censure, denial, suspension,
43 limitation, revocation or other disciplinary action of the licensing authority

1 of another state, agency of the United States government, territory of the
 2 United States or country shall constitute prima facie evidence of such a
 3 fact for purposes of this paragraph (9); or

4 (10) to have assisted suicide in violation of K.S.A. 21-3406, prior to
 5 its repeal, or K.S.A. ~~2017~~ 2018 Supp. 21-5407, and amendments thereto,
 6 as established by any of the following:

7 (A) A copy of the record of criminal conviction or plea of guilty for a
 8 felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. ~~2017~~
 9 2018 Supp. 21-5407, and amendments thereto.

10 (B) A copy of the record of a judgment of contempt of court for
 11 violating an injunction issued under K.S.A. ~~2017~~ 2018 Supp. 60-4404, and
 12 amendments thereto.

13 (C) A copy of the record of a judgment assessing damages under
 14 K.S.A. ~~2017~~ 2018 Supp. 60-4405, and amendments thereto.

15 (b) *Proceedings.* Upon filing of a sworn complaint with the board
 16 charging a person with having been guilty of any of the unlawful practices
 17 specified in subsection (a), two or more members of the board shall
 18 investigate the charges, or the board may designate and authorize an
 19 employee or employees of the board to conduct an investigation. After
 20 investigation, the board may institute charges. If an investigation, in the
 21 opinion of the board, reveals reasonable grounds for believing the
 22 applicant or licensee is guilty of the charges, the board shall fix a time and
 23 place for proceedings, ~~which~~ *that* shall be conducted in accordance with
 24 the provisions of the Kansas administrative procedure act.

25 (c) *Witnesses.* No person shall be excused from testifying in any
 26 proceedings before the board under this act or in any civil proceedings
 27 under this act before a court of competent jurisdiction on the ground that
 28 such testimony may incriminate the person testifying, but such testimony
 29 shall not be used against the person for the prosecution of any crime under
 30 the laws of this state except the crime of perjury as defined in K.S.A. ~~2017~~
 31 2018 Supp. 21-5903, and amendments thereto.

32 (d) *Costs.* If final agency action of the board in a proceeding under
 33 this section is adverse to the applicant or licensee, the costs of the board's
 34 proceedings shall be charged to the applicant or licensee as in ordinary
 35 civil actions in the district court, but if the board is the unsuccessful party,
 36 the costs shall be paid by the board. Witness fees and costs may be taxed
 37 by the board according to the statutes relating to procedure in the district
 38 court. All costs accrued by the board, when it is the successful party, ~~and~~
 39 ~~which~~ *that* the attorney general certifies cannot be collected from the
 40 applicant or licensee shall be paid from the board of nursing fee fund. All
 41 moneys collected following board proceedings shall be credited in full to
 42 the board of nursing fee fund.

43 (e) *Professional incompetency defined.* As used in this section,

1 "professional incompetency" means:

2 (1) One or more instances involving failure to adhere to the
3 applicable standard of care to a degree ~~which~~ *that* constitutes gross
4 negligence, as determined by the board;

5 (2) repeated instances involving failure to adhere to the applicable
6 standard of care to a degree ~~which~~ *that* constitutes ordinary negligence, as
7 determined by the board; or

8 (3) a pattern of practice or other behavior ~~which~~ *that* demonstrates a
9 manifest incapacity or incompetence to practice nursing.

10 (f) *Criminal justice information.* The board upon request shall receive
11 from the Kansas bureau of investigation such criminal history record
12 information relating to arrests and criminal convictions as necessary for
13 the purpose of determining initial and continuing qualifications of
14 licensees of and applicants for licensure by the board.

15 (g) *The board shall not deny, revoke, limit or suspend an advanced
16 practice registered nurse's license or publicly or privately censure an
17 advanced practice registered nurse upon any of the following:*

18 (1) *The advanced practice registered nurse, after diagnosing a
19 patient with a qualifying medical condition or after knowing that a patient
20 has been validly diagnosed with a qualifying medical condition by a
21 healthcare provider:*

22 (A) *Advised the patient about the possible benefits and risks of using
23 medical cannabis consumer products;*

24 (B) *advised the patient that using medical cannabis consumer
25 products may mitigate the symptoms of the patient's qualifying medical
26 condition; or*

27 (C) *issued to the patient a valid, written certification under section 3,
28 and amendments thereto;*

29 (2) *the advanced practice registered nurse uses or has used medical
30 cannabis consumer products in accordance with the veterans first medical
31 cannabis act; or*

32 (3) *the advanced practice registered nurse acts or has acted as a
33 person's primary caregiver in accordance with the veterans first medical
34 cannabis act.*

35 Sec. 22. K.S.A. 65-2836 is hereby amended to read as follows: 65-
36 2836. (a) A licensee's license may be revoked, suspended or limited, or the
37 licensee may be publicly censured or placed under probationary
38 conditions, or an application for a license or for reinstatement of a license
39 may be denied upon a finding of the existence of any of the following
40 grounds:

41 ~~(a)~~(1) The licensee has committed fraud or misrepresentation in
42 applying for or securing an original, renewal or reinstated license.

43 ~~(b)~~(2) The licensee has committed an act of unprofessional or

1 dishonorable conduct or professional incompetency, except that the board
2 may take appropriate disciplinary action or enter into a non-disciplinary
3 resolution when a licensee has engaged in any conduct or professional
4 practice on a single occasion that, if continued, would reasonably be
5 expected to constitute an inability to practice the healing arts with
6 reasonable skill and safety to patients or unprofessional conduct as defined
7 in K.S.A. 65-2837, and amendments thereto.

8 ~~(e)~~(3) The licensee has been convicted of a felony or class A
9 misdemeanor, or substantially similar offense in another jurisdiction,
10 whether or not related to the practice of the healing arts. The licensee has
11 been convicted in a special or general court-martial, whether or not related
12 to the practice of the healing arts. The board shall revoke a licensee's
13 license following conviction of a felony or substantially similar offense in
14 another jurisdiction, or following conviction in a general court-martial
15 occurring after July 1, 2000, unless a $\frac{2}{3}$ majority of the board members
16 present and voting determine by clear and convincing evidence that such
17 licensee will not pose a threat to the public in such person's capacity as a
18 licensee and that such person has been sufficiently rehabilitated to warrant
19 the public trust. In the case of a person who has been convicted of a felony
20 or convicted in a general court-martial and who applies for an original
21 license or to reinstate a canceled license, the application for a license shall
22 be denied unless a $\frac{2}{3}$ majority of the board members present and voting on
23 such application determine by clear and convincing evidence that such
24 person will not pose a threat to the public in such person's capacity as a
25 licensee and that such person has been sufficiently rehabilitated to warrant
26 the public trust.

27 ~~(d)~~(4) The licensee has used fraudulent or false advertisements.

28 ~~(e)~~(5) The licensee is addicted to or has distributed intoxicating
29 liquors or drugs for any other than lawful purposes.

30 ~~(f)~~(6) The licensee has willfully or repeatedly violated this act, the
31 pharmacy act of the state of Kansas or the uniform controlled substances
32 act, or any rules and regulations adopted pursuant thereto, or any rules and
33 regulations of the secretary of health and environment ~~which~~ that are
34 relevant to the practice of the healing arts.

35 ~~(g)~~(7) The licensee has unlawfully invaded the field of practice of any
36 branch of the healing arts in which the licensee is not licensed to practice.

37 ~~(h)~~(8) The licensee has engaged in the practice of the healing arts
38 under a false or assumed name, or the impersonation of another
39 practitioner. The provisions of this subsection relating to an assumed name
40 shall not apply to licensees practicing under a professional corporation or
41 other legal entity duly authorized to provide such professional services in
42 the state of Kansas.

43 ~~(i)~~(9) The licensee's ability to practice the healing arts with

1 reasonable skill and safety to patients is impaired by reason of physical or
2 mental illness, or condition or use of alcohol, drugs or controlled
3 substances. All information, reports, findings and other records relating to
4 impairment shall be confidential and not subject to discovery by or release
5 to any person or entity outside of a board proceeding.

6 ~~(j)~~(10) The licensee has had a license to practice the healing arts
7 revoked, suspended or limited, has been censured or has had other
8 disciplinary action taken, or an application for a license denied, by the
9 proper licensing authority of another state, territory, District of Columbia,
10 or other country.

11 ~~(k)~~(11) The licensee has violated any lawful rule and regulation
12 promulgated by the board or violated any lawful order or directive of the
13 board previously entered by the board.

14 ~~(l)~~(12) The licensee has failed to report or reveal the knowledge
15 required to be reported or revealed under K.S.A. 65-28,122, and
16 amendments thereto.

17 ~~(m)~~(13) The licensee, if licensed to practice medicine and surgery,
18 has failed to inform in writing a patient suffering from any form of
19 abnormality of the breast tissue for which surgery is a recommended form
20 of treatment, of alternative methods of treatment recognized by licensees
21 of the same profession in the same or similar communities as being
22 acceptable under like conditions and circumstances.

23 ~~(n)~~(14) The licensee has cheated on or attempted to subvert the
24 validity of the examination for a license.

25 ~~(o)~~(15) The licensee has been found to be mentally ill, disabled, not
26 guilty by reason of insanity, not guilty because the licensee suffers from a
27 mental disease or defect or incompetent to stand trial by a court of
28 competent jurisdiction.

29 ~~(p)~~(16) The licensee has prescribed, sold, administered, distributed or
30 given a controlled substance to any person for other than medically
31 accepted or lawful purposes.

32 ~~(q)~~(17) The licensee has violated a federal law or regulation relating
33 to controlled substances.

34 ~~(r)~~(18) The licensee has failed to furnish the board, or its investigators
35 or representatives, any information legally requested by the board.

36 ~~(s)~~(19) Sanctions or disciplinary actions have been taken against the
37 licensee by a peer review committee, health care facility, a governmental
38 agency or department or a professional association or society for acts or
39 conduct similar to acts or conduct ~~which~~ *that* would constitute grounds for
40 disciplinary action under this section.

41 ~~(t)~~(20) The licensee has failed to report to the board any adverse
42 action taken against the licensee by another state or licensing jurisdiction,
43 a peer review body, a health care facility, a professional association or

1 society, a governmental agency, by a law enforcement agency or a court
2 for acts or conduct similar to acts or conduct ~~which that~~ would constitute
3 grounds for disciplinary action under this section.

4 ~~(t)~~(21) The licensee has surrendered a license or authorization to
5 practice the healing arts in another state or jurisdiction, has surrendered the
6 authority to utilize controlled substances issued by any state or federal
7 agency, has agreed to a limitation to or restriction of privileges at any
8 medical care facility or has surrendered the licensee's membership on any
9 professional staff or in any professional association or society while under
10 investigation for acts or conduct similar to acts or conduct ~~which that~~
11 would constitute grounds for disciplinary action under this section.

12 ~~(v)~~(22) The licensee has failed to report to the board surrender of the
13 licensee's license or authorization to practice the healing arts in another
14 state or jurisdiction or surrender of the licensee's membership on any
15 professional staff or in any professional association or society while under
16 investigation for acts or conduct similar to acts or conduct ~~which that~~
17 would constitute grounds for disciplinary action under this section.

18 ~~(w)~~(23) The licensee has an adverse judgment, award or settlement
19 against the licensee resulting from a medical liability claim related to acts
20 or conduct similar to acts or conduct ~~which that~~ would constitute grounds
21 for disciplinary action under this section.

22 ~~(x)~~(24) The licensee has failed to report to the board any adverse
23 judgment, settlement or award against the licensee resulting from a
24 medical malpractice liability claim related to acts or conduct similar to acts
25 or conduct ~~which that~~ would constitute grounds for disciplinary action
26 under this section.

27 ~~(y)~~(25) The licensee has failed to maintain a policy of professional
28 liability insurance as required by K.S.A. 40-3402 or 40-3403a, and
29 amendments thereto.

30 ~~(z)~~(26) The licensee has failed to pay the premium surcharges as
31 required by K.S.A. 40-3404, and amendments thereto.

32 ~~(aa)~~(27) The licensee has knowingly submitted any misleading,
33 deceptive, untrue or fraudulent representation on a claim form, bill or
34 statement.

35 ~~(bb)~~(28) The licensee as the supervising physician for a physician
36 assistant has failed to adequately direct and supervise the physician
37 assistant in accordance with the physician assistant licensure act or rules
38 and regulations adopted under such act.

39 ~~(cc)~~(29) The licensee has assisted suicide in violation of K.S.A. 21-
40 3406, prior to its repeal, or K.S.A. 2018 Supp. 21-5407, and amendments
41 thereto, as established by any of the following:

42 ~~(d)~~(A) A copy of the record of criminal conviction or plea of guilty
43 for a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A.

1 2018 Supp. 21-5407, and amendments thereto.

2 ~~(2)~~(B) A copy of the record of a judgment of contempt of court for
3 violating an injunction issued under K.S.A. 60-4404, and amendments
4 thereto.

5 ~~(3)~~(C) A copy of the record of a judgment assessing damages under
6 K.S.A. 60-4405, and amendments thereto.

7 ~~(dd)~~(30) The licensee has given a worthless check or stopped
8 payment on a debit or credit card for fees or moneys legally due to the
9 board.

10 ~~(ee)~~(40) The licensee has knowingly or negligently abandoned
11 medical records.

12 (b) *The board shall not revoke, suspend or limit a physician's license,*
13 *publicly censure a physician or place a physician's license under*
14 *probationary conditions upon any of the following:*

15 (1) *The physician, after diagnosing a patient with a qualifying*
16 *medical condition or after knowing that a patient has been validly*
17 *diagnosed with a qualifying medical condition by a healthcare provider:*

18 (A) *Advised the patient about the possible benefits and risks of using*
19 *medical cannabis consumer products;*

20 (B) *advised the patient that using medical cannabis consumer*
21 *products may mitigate the symptoms of the patient's qualifying medical*
22 *condition; or*

23 (C) *issued to the patient a valid, written certification in accordance*
24 *with section 3, and amendments thereto;*

25 (2) *the physician uses or has used medical cannabis consumer*
26 *products in accordance with the veterans first medical cannabis act; or*

27 (3) *the physician acts or has acted as a patient's primary caregiver in*
28 *accordance with the veterans first medical cannabis act.*

29 Sec. 23. K.S.A. 65-28a05 is hereby amended to read as follows: 65-
30 28a05. (a) A licensee's license may be revoked, suspended or limited, or
31 the licensee may be publicly or privately censured, or an application for a
32 license or for reinstatement of a license may be denied upon a finding of
33 the existence of any of the following grounds:

34 ~~(a)~~(1) The licensee has committed an act of unprofessional conduct as
35 defined by rules and regulations adopted by the board;

36 ~~(b)~~(2) the licensee has obtained a license by means of fraud,
37 misrepresentations or concealment of material facts;

38 ~~(c)~~(3) the licensee has committed an act of professional incompetency
39 as defined by rules and regulations adopted by the board;

40 ~~(d)~~(4) the licensee has been convicted of a felony;

41 ~~(e)~~(5) the licensee has violated any provision of this act, and
42 amendments thereto;

43 ~~(f)~~(6) the licensee has violated any lawful order or rule and regulation

1 of the board;

2 ~~(g)~~(7) the licensee has been found to be mentally ill, disabled, not
3 guilty by reason of insanity, not guilty because the licensee suffers from a
4 mental disease or defect or is incompetent to stand trial by a court of
5 competent jurisdiction;

6 ~~(h)~~(8) the licensee has violated a federal law or regulation relating to
7 controlled substances;

8 ~~(i)~~(9) the licensee has failed to report to the board any adverse action
9 taken against the licensee by another state or licensing jurisdiction, a peer
10 review body, a health care facility, a professional association or society, a
11 governmental agency, by a law enforcement agency or a court for acts or
12 conduct similar to acts or conduct ~~which~~ *that* would constitute grounds for
13 disciplinary action under this section;

14 ~~(j)~~(10) the licensee has surrendered a license or authorization to
15 practice as a physician assistant in another state or jurisdiction, has
16 surrendered the authority to utilize controlled substances issued by any
17 state or federal agency, has agreed to a limitation to or restriction of
18 privileges at any medical care facility or has surrendered the licensee's
19 membership on any professional staff or in any professional association or
20 society while under investigation for acts or conduct similar to acts or
21 conduct ~~which~~ *that* would constitute grounds for disciplinary action under
22 this section;

23 ~~(k)~~(11) the licensee has failed to report to the board the surrender of
24 the licensee's license or authorization to practice as a physician assistant in
25 another state or jurisdiction or the surrender of the licensee's membership
26 on any professional staff or in any professional association or society
27 while under investigation for acts or conduct similar to acts or conduct
28 ~~which~~ *that* would constitute grounds for disciplinary action under this
29 section;

30 ~~(l)~~(12) the licensee has an adverse judgment, award or settlement
31 against the licensee resulting from a medical liability claim related to acts
32 or conduct similar to acts or conduct ~~which~~ *that* would constitute grounds
33 for disciplinary action under this section;

34 ~~(m)~~(13) the licensee has failed to report to the board any adverse
35 judgment, settlement or award against the licensee resulting from a
36 medical malpractice liability claim related to acts or conduct similar to acts
37 or conduct ~~which~~ *that* would constitute grounds for disciplinary action
38 under this section;

39 ~~(n)~~(14) the licensee's ability to practice with reasonable skill and
40 safety to patients is impaired by reason of physical or mental illness, or
41 condition or use of alcohol, drugs or controlled substances. All
42 information, reports, findings and other records relating to impairment
43 shall be confidential and not subject to discovery by or release to any

1 person or entity outside of a board proceeding;

2 ~~(15)~~ the licensee has exceeded or has acted outside the scope of
3 authority given the physician assistant by the supervising physician or by
4 this act; or

5 ~~(16)~~ the licensee has assisted suicide in violation of K.S.A. 21-
6 3406, prior to its repeal, or K.S.A. 2018 Supp. 21-5407, and amendments
7 thereto, as established by any of the following:

8 ~~(A)~~ A copy of the record of criminal conviction or plea of guilty
9 for a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A.
10 2018 Supp. 21-5407, and amendments thereto.

11 ~~(B)~~ A copy of the record of a judgment of contempt of court for
12 violating an injunction issued under K.S.A. 60-4404, and amendments
13 thereto.

14 ~~(C)~~ A copy of the record of a judgment assessing damages under
15 K.S.A. 60-4405, and amendments thereto.

16 *(b) The board shall not revoke, suspend or limit a physician
17 assistant's license, publicly or privately censure a physician assistant or
18 deny an application for a license or for reinstatement of a license upon
19 any of the following:*

20 *(1) The physician assistant, after diagnosing a patient with a
21 qualifying medical condition or after knowing that a patient has been
22 validly diagnosed with a qualifying medical condition by a healthcare
23 provider:*

24 *(A) Advised the patient about the possible benefits and risks of using
25 medical cannabis consumer products;*

26 *(B) advised the patient that using medical cannabis consumer
27 products may mitigate the symptoms of the patient's qualifying medical
28 condition; or*

29 *(C) issued to the patient a valid, written certification in accordance
30 with section 3, and amendments thereto;*

31 *(2) the physician assistant uses or has used medical cannabis
32 consumer products in accordance with the veterans first medical cannabis
33 act; or*

34 *(3) the physician assistant acts or has acted as a person's primary
35 caregiver in accordance with the veterans first medical cannabis act.*

36 Sec. 24. K.S.A. 65-28b08 is hereby amended to read as follows: 65-
37 28b08. (a) The board may deny, revoke, limit or suspend any license or
38 authorization issued to a certified nurse-midwife to engage in the
39 independent practice of midwifery that is issued by the board or applied
40 for under this act, or may publicly censure a licensee or holder of a
41 temporary permit or authorization, if the applicant or licensee is found
42 after a hearing:

43 (1) To be guilty of fraud or deceit while engaging in the independent

1 practice of midwifery or in procuring or attempting to procure a license to
2 engage in the independent practice of midwifery;

3 (2) to have been found guilty of a felony or to have been found guilty
4 of a misdemeanor involving an illegal drug offense unless the applicant or
5 licensee establishes sufficient rehabilitation to warrant the public trust,
6 except that notwithstanding K.S.A. 74-120, and amendments thereto, no
7 license or authorization to practice and engage in the independent practice
8 of midwifery shall be granted to a person with a felony conviction for a
9 crime against persons as specified in article 34 of chapter 21 of the Kansas
10 Statutes Annotated, prior to its repeal, or article 54 of chapter 21 of the
11 Kansas Statutes Annotated, and amendments thereto, or K.S.A. 2018 Supp.
12 21-6104, 21-6325, 21-6326 or 21-6418, and amendments thereto;

13 (3) to have committed an act of professional incompetence as defined
14 in subsection (c);

15 (4) to be unable to practice the healing arts with reasonable skill and
16 safety by reason of impairment due to physical or mental illness or
17 condition or use of alcohol, drugs or controlled substances. All
18 information, reports, findings and other records relating to impairment
19 shall be confidential and not subject to discovery or release to any person
20 or entity outside of a board proceeding. The provisions of this paragraph
21 providing confidentiality of records shall expire on July 1, 2022, unless the
22 legislature reviews and reenacts such provisions pursuant to K.S.A. 45-
23 229, and amendments thereto, prior to July 1, 2022;

24 (5) to be a person who has been adjudged in need of a guardian or
25 conservator, or both, under the act for obtaining a guardian or conservator,
26 or both, and who has not been restored to capacity under that act;

27 (6) to be guilty of unprofessional conduct as defined by rules and
28 regulations of the board;

29 (7) to have willfully or repeatedly violated the provisions of the
30 Kansas nurse practice act or any rules and regulations adopted pursuant to
31 that act;

32 (8) to have a license to practice nursing as a registered nurse or as a
33 practical nurse denied, revoked, limited or suspended, or to have been
34 publicly or privately censured, by a licensing authority of another state,
35 agency of the United States government, territory of the United States or
36 country, or to have other disciplinary action taken against the applicant or
37 licensee by a licensing authority of another state, agency of the United
38 States government, territory of the United States or country. A certified
39 copy of the record or order of public or private censure, denial, suspension,
40 limitation, revocation or other disciplinary action of the licensing authority
41 of another state, agency of the United States government, territory of the
42 United States or country shall constitute prima facie evidence of such a
43 fact for purposes of this paragraph; or

1 (9) to have assisted suicide in violation of K.S.A. 21-3406, prior to its
2 repeal, or K.S.A. 2018 Supp. 21-5407, and amendments thereto, as
3 established by any of the following:

4 (A) A copy of the record of criminal conviction or plea of guilty to a
5 felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A. 2018
6 Supp. 21-5407, and amendments thereto;

7 (B) a copy of the record of a judgment of contempt of court for
8 violating an injunction issued under K.S.A. 60-4404, and amendments
9 thereto; or

10 (C) a copy of the record of a judgment assessing damages under
11 K.S.A. 60-4405, and amendments thereto.

12 (b) No person shall be excused from testifying in any proceedings
13 before the board under this act or in any civil proceedings under this act
14 before a court of competent jurisdiction on the ground that such testimony
15 may incriminate the person testifying, but such testimony shall not be used
16 against the person for the prosecution of any crime under the laws of this
17 state, except the crime of perjury as defined in K.S.A. 2018 Supp. 21-
18 5903, and amendments thereto.

19 (c) As used in this section, "professional incompetency" means:

20 (1) One or more instances involving failure to adhere to the
21 applicable standard of care to a degree ~~which~~ *that* constitutes gross
22 negligence, as determined by the board;

23 (2) repeated instances involving failure to adhere to the applicable
24 standard of care to a degree ~~which~~ *that* constitutes ordinary negligence, as
25 determined by the board; or

26 (3) a pattern of practice or other behavior ~~which~~ *that* demonstrates a
27 manifest incapacity or incompetence to engage in the independent practice
28 of midwifery.

29 (d) The board, upon request, shall receive from the Kansas bureau of
30 investigation such criminal history record information relating to arrests
31 and criminal convictions, as necessary, for the purpose of determining
32 initial and continuing qualifications of licensees and applicants for
33 licensure by the board.

34 (e) ~~The provisions of this section shall become effective on January 1,~~
35 ~~2017. The board shall not deny, revoke, limit or suspend any license or~~
36 ~~authorization issued to a certified nurse-midwife or publicly censure a~~
37 ~~certified nurse-midwife upon any of the following:~~

38 (1) *The certified nurse-midwife, after diagnosing a patient with a*
39 *qualifying medical condition or after knowing that a patient has been*
40 *validly diagnosed with a qualifying medical condition by a healthcare*
41 *provider:*

42 (A) *Advised the patient about the possible benefits and risks of using*
43 *medical cannabis consumer products;*

1 (B) advised the patient that using medical cannabis consumer
2 products may mitigate the symptoms of the patient's qualifying medical
3 condition; or

4 (C) issued to the patient a valid, written certification under section 3,
5 and amendments thereto;

6 (2) the certified nurse-midwife uses or has used medical cannabis
7 consumer products in accordance with the veterans first medical cannabis
8 act; or

9 (3) the certified nurse-midwife acts or has acted as a person's
10 primary caregiver in accordance with the veterans first medical cannabis
11 act.

12 Sec. 25. K.S.A. 2018 Supp. 79-3606 is hereby amended to read as
13 follows: 79-3606. The following shall be exempt from the tax imposed by
14 this act:

15 (a) All sales of motor-vehicle fuel or other articles upon which a sales
16 or excise tax has been paid, not subject to refund, under the laws of this
17 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-
18 3301, and amendments thereto, including consumable material for such
19 electronic cigarettes, cereal malt beverages and malt products as defined
20 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,
21 malt syrup and malt extract, that is not subject to taxation under the
22 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles
23 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed
24 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and
25 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments
26 thereto, and gross receipts from regulated sports contests taxed pursuant to
27 the Kansas professional regulated sports act, and amendments thereto;

28 (b) all sales of tangible personal property or service, including the
29 renting and leasing of tangible personal property, purchased directly by the
30 state of Kansas, a political subdivision thereof, other than a school or
31 educational institution, or purchased by a public or private nonprofit
32 hospital or public hospital authority or nonprofit blood, tissue or organ
33 bank and used exclusively for state, political subdivision, hospital or
34 public hospital authority or nonprofit blood, tissue or organ bank purposes,
35 except when: (1) Such state, hospital or public hospital authority is
36 engaged or proposes to engage in any business specifically taxable under
37 the provisions of this act and such items of tangible personal property or
38 service are used or proposed to be used in such business; or (2) such
39 political subdivision is engaged or proposes to engage in the business of
40 furnishing gas, electricity or heat to others and such items of personal
41 property or service are used or proposed to be used in such business;

42 (c) all sales of tangible personal property or services, including the
43 renting and leasing of tangible personal property, purchased directly by a

1 public or private elementary or secondary school or public or private
2 nonprofit educational institution and used primarily by such school or
3 institution for nonsectarian programs and activities provided or sponsored
4 by such school or institution or in the erection, repair or enlargement of
5 buildings to be used for such purposes. The exemption herein provided
6 shall not apply to erection, construction, repair, enlargement or equipment
7 of buildings used primarily for human habitation;

8 (d) all sales of tangible personal property or services purchased by a
9 contractor for the purpose of constructing, equipping, reconstructing,
10 maintaining, repairing, enlarging, furnishing or remodeling facilities for
11 any public or private nonprofit hospital or public hospital authority, public
12 or private elementary or secondary school, a public or private nonprofit
13 educational institution, state correctional institution including a privately
14 constructed correctional institution contracted for state use and ownership,
15 that would be exempt from taxation under the provisions of this act if
16 purchased directly by such hospital or public hospital authority, school,
17 educational institution or a state correctional institution; and all sales of
18 tangible personal property or services purchased by a contractor for the
19 purpose of constructing, equipping, reconstructing, maintaining, repairing,
20 enlarging, furnishing or remodeling facilities for any political subdivision
21 of the state or district described in subsection (s), the total cost of which is
22 paid from funds of such political subdivision or district and that would be
23 exempt from taxation under the provisions of this act if purchased directly
24 by such political subdivision or district. Nothing in this subsection or in
25 the provisions of K.S.A. 12-3418, and amendments thereto, shall be
26 deemed to exempt the purchase of any construction machinery, equipment
27 or tools used in the constructing, equipping, reconstructing, maintaining,
28 repairing, enlarging, furnishing or remodeling facilities for any political
29 subdivision of the state or any such district. As used in this subsection,
30 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a
31 political subdivision" shall mean general tax revenues, the proceeds of any
32 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the
33 purpose of constructing, equipping, reconstructing, repairing, enlarging,
34 furnishing or remodeling facilities that are to be leased to the donor. When
35 any political subdivision of the state, district described in subsection (s),
36 public or private nonprofit hospital or public hospital authority, public or
37 private elementary or secondary school, public or private nonprofit
38 educational institution, state correctional institution including a privately
39 constructed correctional institution contracted for state use and ownership
40 shall contract for the purpose of constructing, equipping, reconstructing,
41 maintaining, repairing, enlarging, furnishing or remodeling facilities, it
42 shall obtain from the state and furnish to the contractor an exemption
43 certificate for the project involved, and the contractor may purchase

1 materials for incorporation in such project. The contractor shall furnish the
2 number of such certificate to all suppliers from whom such purchases are
3 made, and such suppliers shall execute invoices covering the same bearing
4 the number of such certificate. Upon completion of the project the
5 contractor shall furnish to the political subdivision, district described in
6 subsection (s), hospital or public hospital authority, school, educational
7 institution or department of corrections concerned a sworn statement, on a
8 form to be provided by the director of taxation, that all purchases so made
9 were entitled to exemption under this subsection. As an alternative to the
10 foregoing procedure, any such contracting entity may apply to the
11 secretary of revenue for agent status for the sole purpose of issuing and
12 furnishing project exemption certificates to contractors pursuant to rules
13 and regulations adopted by the secretary establishing conditions and
14 standards for the granting and maintaining of such status. All invoices
15 shall be held by the contractor for a period of five years and shall be
16 subject to audit by the director of taxation. If any materials purchased
17 under such a certificate are found not to have been incorporated in the
18 building or other project or not to have been returned for credit or the sales
19 or compensating tax otherwise imposed upon such materials that will not
20 be so incorporated in the building or other project reported and paid by
21 such contractor to the director of taxation not later than the 20th day of the
22 month following the close of the month in which it shall be determined
23 that such materials will not be used for the purpose for which such
24 certificate was issued, the political subdivision, district described in
25 subsection (s), hospital or public hospital authority, school, educational
26 institution or the contractor contracting with the department of corrections
27 for a correctional institution concerned shall be liable for tax on all
28 materials purchased for the project, and upon payment thereof it may
29 recover the same from the contractor together with reasonable attorney
30 fees. Any contractor or any agent, employee or subcontractor thereof, who
31 shall use or otherwise dispose of any materials purchased under such a
32 certificate for any purpose other than that for which such a certificate is
33 issued without the payment of the sales or compensating tax otherwise
34 imposed upon such materials, shall be guilty of a misdemeanor and, upon
35 conviction therefor, shall be subject to the penalties provided for in K.S.A.
36 79-3615(h), and amendments thereto;

37 (e) all sales of tangible personal property or services purchased by a
38 contractor for the erection, repair or enlargement of buildings or other
39 projects for the government of the United States, its agencies or
40 instrumentalities, that would be exempt from taxation if purchased directly
41 by the government of the United States, its agencies or instrumentalities.
42 When the government of the United States, its agencies or
43 instrumentalities shall contract for the erection, repair, or enlargement of

1 any building or other project, it shall obtain from the state and furnish to
2 the contractor an exemption certificate for the project involved, and the
3 contractor may purchase materials for incorporation in such project. The
4 contractor shall furnish the number of such certificates to all suppliers
5 from whom such purchases are made, and such suppliers shall execute
6 invoices covering the same bearing the number of such certificate. Upon
7 completion of the project the contractor shall furnish to the government of
8 the United States, its agencies or instrumentalities concerned a sworn
9 statement, on a form to be provided by the director of taxation, that all
10 purchases so made were entitled to exemption under this subsection. As an
11 alternative to the foregoing procedure, any such contracting entity may
12 apply to the secretary of revenue for agent status for the sole purpose of
13 issuing and furnishing project exemption certificates to contractors
14 pursuant to rules and regulations adopted by the secretary establishing
15 conditions and standards for the granting and maintaining of such status.
16 All invoices shall be held by the contractor for a period of five years and
17 shall be subject to audit by the director of taxation. Any contractor or any
18 agent, employee or subcontractor thereof, who shall use or otherwise
19 dispose of any materials purchased under such a certificate for any purpose
20 other than that for which such a certificate is issued without the payment
21 of the sales or compensating tax otherwise imposed upon such materials,
22 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
23 subject to the penalties provided for in K.S.A. 79-3615(h), and
24 amendments thereto;

25 (f) tangible personal property purchased by a railroad or public utility
26 for consumption or movement directly and immediately in interstate
27 commerce;

28 (g) sales of aircraft including remanufactured and modified aircraft
29 sold to persons using directly or through an authorized agent such aircraft
30 as certified or licensed carriers of persons or property in interstate or
31 foreign commerce under authority of the laws of the United States or any
32 foreign government or sold to any foreign government or agency or
33 instrumentality of such foreign government and all sales of aircraft for use
34 outside of the United States and sales of aircraft repair, modification and
35 replacement parts and sales of services employed in the remanufacture,
36 modification and repair of aircraft;

37 (h) all rentals of nonsectarian textbooks by public or private
38 elementary or secondary schools;

39 (i) the lease or rental of all films, records, tapes, or any type of sound
40 or picture transcriptions used by motion picture exhibitors;

41 (j) meals served without charge or food used in the preparation of
42 such meals to employees of any restaurant, eating house, dining car, hotel,
43 drugstore or other place where meals or drinks are regularly sold to the

1 public if such employees' duties are related to the furnishing or sale of
2 such meals or drinks;

3 (k) any motor vehicle, semitrailer or pole trailer, as such terms are
4 defined by K.S.A. 8-126, and amendments thereto, or aircraft sold and
5 delivered in this state to a bona fide resident of another state, which motor
6 vehicle, semitrailer, pole trailer or aircraft is not to be registered or based
7 in this state and which vehicle, semitrailer, pole trailer or aircraft will not
8 remain in this state more than 10 days;

9 (l) all isolated or occasional sales of tangible personal property,
10 services, substances or things, except isolated or occasional sale of motor
11 vehicles specifically taxed under the provisions of K.S.A. 79-3603(o), and
12 amendments thereto;

13 (m) all sales of tangible personal property that become an ingredient
14 or component part of tangible personal property or services produced,
15 manufactured or compounded for ultimate sale at retail within or without
16 the state of Kansas; and any such producer, manufacturer or compounder
17 may obtain from the director of taxation and furnish to the supplier an
18 exemption certificate number for tangible personal property for use as an
19 ingredient or component part of the property or services produced,
20 manufactured or compounded;

21 (n) all sales of tangible personal property that is consumed in the
22 production, manufacture, processing, mining, drilling, refining or
23 compounding of tangible personal property, the treating of by-products or
24 wastes derived from any such production process, the providing of
25 services or the irrigation of crops for ultimate sale at retail within or
26 without the state of Kansas; and any purchaser of such property may
27 obtain from the director of taxation and furnish to the supplier an
28 exemption certificate number for tangible personal property for
29 consumption in such production, manufacture, processing, mining,
30 drilling, refining, compounding, treating, irrigation and in providing such
31 services;

32 (o) all sales of animals, fowl and aquatic plants and animals, the
33 primary purpose of which is use in agriculture or aquaculture, as defined in
34 K.S.A. 47-1901, and amendments thereto, the production of food for
35 human consumption, the production of animal, dairy, poultry or aquatic
36 plant and animal products, fiber or fur, or the production of offspring for
37 use for any such purpose or purposes;

38 (p) all sales of drugs dispensed pursuant to a prescription order by a
39 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
40 1626, and amendments thereto. As used in this subsection, "drug" means a
41 compound, substance or preparation and any component of a compound,
42 substance or preparation, other than food and food ingredients, dietary
43 supplements or alcoholic beverages, recognized in the official United

1 States pharmacopeia, official homeopathic pharmacopoeia of the United
2 States or official national formulary, and supplement to any of them,
3 intended for use in the diagnosis, cure, mitigation, treatment or prevention
4 of disease or intended to affect the structure or any function of the body,
5 except that for taxable years commencing after December 31, 2013, this
6 subsection shall not apply to any sales of drugs used in the performance or
7 induction of an abortion, as defined in K.S.A. 65-6701, and amendments
8 thereto;

9 (q) all sales of insulin dispensed by a person licensed by the state
10 board of pharmacy to a person for treatment of diabetes at the direction of
11 a person licensed to practice medicine by the state board of healing arts;

12 (r) all sales of oxygen delivery equipment, kidney dialysis equipment,
13 enteral feeding systems, prosthetic devices and mobility enhancing
14 equipment prescribed in writing by a person licensed to practice the
15 healing arts, dentistry or optometry, and in addition to such sales, all sales
16 of hearing aids, as defined by K.S.A. 74-5807(c), and amendments thereto,
17 and repair and replacement parts therefor, including batteries, by a person
18 licensed in the practice of dispensing and fitting hearing aids pursuant to
19 the provisions of K.S.A. 74-5808, and amendments thereto. For the
20 purposes of this subsection: (1) "Mobility enhancing equipment" means
21 equipment including repair and replacement parts to same, but does not
22 include durable medical equipment, which is primarily and customarily
23 used to provide or increase the ability to move from one place to another
24 and which is appropriate for use either in a home or a motor vehicle; is not
25 generally used by persons with normal mobility; and does not include any
26 motor vehicle or equipment on a motor vehicle normally provided by a
27 motor vehicle manufacturer; and (2) "prosthetic device" means a
28 replacement, corrective or supportive device including repair and
29 replacement parts for same worn on or in the body to artificially replace a
30 missing portion of the body, prevent or correct physical deformity or
31 malfunction or support a weak or deformed portion of the body;

32 (s) except as provided in K.S.A. 2018 Supp. 82a-2101, and
33 amendments thereto, all sales of tangible personal property or services
34 purchased directly or indirectly by a groundwater management district
35 organized or operating under the authority of K.S.A. 82a-1020 et seq., and
36 amendments thereto, by a rural water district organized or operating under
37 the authority of K.S.A. 82a-612, and amendments thereto, or by a water
38 supply district organized or operating under the authority of K.S.A. 19-
39 3501 et seq., 19-3522 et seq. or 19-3545, and amendments thereto, which
40 property or services are used in the construction activities, operation or
41 maintenance of the district;

42 (t) all sales of farm machinery and equipment or aquaculture
43 machinery and equipment, repair and replacement parts therefor and

1 services performed in the repair and maintenance of such machinery and
2 equipment. For the purposes of this subsection the term "farm machinery
3 and equipment or aquaculture machinery and equipment" shall include a
4 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments
5 thereto, and is equipped with a bed or cargo box for hauling materials, and
6 shall also include machinery and equipment used in the operation of
7 Christmas tree farming but shall not include any passenger vehicle, truck,
8 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as
9 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm
10 machinery and equipment" includes precision farming equipment that is
11 portable or is installed or purchased to be installed on farm machinery and
12 equipment. "Precision farming equipment" includes the following items
13 used only in computer-assisted farming, ranching or aquaculture
14 production operations: Soil testing sensors, yield monitors, computers,
15 monitors, software, global positioning and mapping systems, guiding
16 systems, modems, data communications equipment and any necessary
17 mounting hardware, wiring and antennas. Each purchaser of farm
18 machinery and equipment or aquaculture machinery and equipment
19 exempted herein must certify in writing on the copy of the invoice or sales
20 ticket to be retained by the seller that the farm machinery and equipment
21 or aquaculture machinery and equipment purchased will be used only in
22 farming, ranching or aquaculture production. Farming or ranching shall
23 include the operation of a feedlot and farm and ranch work for hire and the
24 operation of a nursery;

25 (u) all leases or rentals of tangible personal property used as a
26 dwelling if such tangible personal property is leased or rented for a period
27 of more than 28 consecutive days;

28 (v) all sales of tangible personal property to any contractor for use in
29 preparing meals for delivery to homebound elderly persons over 60 years
30 of age and to homebound disabled persons or to be served at a group-
31 sitting at a location outside of the home to otherwise homebound elderly
32 persons over 60 years of age and to otherwise homebound disabled
33 persons, as all or part of any food service project funded in whole or in
34 part by government or as part of a private nonprofit food service project
35 available to all such elderly or disabled persons residing within an area of
36 service designated by the private nonprofit organization, and all sales of
37 tangible personal property for use in preparing meals for consumption by
38 indigent or homeless individuals whether or not such meals are consumed
39 at a place designated for such purpose, and all sales of food products by or
40 on behalf of any such contractor or organization for any such purpose;

41 (w) all sales of natural gas, electricity, heat and water delivered
42 through mains, lines or pipes: (1) To residential premises for
43 noncommercial use by the occupant of such premises; (2) for agricultural

1 use and also, for such use, all sales of propane gas; (3) for use in the
2 severing of oil; and (4) to any property which is exempt from property
3 taxation pursuant to K.S.A. 79-201b, *Second* through *Sixth*. As used in this
4 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),
5 and amendments thereto. For all sales of natural gas, electricity and heat
6 delivered through mains, lines or pipes pursuant to the provisions of
7 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire
8 on December 31, 2005;

9 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources
10 for the production of heat or lighting for noncommercial use of an
11 occupant of residential premises occurring prior to January 1, 2006;

12 (y) all sales of materials and services used in the repairing, servicing,
13 altering, maintaining, manufacturing, remanufacturing, or modification of
14 railroad rolling stock for use in interstate or foreign commerce under
15 authority of the laws of the United States;

16 (z) all sales of tangible personal property and services purchased
17 directly by a port authority or by a contractor therefor as provided by the
18 provisions of K.S.A. 12-3418, and amendments thereto;

19 (aa) all sales of materials and services applied to equipment that is
20 transported into the state from without the state for repair, service,
21 alteration, maintenance, remanufacture or modification and that is
22 subsequently transported outside the state for use in the transmission of
23 liquids or natural gas by means of pipeline in interstate or foreign
24 commerce under authority of the laws of the United States;

25 (bb) all sales of used mobile homes or manufactured homes. As used
26 in this subsection: (1) "Mobile homes" and "manufactured homes" mean
27 the same as defined in K.S.A. 58-4202, and amendments thereto; and (2)
28 "sales of used mobile homes or manufactured homes" means sales other
29 than the original retail sale thereof;

30 (cc) all sales of tangible personal property or services purchased prior
31 to January 1, 2012, except as otherwise provided, for the purpose of and in
32 conjunction with constructing, reconstructing, enlarging or remodeling a
33 business or retail business that meets the requirements established in
34 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of
35 machinery and equipment purchased for installation at any such business
36 or retail business, and all sales of tangible personal property or services
37 purchased on or after January 1, 2012, for the purpose of and in
38 conjunction with constructing, reconstructing, enlarging or remodeling a
39 business that meets the requirements established in K.S.A. 74-50,115(e),
40 and amendments thereto, and the sale and installation of machinery and
41 equipment purchased for installation at any such business. When a person
42 shall contract for the construction, reconstruction, enlargement or
43 remodeling of any such business or retail business, such person shall

1 obtain from the state and furnish to the contractor an exemption certificate
2 for the project involved, and the contractor may purchase materials,
3 machinery and equipment for incorporation in such project. The contractor
4 shall furnish the number of such certificates to all suppliers from whom
5 such purchases are made, and such suppliers shall execute invoices
6 covering the same bearing the number of such certificate. Upon
7 completion of the project the contractor shall furnish to the owner of the
8 business or retail business a sworn statement, on a form to be provided by
9 the director of taxation, that all purchases so made were entitled to
10 exemption under this subsection. All invoices shall be held by the
11 contractor for a period of five years and shall be subject to audit by the
12 director of taxation. Any contractor or any agent, employee or
13 subcontractor thereof, who shall use or otherwise dispose of any materials,
14 machinery or equipment purchased under such a certificate for any
15 purpose other than that for which such a certificate is issued without the
16 payment of the sales or compensating tax otherwise imposed thereon, shall
17 be guilty of a misdemeanor and, upon conviction therefor, shall be subject
18 to the penalties provided for in K.S.A. 79-3615(h), and amendments
19 thereto. As used in this subsection, "business" and "retail business" mean
20 the same as defined in K.S.A. 74-50,114, and amendments thereto. Project
21 exemption certificates that have been previously issued under this
22 subsection by the department of revenue pursuant to K.S.A. 74-50,115,
23 and amendments thereto, but not including K.S.A. 74-50,115(e), and
24 amendments thereto, prior to January 1, 2012, and have not expired will be
25 effective for the term of the project or two years from the effective date of
26 the certificate, whichever occurs earlier. Project exemption certificates that
27 are submitted to the department of revenue prior to January 1, 2012, and
28 are found to qualify will be issued a project exemption certificate that will
29 be effective for a two-year period or for the term of the project, whichever
30 occurs earlier;

31 (dd) all sales of tangible personal property purchased with food
32 stamps issued by the United States department of agriculture;

33 (ee) all sales of lottery tickets and shares made as part of a lottery
34 operated by the state of Kansas;

35 (ff) on and after July 1, 1988, all sales of new mobile homes or
36 manufactured homes to the extent of 40% of the gross receipts, determined
37 without regard to any trade-in allowance, received from such sale. As used
38 in this subsection, "mobile homes" and "manufactured homes" mean the
39 same as defined in K.S.A. 58-4202, and amendments thereto;

40 (gg) all sales of tangible personal property purchased in accordance
41 with vouchers issued pursuant to the federal special supplemental food
42 program for women, infants and children;

43 (hh) all sales of medical supplies and equipment, including durable

1 medical equipment, purchased directly by a nonprofit skilled nursing home
2 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,
3 and amendments thereto, for the purpose of providing medical services to
4 residents thereof. This exemption shall not apply to tangible personal
5 property customarily used for human habitation purposes. As used in this
6 subsection, "durable medical equipment" means equipment including
7 repair and replacement parts for such equipment, that can withstand
8 repeated use, is primarily and customarily used to serve a medical purpose,
9 generally is not useful to a person in the absence of illness or injury and is
10 not worn in or on the body, but does not include mobility enhancing
11 equipment as defined in subsection (r), oxygen delivery equipment, kidney
12 dialysis equipment or enteral feeding systems;

13 (ii) all sales of tangible personal property purchased directly by a
14 nonprofit organization for nonsectarian comprehensive multidiscipline
15 youth development programs and activities provided or sponsored by such
16 organization, and all sales of tangible personal property by or on behalf of
17 any such organization. This exemption shall not apply to tangible personal
18 property customarily used for human habitation purposes;

19 (jj) all sales of tangible personal property or services, including the
20 renting and leasing of tangible personal property, purchased directly on
21 behalf of a community-based facility for people with intellectual disability
22 or mental health center organized pursuant to K.S.A. 19-4001 et seq., and
23 amendments thereto, and licensed in accordance with the provisions of
24 K.S.A. 2018 Supp. 39-2001 et seq., and amendments thereto, and all sales
25 of tangible personal property or services purchased by contractors during
26 the time period from July, 2003, through June, 2006, for the purpose of
27 constructing, equipping, maintaining or furnishing a new facility for a
28 community-based facility for people with intellectual disability or mental
29 health center located in Riverton, Cherokee County, Kansas, that would
30 have been eligible for sales tax exemption pursuant to this subsection if
31 purchased directly by such facility or center. This exemption shall not
32 apply to tangible personal property customarily used for human habitation
33 purposes;

34 (kk) (1) (A) all sales of machinery and equipment that are used in this
35 state as an integral or essential part of an integrated production operation
36 by a manufacturing or processing plant or facility;

37 (B) all sales of installation, repair and maintenance services
38 performed on such machinery and equipment; and

39 (C) all sales of repair and replacement parts and accessories
40 purchased for such machinery and equipment.

41 (2) For purposes of this subsection:

42 (A) "Integrated production operation" means an integrated series of
43 operations engaged in at a manufacturing or processing plant or facility to

1 process, transform or convert tangible personal property by physical,
2 chemical or other means into a different form, composition or character
3 from that in which it originally existed. Integrated production operations
4 shall include: (i) Production line operations, including packaging
5 operations; (ii) preproduction operations to handle, store and treat raw
6 materials; (iii) post production handling, storage, warehousing and
7 distribution operations; and (iv) waste, pollution and environmental
8 control operations, if any;

9 (B) "production line" means the assemblage of machinery and
10 equipment at a manufacturing or processing plant or facility where the
11 actual transformation or processing of tangible personal property occurs;

12 (C) "manufacturing or processing plant or facility" means a single,
13 fixed location owned or controlled by a manufacturing or processing
14 business that consists of one or more structures or buildings in a
15 contiguous area where integrated production operations are conducted to
16 manufacture or process tangible personal property to be ultimately sold at
17 retail. Such term shall not include any facility primarily operated for the
18 purpose of conveying or assisting in the conveyance of natural gas,
19 electricity, oil or water. A business may operate one or more manufacturing
20 or processing plants or facilities at different locations to manufacture or
21 process a single product of tangible personal property to be ultimately sold
22 at retail;

23 (D) "manufacturing or processing business" means a business that
24 utilizes an integrated production operation to manufacture, process,
25 fabricate, finish or assemble items for wholesale and retail distribution as
26 part of what is commonly regarded by the general public as an industrial
27 manufacturing or processing operation or an agricultural commodity
28 processing operation. (i) Industrial manufacturing or processing operations
29 include, by way of illustration but not of limitation, the fabrication of
30 automobiles, airplanes, machinery or transportation equipment, the
31 fabrication of metal, plastic, wood or paper products, electricity power
32 generation, water treatment, petroleum refining, chemical production,
33 wholesale bottling, newspaper printing, ready mixed concrete production,
34 and the remanufacturing of used parts for wholesale or retail sale. Such
35 processing operations shall include operations at an oil well, gas well,
36 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,
37 sand or gravel that has been extracted from the earth is cleaned, separated,
38 crushed, ground, milled, screened, washed or otherwise treated or prepared
39 before its transmission to a refinery or before any other wholesale or retail
40 distribution. (ii) Agricultural commodity processing operations include, by
41 way of illustration but not of limitation, meat packing, poultry slaughtering
42 and dressing, processing and packaging farm and dairy products in sealed
43 containers for wholesale and retail distribution, feed grinding, grain

1 milling, frozen food processing, and grain handling, cleaning, blending,
2 fumigation, drying and aeration operations engaged in by grain elevators
3 or other grain storage facilities. (iii) Manufacturing or processing
4 businesses do not include, by way of illustration but not of limitation,
5 nonindustrial businesses whose operations are primarily retail and that
6 produce or process tangible personal property as an incidental part of
7 conducting the retail business, such as retailers who bake, cook or prepare
8 food products in the regular course of their retail trade, grocery stores,
9 meat lockers and meat markets that butcher or dress livestock or poultry in
10 the regular course of their retail trade, contractors who alter, service, repair
11 or improve real property, and retail businesses that clean, service or
12 refurbish and repair tangible personal property for its owner;

13 (E) "repair and replacement parts and accessories" means all parts
14 and accessories for exempt machinery and equipment, including, but not
15 limited to, dies, jigs, molds, patterns and safety devices that are attached to
16 exempt machinery or that are otherwise used in production, and parts and
17 accessories that require periodic replacement such as belts, drill bits,
18 grinding wheels, grinding balls, cutting bars, saws, refractory brick and
19 other refractory items for exempt kiln equipment used in production
20 operations;

21 (F) "primary" or "primarily" mean more than 50% of the time.

22 (3) For purposes of this subsection, machinery and equipment shall
23 be deemed to be used as an integral or essential part of an integrated
24 production operation when used:

25 (A) To receive, transport, convey, handle, treat or store raw materials
26 in preparation of its placement on the production line;

27 (B) to transport, convey, handle or store the property undergoing
28 manufacturing or processing at any point from the beginning of the
29 production line through any warehousing or distribution operation of the
30 final product that occurs at the plant or facility;

31 (C) to act upon, effect, promote or otherwise facilitate a physical
32 change to the property undergoing manufacturing or processing;

33 (D) to guide, control or direct the movement of property undergoing
34 manufacturing or processing;

35 (E) to test or measure raw materials, the property undergoing
36 manufacturing or processing or the finished product, as a necessary part of
37 the manufacturer's integrated production operations;

38 (F) to plan, manage, control or record the receipt and flow of
39 inventories of raw materials, consumables and component parts, the flow
40 of the property undergoing manufacturing or processing and the
41 management of inventories of the finished product;

42 (G) to produce energy for, lubricate, control the operating of or
43 otherwise enable the functioning of other production machinery and

1 equipment and the continuation of production operations;

2 (H) to package the property being manufactured or processed in a
3 container or wrapping in which such property is normally sold or
4 transported;

5 (I) to transmit or transport electricity, coke, gas, water, steam or
6 similar substances used in production operations from the point of
7 generation, if produced by the manufacturer or processor at the plant site,
8 to that manufacturer's production operation; or, if purchased or delivered
9 from off-site, from the point where the substance enters the site of the
10 plant or facility to that manufacturer's production operations;

11 (J) to cool, heat, filter, refine or otherwise treat water, steam, acid, oil,
12 solvents or other substances that are used in production operations;

13 (K) to provide and control an environment required to maintain
14 certain levels of air quality, humidity or temperature in special and limited
15 areas of the plant or facility, where such regulation of temperature or
16 humidity is part of and essential to the production process;

17 (L) to treat, transport or store waste or other byproducts of production
18 operations at the plant or facility; or

19 (M) to control pollution at the plant or facility where the pollution is
20 produced by the manufacturing or processing operation.

21 (4) The following machinery, equipment and materials shall be
22 deemed to be exempt even though it may not otherwise qualify as
23 machinery and equipment used as an integral or essential part of an
24 integrated production operation: (A) Computers and related peripheral
25 equipment that are utilized by a manufacturing or processing business for
26 engineering of the finished product or for research and development or
27 product design; (B) machinery and equipment that is utilized by a
28 manufacturing or processing business to manufacture or rebuild tangible
29 personal property that is used in manufacturing or processing operations,
30 including tools, dies, molds, forms and other parts of qualifying machinery
31 and equipment; (C) portable plants for aggregate concrete, bulk cement
32 and asphalt including cement mixing drums to be attached to a motor
33 vehicle; (D) industrial fixtures, devices, support facilities and special
34 foundations necessary for manufacturing and production operations, and
35 materials and other tangible personal property sold for the purpose of
36 fabricating such fixtures, devices, facilities and foundations. An exemption
37 certificate for such purchases shall be signed by the manufacturer or
38 processor. If the fabricator purchases such material, the fabricator shall
39 also sign the exemption certificate; (E) a manufacturing or processing
40 business' laboratory equipment that is not located at the plant or facility,
41 but that would otherwise qualify for exemption under subsection (3)(E);
42 (F) all machinery and equipment used in surface mining activities as
43 described in K.S.A. 49-601 et seq., and amendments thereto, beginning

1 from the time a reclamation plan is filed to the acceptance of the
2 completed final site reclamation.

3 (5) "Machinery and equipment used as an integral or essential part of
4 an integrated production operation" shall not include:

5 (A) Machinery and equipment used for nonproduction purposes,
6 including, but not limited to, machinery and equipment used for plant
7 security, fire prevention, first aid, accounting, administration, record
8 keeping, advertising, marketing, sales or other related activities, plant
9 cleaning, plant communications and employee work scheduling;

10 (B) machinery, equipment and tools used primarily in maintaining
11 and repairing any type of machinery and equipment or the building and
12 plant;

13 (C) transportation, transmission and distribution equipment not
14 primarily used in a production, warehousing or material handling
15 operation at the plant or facility, including the means of conveyance of
16 natural gas, electricity, oil or water, and equipment related thereto, located
17 outside the plant or facility;

18 (D) office machines and equipment including computers and related
19 peripheral equipment not used directly and primarily to control or measure
20 the manufacturing process;

21 (E) furniture and other furnishings;

22 (F) buildings, other than exempt machinery and equipment that is
23 permanently affixed to or becomes a physical part of the building, and any
24 other part of real estate that is not otherwise exempt;

25 (G) building fixtures that are not integral to the manufacturing
26 operation, such as utility systems for heating, ventilation, air conditioning,
27 communications, plumbing or electrical;

28 (H) machinery and equipment used for general plant heating, cooling
29 and lighting;

30 (I) motor vehicles that are registered for operation on public
31 highways; or

32 (J) employee apparel, except safety and protective apparel that is
33 purchased by an employer and furnished gratuitously to employees who
34 are involved in production or research activities.

35 (6) Subsections (3) and (5) shall not be construed as exclusive listings
36 of the machinery and equipment that qualify or do not qualify as an
37 integral or essential part of an integrated production operation. When
38 machinery or equipment is used as an integral or essential part of
39 production operations part of the time and for nonproduction purposes at
40 other times, the primary use of the machinery or equipment shall
41 determine whether or not such machinery or equipment qualifies for
42 exemption.

43 (7) The secretary of revenue shall adopt rules and regulations

1 necessary to administer the provisions of this subsection;

2 (ll) all sales of educational materials purchased for distribution to the
3 public at no charge by a nonprofit corporation organized for the purpose of
4 encouraging, fostering and conducting programs for the improvement of
5 public health, except that for taxable years commencing after December
6 31, 2013, this subsection shall not apply to any sales of such materials
7 purchased by a nonprofit corporation which performs any abortion, as
8 defined in K.S.A. 65-6701, and amendments thereto;

9 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,
10 herbicides, germicides, pesticides and fungicides; and services, purchased
11 and used for the purpose of producing plants in order to prevent soil
12 erosion on land devoted to agricultural use;

13 (nn) except as otherwise provided in this act, all sales of services
14 rendered by an advertising agency or licensed broadcast station or any
15 member, agent or employee thereof;

16 (oo) all sales of tangible personal property purchased by a community
17 action group or agency for the exclusive purpose of repairing or
18 weatherizing housing occupied by low-income individuals;

19 (pp) all sales of drill bits and explosives actually utilized in the
20 exploration and production of oil or gas;

21 (qq) all sales of tangible personal property and services purchased by
22 a nonprofit museum or historical society or any combination thereof,
23 including a nonprofit organization that is organized for the purpose of
24 stimulating public interest in the exploration of space by providing
25 educational information, exhibits and experiences, that is exempt from
26 federal income taxation pursuant to section 501(c)(3) of the federal
27 internal revenue code of 1986;

28 (rr) all sales of tangible personal property that will admit the
29 purchaser thereof to any annual event sponsored by a nonprofit
30 organization that is exempt from federal income taxation pursuant to
31 section 501(c)(3) of the federal internal revenue code of 1986, except that
32 for taxable years commencing after December 31, 2013, this subsection
33 shall not apply to any sales of such tangible personal property purchased
34 by a nonprofit organization which performs any abortion, as defined in
35 K.S.A. 65-6701, and amendments thereto;

36 (ss) all sales of tangible personal property and services purchased by
37 a public broadcasting station licensed by the federal communications
38 commission as a noncommercial educational television or radio station;

39 (tt) all sales of tangible personal property and services purchased by
40 or on behalf of a not-for-profit corporation that is exempt from federal
41 income taxation pursuant to section 501(c)(3) of the federal internal
42 revenue code of 1986, for the sole purpose of constructing a Kansas
43 Korean War memorial;

1 (uu) all sales of tangible personal property and services purchased by
2 or on behalf of any rural volunteer fire-fighting organization for use
3 exclusively in the performance of its duties and functions;

4 (vv) all sales of tangible personal property purchased by any of the
5 following organizations that are exempt from federal income taxation
6 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
7 for the following purposes, and all sales of any such property by or on
8 behalf of any such organization for any such purpose:

9 (1) The American heart association, Kansas affiliate, inc. for the
10 purposes of providing education, training, certification in emergency
11 cardiac care, research and other related services to reduce disability and
12 death from cardiovascular diseases and stroke;

13 (2) the Kansas alliance for the mentally ill, inc. for the purpose of
14 advocacy for persons with mental illness and to education, research and
15 support for their families;

16 (3) the Kansas mental illness awareness council for the purposes of
17 advocacy for persons who are mentally ill and for education, research and
18 support for them and their families;

19 (4) the American diabetes association Kansas affiliate, inc. for the
20 purpose of eliminating diabetes through medical research, public education
21 focusing on disease prevention and education, patient education including
22 information on coping with diabetes, and professional education and
23 training;

24 (5) the American lung association of Kansas, inc. for the purpose of
25 eliminating all lung diseases through medical research, public education
26 including information on coping with lung diseases, professional education
27 and training related to lung disease and other related services to reduce the
28 incidence of disability and death due to lung disease;

29 (6) the Kansas chapters of the Alzheimer's disease and related
30 disorders association, inc. for the purpose of providing assistance and
31 support to persons in Kansas with Alzheimer's disease, and their families
32 and caregivers;

33 (7) the Kansas chapters of the Parkinson's disease association for the
34 purpose of eliminating Parkinson's disease through medical research and
35 public and professional education related to such disease;

36 (8) the national kidney foundation of Kansas and western Missouri
37 for the purpose of eliminating kidney disease through medical research
38 and public and private education related to such disease;

39 (9) the heartstrings community foundation for the purpose of
40 providing training, employment and activities for adults with
41 developmental disabilities;

42 (10) the cystic fibrosis foundation, heart of America chapter, for the
43 purposes of assuring the development of the means to cure and control

- 1 cystic fibrosis and improving the quality of life for those with the disease;
- 2 (11) the spina bifida association of Kansas for the purpose of
3 providing financial, educational and practical aid to families and
4 individuals with spina bifida. Such aid includes, but is not limited to,
5 funding for medical devices, counseling and medical educational
6 opportunities;
- 7 (12) the CHWC, Inc., for the purpose of rebuilding urban core
8 neighborhoods through the construction of new homes, acquiring and
9 renovating existing homes and other related activities, and promoting
10 economic development in such neighborhoods;
- 11 (13) the cross-lines cooperative council for the purpose of providing
12 social services to low income individuals and families;
- 13 (14) the dreams work, inc., for the purpose of providing young adult
14 day services to individuals with developmental disabilities and assisting
15 families in avoiding institutional or nursing home care for a
16 developmentally disabled member of their family;
- 17 (15) the KSDS, Inc., for the purpose of promoting the independence
18 and inclusion of people with disabilities as fully participating and
19 contributing members of their communities and society through the
20 training and providing of guide and service dogs to people with
21 disabilities, and providing disability education and awareness to the
22 general public;
- 23 (16) the lyme association of greater Kansas City, Inc., for the purpose
24 of providing support to persons with lyme disease and public education
25 relating to the prevention, treatment and cure of lyme disease;
- 26 (17) the dream factory, inc., for the purpose of granting the dreams of
27 children with critical and chronic illnesses;
- 28 (18) the Ottawa Suzuki strings, inc., for the purpose of providing
29 students and families with education and resources necessary to enable
30 each child to develop fine character and musical ability to the fullest
31 potential;
- 32 (19) the international association of lions clubs for the purpose of
33 creating and fostering a spirit of understanding among all people for
34 humanitarian needs by providing voluntary services through community
35 involvement and international cooperation;
- 36 (20) the Johnson county young matrons, inc., for the purpose of
37 promoting a positive future for members of the community through
38 volunteerism, financial support and education through the efforts of an all
39 volunteer organization;
- 40 (21) the American cancer society, inc., for the purpose of eliminating
41 cancer as a major health problem by preventing cancer, saving lives and
42 diminishing suffering from cancer, through research, education, advocacy
43 and service;

1 (22) the community services of Shawnee, inc., for the purpose of
2 providing food and clothing to those in need;

3 (23) the angel babies association, for the purpose of providing
4 assistance, support and items of necessity to teenage mothers and their
5 babies; and

6 (24) the Kansas fairgrounds foundation for the purpose of the
7 preservation, renovation and beautification of the Kansas state fairgrounds;

8 (ww) all sales of tangible personal property purchased by the habitat
9 for humanity for the exclusive use of being incorporated within a housing
10 project constructed by such organization;

11 (xx) all sales of tangible personal property and services purchased by
12 a nonprofit zoo that is exempt from federal income taxation pursuant to
13 section 501(c)(3) of the federal internal revenue code of 1986, or on behalf
14 of such zoo by an entity itself exempt from federal income taxation
15 pursuant to section 501(c)(3) of the federal internal revenue code of 1986
16 contracted with to operate such zoo and all sales of tangible personal
17 property or services purchased by a contractor for the purpose of
18 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
19 furnishing or remodeling facilities for any nonprofit zoo that would be
20 exempt from taxation under the provisions of this section if purchased
21 directly by such nonprofit zoo or the entity operating such zoo. Nothing in
22 this subsection shall be deemed to exempt the purchase of any construction
23 machinery, equipment or tools used in the constructing, equipping,
24 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
25 facilities for any nonprofit zoo. When any nonprofit zoo shall contract for
26 the purpose of constructing, equipping, reconstructing, maintaining,
27 repairing, enlarging, furnishing or remodeling facilities, it shall obtain
28 from the state and furnish to the contractor an exemption certificate for the
29 project involved, and the contractor may purchase materials for
30 incorporation in such project. The contractor shall furnish the number of
31 such certificate to all suppliers from whom such purchases are made, and
32 such suppliers shall execute invoices covering the same bearing the
33 number of such certificate. Upon completion of the project the contractor
34 shall furnish to the nonprofit zoo concerned a sworn statement, on a form
35 to be provided by the director of taxation, that all purchases so made were
36 entitled to exemption under this subsection. All invoices shall be held by
37 the contractor for a period of five years and shall be subject to audit by the
38 director of taxation. If any materials purchased under such a certificate are
39 found not to have been incorporated in the building or other project or not
40 to have been returned for credit or the sales or compensating tax otherwise
41 imposed upon such materials that will not be so incorporated in the
42 building or other project reported and paid by such contractor to the
43 director of taxation not later than the 20th day of the month following the

1 close of the month in which it shall be determined that such materials will
2 not be used for the purpose for which such certificate was issued, the
3 nonprofit zoo concerned shall be liable for tax on all materials purchased
4 for the project, and upon payment thereof it may recover the same from
5 the contractor together with reasonable attorney fees. Any contractor or
6 any agent, employee or subcontractor thereof, who shall use or otherwise
7 dispose of any materials purchased under such a certificate for any purpose
8 other than that for which such a certificate is issued without the payment
9 of the sales or compensating tax otherwise imposed upon such materials,
10 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
11 subject to the penalties provided for in K.S.A. 79-3615(h), and
12 amendments thereto;

13 (yy) all sales of tangible personal property and services purchased by
14 a parent-teacher association or organization, and all sales of tangible
15 personal property by or on behalf of such association or organization;

16 (zz) all sales of machinery and equipment purchased by over-the-air,
17 free access radio or television station that is used directly and primarily for
18 the purpose of producing a broadcast signal or is such that the failure of
19 the machinery or equipment to operate would cause broadcasting to cease.
20 For purposes of this subsection, machinery and equipment shall include,
21 but not be limited to, that required by rules and regulations of the federal
22 communications commission, and all sales of electricity which are
23 essential or necessary for the purpose of producing a broadcast signal or is
24 such that the failure of the electricity would cause broadcasting to cease;

25 (aaa) all sales of tangible personal property and services purchased by
26 a religious organization that is exempt from federal income taxation
27 pursuant to section 501(c)(3) of the federal internal revenue code, and used
28 exclusively for religious purposes, and all sales of tangible personal
29 property or services purchased by a contractor for the purpose of
30 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
31 furnishing or remodeling facilities for any such organization that would be
32 exempt from taxation under the provisions of this section if purchased
33 directly by such organization. Nothing in this subsection shall be deemed
34 to exempt the purchase of any construction machinery, equipment or tools
35 used in the constructing, equipping, reconstructing, maintaining, repairing,
36 enlarging, furnishing or remodeling facilities for any such organization.
37 When any such organization shall contract for the purpose of constructing,
38 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
39 remodeling facilities, it shall obtain from the state and furnish to the
40 contractor an exemption certificate for the project involved, and the
41 contractor may purchase materials for incorporation in such project. The
42 contractor shall furnish the number of such certificate to all suppliers from
43 whom such purchases are made, and such suppliers shall execute invoices

1 covering the same bearing the number of such certificate. Upon
2 completion of the project the contractor shall furnish to such organization
3 concerned a sworn statement, on a form to be provided by the director of
4 taxation, that all purchases so made were entitled to exemption under this
5 subsection. All invoices shall be held by the contractor for a period of five
6 years and shall be subject to audit by the director of taxation. If any
7 materials purchased under such a certificate are found not to have been
8 incorporated in the building or other project or not to have been returned
9 for credit or the sales or compensating tax otherwise imposed upon such
10 materials that will not be so incorporated in the building or other project
11 reported and paid by such contractor to the director of taxation not later
12 than the 20th day of the month following the close of the month in which it
13 shall be determined that such materials will not be used for the purpose for
14 which such certificate was issued, such organization concerned shall be
15 liable for tax on all materials purchased for the project, and upon payment
16 thereof it may recover the same from the contractor together with
17 reasonable attorney fees. Any contractor or any agent, employee or
18 subcontractor thereof, who shall use or otherwise dispose of any materials
19 purchased under such a certificate for any purpose other than that for
20 which such a certificate is issued without the payment of the sales or
21 compensating tax otherwise imposed upon such materials, shall be guilty
22 of a misdemeanor and, upon conviction therefor, shall be subject to the
23 penalties provided for in K.S.A. 79-3615(h), and amendments thereto.
24 Sales tax paid on and after July 1, 1998, but prior to the effective date of
25 this act upon the gross receipts received from any sale exempted by the
26 amendatory provisions of this subsection shall be refunded. Each claim for
27 a sales tax refund shall be verified and submitted to the director of taxation
28 upon forms furnished by the director and shall be accompanied by any
29 additional documentation required by the director. The director shall
30 review each claim and shall refund that amount of sales tax paid as
31 determined under the provisions of this subsection. All refunds shall be
32 paid from the sales tax refund fund upon warrants of the director of
33 accounts and reports pursuant to vouchers approved by the director or the
34 director's designee;

35 (bbb) all sales of food for human consumption by an organization that
36 is exempt from federal income taxation pursuant to section 501(c)(3) of
37 the federal internal revenue code of 1986, pursuant to a food distribution
38 program that offers such food at a price below cost in exchange for the
39 performance of community service by the purchaser thereof;

40 (ccc) on and after July 1, 1999, all sales of tangible personal property
41 and services purchased by a primary care clinic or health center the
42 primary purpose of which is to provide services to medically underserved
43 individuals and families, and that is exempt from federal income taxation

1 pursuant to section 501(c)(3) of the federal internal revenue code, and all
2 sales of tangible personal property or services purchased by a contractor
3 for the purpose of constructing, equipping, reconstructing, maintaining,
4 repairing, enlarging, furnishing or remodeling facilities for any such clinic
5 or center that would be exempt from taxation under the provisions of this
6 section if purchased directly by such clinic or center, except that for
7 taxable years commencing after December 31, 2013, this subsection shall
8 not apply to any sales of such tangible personal property and services
9 purchased by a primary care clinic or health center which performs any
10 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing
11 in this subsection shall be deemed to exempt the purchase of any
12 construction machinery, equipment or tools used in the constructing,
13 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
14 remodeling facilities for any such clinic or center. When any such clinic or
15 center shall contract for the purpose of constructing, equipping,
16 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
17 facilities, it shall obtain from the state and furnish to the contractor an
18 exemption certificate for the project involved, and the contractor may
19 purchase materials for incorporation in such project. The contractor shall
20 furnish the number of such certificate to all suppliers from whom such
21 purchases are made, and such suppliers shall execute invoices covering the
22 same bearing the number of such certificate. Upon completion of the
23 project the contractor shall furnish to such clinic or center concerned a
24 sworn statement, on a form to be provided by the director of taxation, that
25 all purchases so made were entitled to exemption under this subsection.
26 All invoices shall be held by the contractor for a period of five years and
27 shall be subject to audit by the director of taxation. If any materials
28 purchased under such a certificate are found not to have been incorporated
29 in the building or other project or not to have been returned for credit or
30 the sales or compensating tax otherwise imposed upon such materials that
31 will not be so incorporated in the building or other project reported and
32 paid by such contractor to the director of taxation not later than the 20th
33 day of the month following the close of the month in which it shall be
34 determined that such materials will not be used for the purpose for which
35 such certificate was issued, such clinic or center concerned shall be liable
36 for tax on all materials purchased for the project, and upon payment
37 thereof it may recover the same from the contractor together with
38 reasonable attorney fees. Any contractor or any agent, employee or
39 subcontractor thereof, who shall use or otherwise dispose of any materials
40 purchased under such a certificate for any purpose other than that for
41 which such a certificate is issued without the payment of the sales or
42 compensating tax otherwise imposed upon such materials, shall be guilty
43 of a misdemeanor and, upon conviction therefor, shall be subject to the

1 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;
2 (ddd) on and after January 1, 1999, and before January 1, 2000, all
3 sales of materials and services purchased by any class II or III railroad as
4 classified by the federal surface transportation board for the construction,
5 renovation, repair or replacement of class II or III railroad track and
6 facilities used directly in interstate commerce. In the event any such track
7 or facility for which materials and services were purchased sales tax
8 exempt is not operational for five years succeeding the allowance of such
9 exemption, the total amount of sales tax that would have been payable
10 except for the operation of this subsection shall be recouped in accordance
11 with rules and regulations adopted for such purpose by the secretary of
12 revenue;

13 (eee) on and after January 1, 1999, and before January 1, 2001, all
14 sales of materials and services purchased for the original construction,
15 reconstruction, repair or replacement of grain storage facilities, including
16 railroad sidings providing access thereto;

17 (fff) all sales of material handling equipment, racking systems and
18 other related machinery and equipment that is used for the handling,
19 movement or storage of tangible personal property in a warehouse or
20 distribution facility in this state; all sales of installation, repair and
21 maintenance services performed on such machinery and equipment; and
22 all sales of repair and replacement parts for such machinery and
23 equipment. For purposes of this subsection, a warehouse or distribution
24 facility means a single, fixed location that consists of buildings or
25 structures in a contiguous area where storage or distribution operations are
26 conducted that are separate and apart from the business' retail operations,
27 if any, and that do not otherwise qualify for exemption as occurring at a
28 manufacturing or processing plant or facility. Material handling and
29 storage equipment shall include aeration, dust control, cleaning, handling
30 and other such equipment that is used in a public grain warehouse or other
31 commercial grain storage facility, whether used for grain handling, grain
32 storage, grain refining or processing, or other grain treatment operation;

33 (ggg) all sales of tangible personal property and services purchased
34 by or on behalf of the Kansas academy of science, which is exempt from
35 federal income taxation pursuant to section 501(c)(3) of the federal
36 internal revenue code of 1986, and used solely by such academy for the
37 preparation, publication and dissemination of education materials;

38 (hhh) all sales of tangible personal property and services purchased
39 by or on behalf of all domestic violence shelters that are member agencies
40 of the Kansas coalition against sexual and domestic violence;

41 (iii) all sales of personal property and services purchased by an
42 organization that is exempt from federal income taxation pursuant to
43 section 501(c)(3) of the federal internal revenue code of 1986, and such

1 personal property and services are used by any such organization in the
2 collection, storage and distribution of food products to nonprofit
3 organizations that distribute such food products to persons pursuant to a
4 food distribution program on a charitable basis without fee or charge, and
5 all sales of tangible personal property or services purchased by a
6 contractor for the purpose of constructing, equipping, reconstructing,
7 maintaining, repairing, enlarging, furnishing or remodeling facilities used
8 for the collection and storage of such food products for any such
9 organization which is exempt from federal income taxation pursuant to
10 section 501(c)(3) of the federal internal revenue code of 1986, that would
11 be exempt from taxation under the provisions of this section if purchased
12 directly by such organization. Nothing in this subsection shall be deemed
13 to exempt the purchase of any construction machinery, equipment or tools
14 used in the constructing, equipping, reconstructing, maintaining, repairing,
15 enlarging, furnishing or remodeling facilities for any such organization.
16 When any such organization shall contract for the purpose of constructing,
17 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
18 remodeling facilities, it shall obtain from the state and furnish to the
19 contractor an exemption certificate for the project involved, and the
20 contractor may purchase materials for incorporation in such project. The
21 contractor shall furnish the number of such certificate to all suppliers from
22 whom such purchases are made, and such suppliers shall execute invoices
23 covering the same bearing the number of such certificate. Upon
24 completion of the project the contractor shall furnish to such organization
25 concerned a sworn statement, on a form to be provided by the director of
26 taxation, that all purchases so made were entitled to exemption under this
27 subsection. All invoices shall be held by the contractor for a period of five
28 years and shall be subject to audit by the director of taxation. If any
29 materials purchased under such a certificate are found not to have been
30 incorporated in such facilities or not to have been returned for credit or the
31 sales or compensating tax otherwise imposed upon such materials that will
32 not be so incorporated in such facilities reported and paid by such
33 contractor to the director of taxation not later than the 20th day of the
34 month following the close of the month in which it shall be determined
35 that such materials will not be used for the purpose for which such
36 certificate was issued, such organization concerned shall be liable for tax
37 on all materials purchased for the project, and upon payment thereof it
38 may recover the same from the contractor together with reasonable
39 attorney fees. Any contractor or any agent, employee or subcontractor
40 thereof, who shall use or otherwise dispose of any materials purchased
41 under such a certificate for any purpose other than that for which such a
42 certificate is issued without the payment of the sales or compensating tax
43 otherwise imposed upon such materials, shall be guilty of a misdemeanor

1 and, upon conviction therefor, shall be subject to the penalties provided for
2 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after
3 July 1, 2005, but prior to the effective date of this act upon the gross
4 receipts received from any sale exempted by the amendatory provisions of
5 this subsection shall be refunded. Each claim for a sales tax refund shall be
6 verified and submitted to the director of taxation upon forms furnished by
7 the director and shall be accompanied by any additional documentation
8 required by the director. The director shall review each claim and shall
9 refund that amount of sales tax paid as determined under the provisions of
10 this subsection. All refunds shall be paid from the sales tax refund fund
11 upon warrants of the director of accounts and reports pursuant to vouchers
12 approved by the director or the director's designee;

13 (jjj) all sales of dietary supplements dispensed pursuant to a
14 prescription order by a licensed practitioner or a mid-level practitioner as
15 defined by K.S.A. 65-1626, and amendments thereto. As used in this
16 subsection, "dietary supplement" means any product, other than tobacco,
17 intended to supplement the diet that: (1) Contains one or more of the
18 following dietary ingredients: A vitamin, a mineral, an herb or other
19 botanical, an amino acid, a dietary substance for use by humans to
20 supplement the diet by increasing the total dietary intake or a concentrate,
21 metabolite, constituent, extract or combination of any such ingredient; (2)
22 is intended for ingestion in tablet, capsule, powder, softgel, gelcap or
23 liquid form, or if not intended for ingestion, in such a form, is not
24 represented as conventional food and is not represented for use as a sole
25 item of a meal or of the diet; and (3) is required to be labeled as a dietary
26 supplement, identifiable by the supplemental facts box found on the label
27 and as required pursuant to 21 C.F.R. § 101.36;

28 (lll) all sales of tangible personal property and services purchased by
29 special olympics Kansas, inc. for the purpose of providing year-round
30 sports training and athletic competition in a variety of olympic-type sports
31 for individuals with intellectual disabilities by giving them continuing
32 opportunities to develop physical fitness, demonstrate courage, experience
33 joy and participate in a sharing of gifts, skills and friendship with their
34 families, other special olympics athletes and the community, and activities
35 provided or sponsored by such organization, and all sales of tangible
36 personal property by or on behalf of any such organization;

37 (mmm) all sales of tangible personal property purchased by or on
38 behalf of the Marillac center, inc., which is exempt from federal income
39 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
40 for the purpose of providing psycho-social-biological and special
41 education services to children, and all sales of any such property by or on
42 behalf of such organization for such purpose;

43 (nnn) all sales of tangible personal property and services purchased

1 by the west Sedgwick county-sunrise rotary club and sunrise charitable
2 fund for the purpose of constructing a boundless playground which is an
3 integrated, barrier free and developmentally advantageous play
4 environment for children of all abilities and disabilities;

5 (ooo) all sales of tangible personal property by or on behalf of a
6 public library serving the general public and supported in whole or in part
7 with tax money or a not-for-profit organization whose purpose is to raise
8 funds for or provide services or other benefits to any such public library;

9 (ppp) all sales of tangible personal property and services purchased
10 by or on behalf of a homeless shelter that is exempt from federal income
11 taxation pursuant to section 501(c)(3) of the federal income tax code of
12 1986, and used by any such homeless shelter to provide emergency and
13 transitional housing for individuals and families experiencing
14 homelessness, and all sales of any such property by or on behalf of any
15 such homeless shelter for any such purpose;

16 (qqq) all sales of tangible personal property and services purchased
17 by TLC for children and families, inc., hereinafter referred to as TLC,
18 which is exempt from federal income taxation pursuant to section 501(c)
19 (3) of the federal internal revenue code of 1986, and such property and
20 services are used for the purpose of providing emergency shelter and
21 treatment for abused and neglected children as well as meeting additional
22 critical needs for children, juveniles and family, and all sales of any such
23 property by or on behalf of TLC for any such purpose; and all sales of
24 tangible personal property or services purchased by a contractor for the
25 purpose of constructing, maintaining, repairing, enlarging, furnishing or
26 remodeling facilities for the operation of services for TLC for any such
27 purpose that would be exempt from taxation under the provisions of this
28 section if purchased directly by TLC. Nothing in this subsection shall be
29 deemed to exempt the purchase of any construction machinery, equipment
30 or tools used in the constructing, maintaining, repairing, enlarging,
31 furnishing or remodeling such facilities for TLC. When TLC contracts for
32 the purpose of constructing, maintaining, repairing, enlarging, furnishing
33 or remodeling such facilities, it shall obtain from the state and furnish to
34 the contractor an exemption certificate for the project involved, and the
35 contractor may purchase materials for incorporation in such project. The
36 contractor shall furnish the number of such certificate to all suppliers from
37 whom such purchases are made, and such suppliers shall execute invoices
38 covering the same bearing the number of such certificate. Upon
39 completion of the project the contractor shall furnish to TLC a sworn
40 statement, on a form to be provided by the director of taxation, that all
41 purchases so made were entitled to exemption under this subsection. All
42 invoices shall be held by the contractor for a period of five years and shall
43 be subject to audit by the director of taxation. If any materials purchased

1 under such a certificate are found not to have been incorporated in the
2 building or other project or not to have been returned for credit or the sales
3 or compensating tax otherwise imposed upon such materials that will not
4 be so incorporated in the building or other project reported and paid by
5 such contractor to the director of taxation not later than the 20th day of the
6 month following the close of the month in which it shall be determined
7 that such materials will not be used for the purpose for which such
8 certificate was issued, TLC shall be liable for tax on all materials
9 purchased for the project, and upon payment thereof it may recover the
10 same from the contractor together with reasonable attorney fees. Any
11 contractor or any agent, employee or subcontractor thereof, who shall use
12 or otherwise dispose of any materials purchased under such a certificate
13 for any purpose other than that for which such a certificate is issued
14 without the payment of the sales or compensating tax otherwise imposed
15 upon such materials, shall be guilty of a misdemeanor and, upon
16 conviction therefor, shall be subject to the penalties provided for in K.S.A.
17 79-3615(h), and amendments thereto;

18 (rrr) all sales of tangible personal property and services purchased by
19 any county law library maintained pursuant to law and sales of tangible
20 personal property and services purchased by an organization that would
21 have been exempt from taxation under the provisions of this subsection if
22 purchased directly by the county law library for the purpose of providing
23 legal resources to attorneys, judges, students and the general public, and
24 all sales of any such property by or on behalf of any such county law
25 library;

26 (sss) all sales of tangible personal property and services purchased by
27 catholic charities or youthville, hereinafter referred to as charitable family
28 providers, which is exempt from federal income taxation pursuant to
29 section 501(c)(3) of the federal internal revenue code of 1986, and which
30 such property and services are used for the purpose of providing
31 emergency shelter and treatment for abused and neglected children as well
32 as meeting additional critical needs for children, juveniles and family, and
33 all sales of any such property by or on behalf of charitable family
34 providers for any such purpose; and all sales of tangible personal property
35 or services purchased by a contractor for the purpose of constructing,
36 maintaining, repairing, enlarging, furnishing or remodeling facilities for
37 the operation of services for charitable family providers for any such
38 purpose which would be exempt from taxation under the provisions of this
39 section if purchased directly by charitable family providers. Nothing in
40 this subsection shall be deemed to exempt the purchase of any construction
41 machinery, equipment or tools used in the constructing, maintaining,
42 repairing, enlarging, furnishing or remodeling such facilities for charitable
43 family providers. When charitable family providers contracts for the

1 purpose of constructing, maintaining, repairing, enlarging, furnishing or
2 remodeling such facilities, it shall obtain from the state and furnish to the
3 contractor an exemption certificate for the project involved, and the
4 contractor may purchase materials for incorporation in such project. The
5 contractor shall furnish the number of such certificate to all suppliers from
6 whom such purchases are made, and such suppliers shall execute invoices
7 covering the same bearing the number of such certificate. Upon
8 completion of the project the contractor shall furnish to charitable family
9 providers a sworn statement, on a form to be provided by the director of
10 taxation, that all purchases so made were entitled to exemption under this
11 subsection. All invoices shall be held by the contractor for a period of five
12 years and shall be subject to audit by the director of taxation. If any
13 materials purchased under such a certificate are found not to have been
14 incorporated in the building or other project or not to have been returned
15 for credit or the sales or compensating tax otherwise imposed upon such
16 materials that will not be so incorporated in the building or other project
17 reported and paid by such contractor to the director of taxation not later
18 than the 20th day of the month following the close of the month in which it
19 shall be determined that such materials will not be used for the purpose for
20 which such certificate was issued, charitable family providers shall be
21 liable for tax on all materials purchased for the project, and upon payment
22 thereof it may recover the same from the contractor together with
23 reasonable attorney fees. Any contractor or any agent, employee or
24 subcontractor thereof, who shall use or otherwise dispose of any materials
25 purchased under such a certificate for any purpose other than that for
26 which such a certificate is issued without the payment of the sales or
27 compensating tax otherwise imposed upon such materials, shall be guilty
28 of a misdemeanor and, upon conviction therefor, shall be subject to the
29 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

30 (ttt) all sales of tangible personal property or services purchased by a
31 contractor for a project for the purpose of restoring, constructing,
32 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
33 remodeling a home or facility owned by a nonprofit museum that has been
34 granted an exemption pursuant to subsection (qq), which such home or
35 facility is located in a city that has been designated as a qualified
36 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
37 amendments thereto, and which such project is related to the purposes of
38 K.S.A. 75-5071 et seq., and amendments thereto, and that would be
39 exempt from taxation under the provisions of this section if purchased
40 directly by such nonprofit museum. Nothing in this subsection shall be
41 deemed to exempt the purchase of any construction machinery, equipment
42 or tools used in the restoring, constructing, equipping, reconstructing,
43 maintaining, repairing, enlarging, furnishing or remodeling a home or

1 facility for any such nonprofit museum. When any such nonprofit museum
2 shall contract for the purpose of restoring, constructing, equipping,
3 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
4 a home or facility, it shall obtain from the state and furnish to the
5 contractor an exemption certificate for the project involved, and the
6 contractor may purchase materials for incorporation in such project. The
7 contractor shall furnish the number of such certificates to all suppliers
8 from whom such purchases are made, and such suppliers shall execute
9 invoices covering the same bearing the number of such certificate. Upon
10 completion of the project, the contractor shall furnish to such nonprofit
11 museum a sworn statement on a form to be provided by the director of
12 taxation that all purchases so made were entitled to exemption under this
13 subsection. All invoices shall be held by the contractor for a period of five
14 years and shall be subject to audit by the director of taxation. If any
15 materials purchased under such a certificate are found not to have been
16 incorporated in the building or other project or not to have been returned
17 for credit or the sales or compensating tax otherwise imposed upon such
18 materials that will not be so incorporated in a home or facility or other
19 project reported and paid by such contractor to the director of taxation not
20 later than the 20th day of the month following the close of the month in
21 which it shall be determined that such materials will not be used for the
22 purpose for which such certificate was issued, such nonprofit museum
23 shall be liable for tax on all materials purchased for the project, and upon
24 payment thereof it may recover the same from the contractor together with
25 reasonable attorney fees. Any contractor or any agent, employee or
26 subcontractor thereof, who shall use or otherwise dispose of any materials
27 purchased under such a certificate for any purpose other than that for
28 which such a certificate is issued without the payment of the sales or
29 compensating tax otherwise imposed upon such materials, shall be guilty
30 of a misdemeanor and, upon conviction therefor, shall be subject to the
31 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

32 (uuu) all sales of tangible personal property and services purchased
33 by Kansas children's service league, hereinafter referred to as KCSL,
34 which is exempt from federal income taxation pursuant to section 501(c)
35 (3) of the federal internal revenue code of 1986, and which such property
36 and services are used for the purpose of providing for the prevention and
37 treatment of child abuse and maltreatment as well as meeting additional
38 critical needs for children, juveniles and family, and all sales of any such
39 property by or on behalf of KCSL for any such purpose; and all sales of
40 tangible personal property or services purchased by a contractor for the
41 purpose of constructing, maintaining, repairing, enlarging, furnishing or
42 remodeling facilities for the operation of services for KCSL for any such
43 purpose that would be exempt from taxation under the provisions of this

1 section if purchased directly by KCSL. Nothing in this subsection shall be
2 deemed to exempt the purchase of any construction machinery, equipment
3 or tools used in the constructing, maintaining, repairing, enlarging,
4 furnishing or remodeling such facilities for KCSL. When KCSL contracts
5 for the purpose of constructing, maintaining, repairing, enlarging,
6 furnishing or remodeling such facilities, it shall obtain from the state and
7 furnish to the contractor an exemption certificate for the project involved,
8 and the contractor may purchase materials for incorporation in such
9 project. The contractor shall furnish the number of such certificate to all
10 suppliers from whom such purchases are made, and such suppliers shall
11 execute invoices covering the same bearing the number of such certificate.
12 Upon completion of the project the contractor shall furnish to KCSL a
13 sworn statement, on a form to be provided by the director of taxation, that
14 all purchases so made were entitled to exemption under this subsection.
15 All invoices shall be held by the contractor for a period of five years and
16 shall be subject to audit by the director of taxation. If any materials
17 purchased under such a certificate are found not to have been incorporated
18 in the building or other project or not to have been returned for credit or
19 the sales or compensating tax otherwise imposed upon such materials that
20 will not be so incorporated in the building or other project reported and
21 paid by such contractor to the director of taxation not later than the 20th
22 day of the month following the close of the month in which it shall be
23 determined that such materials will not be used for the purpose for which
24 such certificate was issued, KCSL shall be liable for tax on all materials
25 purchased for the project, and upon payment thereof it may recover the
26 same from the contractor together with reasonable attorney fees. Any
27 contractor or any agent, employee or subcontractor thereof, who shall use
28 or otherwise dispose of any materials purchased under such a certificate
29 for any purpose other than that for which such a certificate is issued
30 without the payment of the sales or compensating tax otherwise imposed
31 upon such materials, shall be guilty of a misdemeanor and, upon
32 conviction therefor, shall be subject to the penalties provided for in K.S.A.
33 79-3615(h), and amendments thereto;

34 (vvv) all sales of tangible personal property or services, including the
35 renting and leasing of tangible personal property or services, purchased by
36 jazz in the woods, inc., a Kansas corporation that is exempt from federal
37 income taxation pursuant to section 501(c)(3) of the federal internal
38 revenue code, for the purpose of providing jazz in the woods, an event
39 benefiting children-in-need and other nonprofit charities assisting such
40 children, and all sales of any such property by or on behalf of such
41 organization for such purpose;

42 (www) all sales of tangible personal property purchased by or on
43 behalf of the Frontenac education foundation, which is exempt from

1 federal income taxation pursuant to section 501(c)(3) of the federal
2 internal revenue code, for the purpose of providing education support for
3 students, and all sales of any such property by or on behalf of such
4 organization for such purpose;

5 (xxx) all sales of personal property and services purchased by the
6 booth theatre foundation, inc., an organization, which is exempt from
7 federal income taxation pursuant to section 501(c)(3) of the federal
8 internal revenue code of 1986, and which such personal property and
9 services are used by any such organization in the constructing, equipping,
10 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
11 of the booth theatre, and all sales of tangible personal property or services
12 purchased by a contractor for the purpose of constructing, equipping,
13 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
14 the booth theatre for such organization, that would be exempt from
15 taxation under the provisions of this section if purchased directly by such
16 organization. Nothing in this subsection shall be deemed to exempt the
17 purchase of any construction machinery, equipment or tools used in the
18 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
19 furnishing or remodeling facilities for any such organization. When any
20 such organization shall contract for the purpose of constructing, equipping,
21 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
22 facilities, it shall obtain from the state and furnish to the contractor an
23 exemption certificate for the project involved, and the contractor may
24 purchase materials for incorporation in such project. The contractor shall
25 furnish the number of such certificate to all suppliers from whom such
26 purchases are made, and such suppliers shall execute invoices covering the
27 same bearing the number of such certificate. Upon completion of the
28 project the contractor shall furnish to such organization concerned a sworn
29 statement, on a form to be provided by the director of taxation, that all
30 purchases so made were entitled to exemption under this subsection. All
31 invoices shall be held by the contractor for a period of five years and shall
32 be subject to audit by the director of taxation. If any materials purchased
33 under such a certificate are found not to have been incorporated in such
34 facilities or not to have been returned for credit or the sales or
35 compensating tax otherwise imposed upon such materials that will not be
36 so incorporated in such facilities reported and paid by such contractor to
37 the director of taxation not later than the 20th day of the month following
38 the close of the month in which it shall be determined that such materials
39 will not be used for the purpose for which such certificate was issued, such
40 organization concerned shall be liable for tax on all materials purchased
41 for the project, and upon payment thereof it may recover the same from
42 the contractor together with reasonable attorney fees. Any contractor or
43 any agent, employee or subcontractor thereof, who shall use or otherwise

1 dispose of any materials purchased under such a certificate for any purpose
2 other than that for which such a certificate is issued without the payment
3 of the sales or compensating tax otherwise imposed upon such materials,
4 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
5 subject to the penalties provided for in K.S.A. 79-3615(h), and
6 amendments thereto. Sales tax paid on and after January 1, 2007, but prior
7 to the effective date of this act upon the gross receipts received from any
8 sale which would have been exempted by the provisions of this subsection
9 had such sale occurred after the effective date of this act shall be refunded.
10 Each claim for a sales tax refund shall be verified and submitted to the
11 director of taxation upon forms furnished by the director and shall be
12 accompanied by any additional documentation required by the director.
13 The director shall review each claim and shall refund that amount of sales
14 tax paid as determined under the provisions of this subsection. All refunds
15 shall be paid from the sales tax refund fund upon warrants of the director
16 of accounts and reports pursuant to vouchers approved by the director or
17 the director's designee;

18 (yyy) all sales of tangible personal property and services purchased
19 by TLC charities foundation, inc., hereinafter referred to as TLC charities,
20 which is exempt from federal income taxation pursuant to section 501(c)
21 (3) of the federal internal revenue code of 1986, and which such property
22 and services are used for the purpose of encouraging private philanthropy
23 to further the vision, values, and goals of TLC for children and families,
24 inc.; and all sales of such property and services by or on behalf of TLC
25 charities for any such purpose and all sales of tangible personal property or
26 services purchased by a contractor for the purpose of constructing,
27 maintaining, repairing, enlarging, furnishing or remodeling facilities for
28 the operation of services for TLC charities for any such purpose that would
29 be exempt from taxation under the provisions of this section if purchased
30 directly by TLC charities. Nothing in this subsection shall be deemed to
31 exempt the purchase of any construction machinery, equipment or tools
32 used in the constructing, maintaining, repairing, enlarging, furnishing or
33 remodeling such facilities for TLC charities. When TLC charities contracts
34 for the purpose of constructing, maintaining, repairing, enlarging,
35 furnishing or remodeling such facilities, it shall obtain from the state and
36 furnish to the contractor an exemption certificate for the project involved,
37 and the contractor may purchase materials for incorporation in such
38 project. The contractor shall furnish the number of such certificate to all
39 suppliers from whom such purchases are made, and such suppliers shall
40 execute invoices covering the same bearing the number of such certificate.
41 Upon completion of the project the contractor shall furnish to TLC
42 charities a sworn statement, on a form to be provided by the director of
43 taxation, that all purchases so made were entitled to exemption under this

1 subsection. All invoices shall be held by the contractor for a period of five
2 years and shall be subject to audit by the director of taxation. If any
3 materials purchased under such a certificate are found not to have been
4 incorporated in the building or other project or not to have been returned
5 for credit or the sales or compensating tax otherwise imposed upon such
6 materials that will not be incorporated into the building or other project
7 reported and paid by such contractor to the director of taxation not later
8 than the 20th day of the month following the close of the month in which it
9 shall be determined that such materials will not be used for the purpose for
10 which such certificate was issued, TLC charities shall be liable for tax on
11 all materials purchased for the project, and upon payment thereof it may
12 recover the same from the contractor together with reasonable attorney
13 fees. Any contractor or any agent, employee or subcontractor thereof, who
14 shall use or otherwise dispose of any materials purchased under such a
15 certificate for any purpose other than that for which such a certificate is
16 issued without the payment of the sales or compensating tax otherwise
17 imposed upon such materials, shall be guilty of a misdemeanor and, upon
18 conviction therefor, shall be subject to the penalties provided for in K.S.A.
19 79-3615(h), and amendments thereto;

20 (zzz) all sales of tangible personal property purchased by the rotary
21 club of shawnee foundation, which is exempt from federal income taxation
22 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
23 as amended, used for the purpose of providing contributions to community
24 service organizations and scholarships;

25 (aaaa) all sales of personal property and services purchased by or on
26 behalf of victory in the valley, inc., which is exempt from federal income
27 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
28 for the purpose of providing a cancer support group and services for
29 persons with cancer, and all sales of any such property by or on behalf of
30 any such organization for any such purpose;

31 (bbbb) all sales of entry or participation fees, charges or tickets by
32 Guadalupe health foundation, which is exempt from federal income
33 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
34 for such organization's annual fundraising event which purpose is to
35 provide health care services for uninsured workers;

36 (cccc) all sales of tangible personal property or services purchased by
37 or on behalf of wayside waifs, inc., which is exempt from federal income
38 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
39 for the purpose of providing such organization's annual fundraiser, an
40 event whose purpose is to support the care of homeless and abandoned
41 animals, animal adoption efforts, education programs for children and
42 efforts to reduce animal over-population and animal welfare services, and
43 all sales of any such property, including entry or participation fees or

1 charges, by or on behalf of such organization for such purpose;

2 (dddd) all sales of tangible personal property or services purchased
3 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both
4 of which are exempt from federal income taxation pursuant to section
5 501(c)(3) of the federal internal revenue code, for the purpose of providing
6 education, training and employment opportunities for people with
7 disabilities and other barriers to employment;

8 (eeee) all sales of tangible personal property or services purchased by
9 or on behalf of all American beef battalion, inc., which is exempt from
10 federal income taxation pursuant to section 501(c)(3) of the federal
11 internal revenue code, for the purpose of educating, promoting and
12 participating as a contact group through the beef cattle industry in order to
13 carry out such projects that provide support and morale to members of the
14 United States armed forces and military services;

15 (ffff) all sales of tangible personal property and services purchased by
16 sheltered living, inc., which is exempt from federal income taxation
17 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
18 and which such property and services are used for the purpose of
19 providing residential and day services for people with developmental
20 disabilities or intellectual disability, or both, and all sales of any such
21 property by or on behalf of sheltered living, inc., for any such purpose; and
22 all sales of tangible personal property or services purchased by a
23 contractor for the purpose of rehabilitating, constructing, maintaining,
24 repairing, enlarging, furnishing or remodeling homes and facilities for
25 sheltered living, inc., for any such purpose that would be exempt from
26 taxation under the provisions of this section if purchased directly by
27 sheltered living, inc. Nothing in this subsection shall be deemed to exempt
28 the purchase of any construction machinery, equipment or tools used in the
29 constructing, maintaining, repairing, enlarging, furnishing or remodeling
30 such homes and facilities for sheltered living, inc. When sheltered living,
31 inc., contracts for the purpose of rehabilitating, constructing, maintaining,
32 repairing, enlarging, furnishing or remodeling such homes and facilities, it
33 shall obtain from the state and furnish to the contractor an exemption
34 certificate for the project involved, and the contractor may purchase
35 materials for incorporation in such project. The contractor shall furnish the
36 number of such certificate to all suppliers from whom such purchases are
37 made, and such suppliers shall execute invoices covering the same bearing
38 the number of such certificate. Upon completion of the project the
39 contractor shall furnish to sheltered living, inc., a sworn statement, on a
40 form to be provided by the director of taxation, that all purchases so made
41 were entitled to exemption under this subsection. All invoices shall be held
42 by the contractor for a period of five years and shall be subject to audit by
43 the director of taxation. If any materials purchased under such a certificate

1 are found not to have been incorporated in the building or other project or
2 not to have been returned for credit or the sales or compensating tax
3 otherwise imposed upon such materials that will not be so incorporated in
4 the building or other project reported and paid by such contractor to the
5 director of taxation not later than the 20th day of the month following the
6 close of the month in which it shall be determined that such materials will
7 not be used for the purpose for which such certificate was issued, sheltered
8 living, inc., shall be liable for tax on all materials purchased for the
9 project, and upon payment thereof it may recover the same from the
10 contractor together with reasonable attorney fees. Any contractor or any
11 agent, employee or subcontractor thereof, who shall use or otherwise
12 dispose of any materials purchased under such a certificate for any purpose
13 other than that for which such a certificate is issued without the payment
14 of the sales or compensating tax otherwise imposed upon such materials,
15 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
16 subject to the penalties provided for in K.S.A. 79-3615(h), and
17 amendments thereto;

18 (gggg) all sales of game birds for which the primary purpose is use in
19 hunting;

20 (hhhh) all sales of tangible personal property or services purchased
21 on or after July 1, 2014, for the purpose of and in conjunction with
22 constructing, reconstructing, enlarging or remodeling a business identified
23 under the North American industry classification system (NAICS)
24 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and
25 installation of machinery and equipment purchased for installation at any
26 such business. The exemption provided in this subsection shall not apply
27 to projects that have actual total costs less than \$50,000. When a person
28 contracts for the construction, reconstruction, enlargement or remodeling
29 of any such business, such person shall obtain from the state and furnish to
30 the contractor an exemption certificate for the project involved, and the
31 contractor may purchase materials, machinery and equipment for
32 incorporation in such project. The contractor shall furnish the number of
33 such certificates to all suppliers from whom such purchases are made, and
34 such suppliers shall execute invoices covering the same bearing the
35 number of such certificate. Upon completion of the project, the contractor
36 shall furnish to the owner of the business a sworn statement, on a form to
37 be provided by the director of taxation, that all purchases so made were
38 entitled to exemption under this subsection. All invoices shall be held by
39 the contractor for a period of five years and shall be subject to audit by the
40 director of taxation. Any contractor or any agent, employee or
41 subcontractor of the contractor, who shall use or otherwise dispose of any
42 materials, machinery or equipment purchased under such a certificate for
43 any purpose other than that for which such a certificate is issued without

1 the payment of the sales or compensating tax otherwise imposed thereon,
2 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
3 subject to the penalties provided for in K.S.A. 79-3615(h), and
4 amendments thereto;

5 (iii) all sales of tangible personal property or services purchased by a
6 contractor for the purpose of constructing, maintaining, repairing,
7 enlarging, furnishing or remodeling facilities for the operation of services
8 for Wichita children's home for any such purpose that would be exempt
9 from taxation under the provisions of this section if purchased directly by
10 Wichita children's home. Nothing in this subsection shall be deemed to
11 exempt the purchase of any construction machinery, equipment or tools
12 used in the constructing, maintaining, repairing, enlarging, furnishing or
13 remodeling such facilities for Wichita children's home. When Wichita
14 children's home contracts for the purpose of constructing, maintaining,
15 repairing, enlarging, furnishing or remodeling such facilities, it shall obtain
16 from the state and furnish to the contractor an exemption certificate for the
17 project involved, and the contractor may purchase materials for
18 incorporation in such project. The contractor shall furnish the number of
19 such certificate to all suppliers from whom such purchases are made, and
20 such suppliers shall execute invoices covering the same bearing the
21 number of such certificate. Upon completion of the project, the contractor
22 shall furnish to Wichita children's home a sworn statement, on a form to be
23 provided by the director of taxation, that all purchases so made were
24 entitled to exemption under this subsection. All invoices shall be held by
25 the contractor for a period of five years and shall be subject to audit by the
26 director of taxation. If any materials purchased under such a certificate are
27 found not to have been incorporated in the building or other project or not
28 to have been returned for credit or the sales or compensating tax otherwise
29 imposed upon such materials that will not be so incorporated in the
30 building or other project reported and paid by such contractor to the
31 director of taxation not later than the 20th day of the month following the
32 close of the month in which it shall be determined that such materials will
33 not be used for the purpose for which such certificate was issued, Wichita
34 children's home shall be liable for the tax on all materials purchased for the
35 project, and upon payment, it may recover the same from the contractor
36 together with reasonable attorney fees. Any contractor or any agent,
37 employee or subcontractor, who shall use or otherwise dispose of any
38 materials purchased under such a certificate for any purpose other than that
39 for which such a certificate is issued without the payment of the sales or
40 compensating tax otherwise imposed upon such materials, shall be guilty
41 of a misdemeanor and, upon conviction, shall be subject to the penalties
42 provided for in K.S.A. 79-3615(h), and amendments thereto;

43 (jjj) all sales of tangible personal property or services purchased by

1 or on behalf of the beacon, inc., that is exempt from federal income
2 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
3 for the purpose of providing those desiring help with food, shelter, clothing
4 and other necessities of life during times of special need;

5 (kkkk) all sales of tangible personal property and services purchased
6 by or on behalf of reaching out from within, inc., which is exempt from
7 federal income taxation pursuant to section 501(c)(3) of the federal
8 internal revenue code, for the purpose of sponsoring self-help programs for
9 incarcerated persons that will enable such incarcerated persons to become
10 role models for non-violence while in correctional facilities and productive
11 family members and citizens upon return to the community; ~~and~~

12 (llll) all sales of tangible personal property and services purchased by
13 Gove county healthcare endowment foundation, inc., which is exempt
14 from federal income taxation pursuant to section 501(c)(3) of the federal
15 internal revenue code of 1986, and which such property and services are
16 used for the purpose of constructing and equipping an airport in Quinter,
17 Kansas, and all sales of tangible personal property or services purchased
18 by a contractor for the purpose of constructing and equipping an airport in
19 Quinter, Kansas, for such organization, that would be exempt from
20 taxation under the provisions of this section if purchased directly by such
21 organization. Nothing in this subsection shall be deemed to exempt the
22 purchase of any construction machinery, equipment or tools used in the
23 constructing or equipping of facilities for such organization. When such
24 organization shall contract for the purpose of constructing or equipping an
25 airport in Quinter, Kansas, it shall obtain from the state and furnish to the
26 contractor an exemption certificate for the project involved, and the
27 contractor may purchase materials for incorporation in such project. The
28 contractor shall furnish the number of such certificate to all suppliers from
29 whom such purchases are made, and such suppliers shall execute invoices
30 covering the same bearing the number of such certificate. Upon
31 completion of the project, the contractor shall furnish to such organization
32 concerned a sworn statement, on a form to be provided by the director of
33 taxation, that all purchases so made were entitled to exemption under this
34 subsection. All invoices shall be held by the contractor for a period of five
35 years and shall be subject to audit by the director of taxation. If any
36 materials purchased under such a certificate are found not to have been
37 incorporated in such facilities or not to have been returned for credit or the
38 sales or compensating tax otherwise imposed upon such materials that will
39 not be so incorporated in such facilities reported and paid by such
40 contractor to the director of taxation no later than the 20th day of the month
41 following the close of the month in which it shall be determined that such
42 materials will not be used for the purpose for which such certificate was
43 issued, such organization concerned shall be liable for tax on all materials

1 purchased for the project, and upon payment thereof it may recover the
 2 same from the contractor together with reasonable attorney fees. Any
 3 contractor or any agent, employee or subcontractor thereof, who purchased
 4 under such a certificate for any purpose other than that for which such a
 5 certificate is issued without the payment of the sales or compensating tax
 6 otherwise imposed upon such materials, shall be guilty of a misdemeanor
 7 and, upon conviction therefor, shall be subject to the penalties provided for
 8 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this
 9 subsection shall expire and have no effect on and after July 1, 2019; and

10 *(mmmm) all sales of medical cannabis consumer products lawfully*
 11 *dispensed in accordance with the veterans first medical cannabis act.*

12 Sec. 26. K.S.A. 2018 Supp. 79-5201 is hereby amended to read as
 13 follows: 79-5201. As used in ~~this act~~ *article 52 of chapter 79 of the*
 14 *Kansas Statutes Annotated, and amendments thereto:*

15 ~~(a) "Marijuana" means any marijuana, whether real or counterfeit, as~~
 16 ~~defined by K.S.A. 2018 Supp. 21-5701, and amendments thereto, which is~~
 17 ~~held, possessed, transported, transferred, sold or offered to be sold in~~
 18 ~~violation of the laws of Kansas;~~

19 (b) "Controlled substance" means any drug or substance, whether real
 20 or counterfeit, as defined by K.S.A. 2018 Supp. 21-5701, and amendments
 21 thereto, which is held, possessed, transported, transferred, sold or offered
 22 to be sold in violation of the laws of Kansas. Such term shall not include
 23 marijuana;

24 ~~(e)~~(b) "dealer" means any person who, in violation of Kansas law,
 25 manufactures, produces, ships, transports or imports into Kansas or in any
 26 manner acquires or possesses more than 28 grams of marijuana, or more
 27 than one gram of any controlled substance, or 10 or more dosage units of
 28 any controlled substance which is not sold by weight;

29 ~~(d)~~(c) "domestic marijuana plant" means any cannabis plant at any
 30 level of growth which is harvested or tended, manicured, irrigated,
 31 fertilized or where there is other evidence that it has been treated in any
 32 other way in an effort to enhance growth;

33 (d) *"marijuana" means any marijuana, whether real or counterfeit,*
 34 *as defined in K.S.A. 2018 Supp. 21-5701, and amendments thereto, that is*
 35 *held, possessed, transported, transferred, sold or offered to be sold in*
 36 *violation of the laws of Kansas; and*

37 (e) *"medical cannabis consumer products" means the same as*
 38 *defined in section 2, and amendments thereto.*

39 Sec. 27. K.S.A. 79-5210 is hereby amended to read as follows: 79-
 40 5210. Nothing in this act requires persons registered under article 16 of
 41 chapter 65 of the Kansas Statutes Annotated or otherwise lawfully in
 42 possession of marijuana ~~or~~, a controlled substance *or medical cannabis*
 43 *consumer products* to pay the tax required under this act.

1 Sec. 28. K.S.A. 65-2836, 65-28a05, 65-28b08 and 79-5210, K.S.A.
2 2017 Supp. 65-1120, as amended by section 5 of chapter 42 of the 2018
3 Session Laws of Kansas, and K.S.A. 2018 Supp. 21-5703, 21-5705, 21-
4 5706, 21-5707, 21-5709, 21-5710, 79-3606 and 79-5201 are hereby
5 repealed.

6 Sec. 29. This act shall take effect and be in force from and after its
7 publication in the statute book.