

SENATE BILL No. 286

By Committee on Federal and State Affairs

3-2

1 AN ACT concerning abortion; prohibiting abortion procedures,
2 exceptions; providing a private cause of action for civil enforcement of
3 such prohibition; amending K.S.A. 65-2401, 65-2837, 65-6731, 65-
4 67a01, 76-3308 and 79-32,195 and K.S.A. 2022 Supp. 60-1906, 79-
5 32,182b, 79-32,261 and 79-3606 and repealing the existing sections;
6 also repealing K.S.A. 65-4a01, 65-4a02, 65-4a03, 65-4a04, 65-4a05,
7 65-4a06, 65-4a07, 65-4a08, 65-4a09, 65-4a10, 65-4a11, 65-4a12, 65-
8 6701, 65-6702, 65-6703, 65-6704, 65-6705, 65-6707, 65-6708, 65-
9 6709, 65-6710, 65-6711, 65-6712, 65-6714, 65-6715, 65-6721, 65-
10 6722, 65-6723, 65-6724, 65-6725, 65-6726, 65-6741, 65-6742, 65-
11 6743, 65-6744, 65-6745, 65-6746, 65-6747, 65-6748 and 65-6749.

12

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

14 New Section 1. (a) It shall be unlawful for any person to knowingly
15 perform or induce or attempt to perform or induce an abortion except
16 when necessary to preserve the life of a pregnant woman in a medical
17 emergency.

18 (b) It shall not be a violation of this section if a physician provides
19 medical treatment to a pregnant woman that results in accidental or
20 unintentional injury to or the death of the unborn child.

21 (c) Nothing in this section shall be construed to authorize the
22 performance or induction of an abortion that is otherwise prohibited by
23 federal or state law.

24 New Sec. 2. It shall be unlawful for any person to manufacture,
25 distribute, prescribe, dispense, sell, give or otherwise provide mifepristone,
26 mifegyne, mifeperex or any other substantially similar generic or
27 nongeneric abortifacient drug in this state for the purpose of inducing an
28 abortion in violation of section 1, and amendments thereto.

29 New Sec. 3. Nothing in section 1 or 2, and amendments thereto, shall
30 be construed to:

31 (a) Impose any liability against the woman upon whom an abortion is
32 performed or induced or attempted to be performed or induced; or

33 (b) prohibit the administration of misoprostol for the purpose of
34 treatment of a miscarriage.

35 New Sec. 4. (a) Violations of section 1 or 2, and amendments thereto,
36 shall be enforced exclusively through the private civil enforcement actions

1 provided under section 5, and amendments thereto. Notwithstanding any
2 other provision of law, no enforcement of sections 1 and 2, and
3 amendments thereto, may be taken or threatened by any state agency,
4 political subdivision, county attorney or district attorney or any officer or
5 employee thereof against any person.

6 (b) Nothing in this section shall be construed to:

7 (1) Render any of the conduct prohibited by sections 1 and 2, and
8 amendments thereto, or by any other provision of law to be lawful;

9 (2) limit or affect, in any way, the availability of any relief established
10 under section 5, and amendments thereto; or

11 (3) limit the enforceability of any other laws that regulate or prohibit
12 abortion.

13 New Sec. 5. (a) Except for the entities and individuals described in
14 section 4, and amendments thereto, any person may bring a civil action
15 against any person who:

16 (1) Violates section 1 or 2, and amendments thereto; or

17 (2) knowingly engages in conduct that aids or abets a violation of
18 section 1 or 2, and amendments thereto, including paying for or
19 reimbursing the costs of an abortion through insurance or otherwise,
20 regardless of whether the person knew or should have known that the
21 performance or induction of the abortion would violate section 1, and
22 amendments thereto.

23 (b) (1) Except as otherwise provided, if the party bringing a cause of
24 action pursuant to this section prevails, the court shall award:

25 (A) Injunctive relief sufficient to prevent the defendant from violating
26 section 1 or 2, and amendments thereto, or engaging in acts that aid or abet
27 violations of section 1 or 2, and amendments thereto;

28 (B) (i) statutory damages in an amount of not less than \$10,000 for
29 each abortion that the defendant performed or induced or attempted to
30 perform or induce in violation of section 1, and amendments thereto, and
31 for each abortion performed or induced or attempted to perform or induce
32 in violation of section 1, and amendments thereto, that the defendant aided
33 or abetted; and

34 (ii) statutory damages in an amount of not less than \$10,000 for each
35 violation of section 2, and amendments thereto; and

36 (C) attorney fees and court costs.

37 (2) A court shall not award attorney fees or court costs to any
38 defendant who is the prevailing party in such action.

39 (c) A court shall not make any award under this section if the
40 defendant demonstrates that the defendant previously paid statutory
41 damages in a prior action that was brought for the same violation of
42 section 1 or 2, and amendments thereto, or for the same conduct that aided
43 or abetted a violation of section 1 or 2, and amendments thereto.

1 (d) No action shall be maintained under this section after six years
2 from the time the cause of action accrues.

3 (e) Notwithstanding any other law, the following may not be asserted
4 as an affirmative defense to any claims in an action brought under this
5 section:

6 (1) Ignorance or mistake of law;

7 (2) a defendant's belief that the provisions of sections 1 through 8,
8 and amendments thereto, are unconstitutional;

9 (3) a defendant's reliance on any court decision that has been
10 overruled on appeal or by a subsequent court, even if such court decision
11 had not been overruled when the defendant engaged in conduct that
12 violates section 1 or 2, and amendments thereto;

13 (4) a defendant's reliance on any state or federal court decision that is
14 not binding on the court in which the action has been brought;

15 (5) nonmutual issue preclusion or nonmutual claim preclusion; or

16 (6) the consent of the pregnant woman to the abortion.

17 (f) In any action brought pursuant to subsection (a)(2), it is an
18 affirmative defense that the defendant reasonably believed, after
19 conducting a reasonable investigation, that the physician performing or
20 inducing or attempting to perform or induce the abortion had complied or
21 would comply with section 1, and amendments thereto. The defendant
22 shall have the burden of proving the affirmative defense under this
23 subsection by a preponderance of the evidence.

24 (g) No entity or person described in section 4, and amendments
25 thereto, shall intervene in any action brought under this section. No entity
26 or person shall be prohibited from filing an amicus curiae brief in any such
27 action.

28 (h) Nothing in this section shall be construed to impose liability on
29 any speech or conduct protected by the amendment 1 to the constitution of
30 the United States or by section 11 of the bill of rights of the constitution of
31 the state of Kansas.

32 New Sec. 6. Any action brought under section 5, and amendments
33 thereto, shall be brought in:

34 (a) The county where all or a substantial part of the events or
35 omissions giving rise to the claim occurred;

36 (b) the county of residence for the defendant who is a natural person,
37 if any, at the time the cause of action accrued;

38 (c) the county where the principal office in this state of the defendant
39 that is not a natural person, if any, is located; or

40 (d) the county of residence for the plaintiff if the plaintiff is a natural
41 person residing in this state.

42 New Sec. 7. As used in sections 1 through 7, and amendments
43 thereto:

1 (a) (1) "Abortion" means the use or prescription of any instrument,
2 medicine, drug or any other substance or device to terminate the
3 pregnancy of a woman with an intention to cause the premature
4 termination of the pregnancy knowing that such termination will with
5 reasonable likelihood cause the death of the unborn child. Such use or
6 prescription is not an "abortion" if done with the intent to:

7 (A) Preserve the life or health of the unborn child;

8 (B) increase the probability of a live birth;

9 (C) remove a dead unborn child who died as the result of natural
10 causes in utero,

11 accidental trauma or a criminal assault on the pregnant woman or the
12 unborn child; or

13 (D) remove an ectopic pregnancy.

14 (2) "Abortion" does not include the prescription, dispensing,
15 administration, sale or use of any method of contraception, including, but
16 not limited to, any type of emergency contraception intended to be taken
17 or used immediately subsequent to sexual intercourse.

18 (b) "Imminent harm" exclusively includes a physical condition and
19 does not include any mental condition, including, but not limited to, any
20 claim or diagnosis that the pregnant woman will engage in conduct
21 intended to result in her own death or some other form of self-harm.

22 (c) "Medical emergency" means a condition that, in reasonable
23 medical judgment, necessitates the immediate abortion of a woman's
24 pregnancy to preserve the life of the pregnant woman because such
25 woman's life is endangered and subject to imminent harm arising from the
26 pregnancy by a physical disorder, illness or injury, including a life-
27 endangering physical condition caused by or arising from the pregnancy
28 itself.

29 (d) "Miscarriage" means the nondeliberate and spontaneous expulsion
30 of a nonviable fetus that has a gestational age of fewer than 20 weeks.

31 (e) "Unborn child" means a living individual of the species homo
32 sapiens at any stage of gestation from fertilization to birth.

33 New Sec. 8. The provisions of sections 1 through 7, and amendments
34 thereto, are hereby declared severable. If any part or provision of sections
35 1 through 7, and amendments thereto, is held to be void, invalid or
36 unconstitutional, such part or provision shall not affect or impair any of the
37 remaining parts or provisions of sections 1 through 7, and amendments
38 thereto, and any such remaining provisions shall continue in full force and
39 effect.

40 Sec. 9. K.S.A. 2022 Supp. 60-1906 is hereby amended to read as
41 follows: 60-1906. (a) No civil action may be commenced in any court for a
42 claim of wrongful life or wrongful birth, and no damages may be
43 recovered in any civil action for any physical condition of a minor that

1 existed at the time of such minor's birth if the damages sought arise out of
2 a claim that a person's action or omission contributed to such minor's
3 mother not obtaining an abortion.

4 (b) Nothing in this section shall be deemed to create any new cause of
5 action, nor preclude any otherwise proper cause of action based on a claim
6 that, but for a person's wrongful action or omission, the death or physical
7 injury of the mother would not have occurred, or the handicap, disease or
8 disability of an individual prior to birth would have been prevented, cured
9 or ameliorated in a manner that preserved the health and life of such
10 individual.

11 (c) If any provision or clause of this act or application thereof to any
12 person or circumstance is held invalid, such invalidity shall not affect other
13 provisions or applications of the act which can be given effect without the
14 invalid provision or application, and to this end the provisions of this act
15 are declared to be severable.

16 (d) As used in this section:

17 (1) "Abortion" ~~has the same meaning as such term is~~ *means the same*
18 *as defined in K.S.A. 65-6701 section 7, and amendments thereto.*

19 (2) "Claim of wrongful birth" means a cause of action brought by a
20 parent, legal guardian or other individual legally required to provide for
21 the support of a minor, which seeks damages, whether economic or
22 noneconomic, as a result of a physical condition of such minor that existed
23 at the time of such minor's birth, and which is based on a claim that a
24 person's action or omission contributed to such minor's mother not
25 obtaining an abortion.

26 (3) "Claim of wrongful life" means a cause of action brought by, or
27 on behalf of, a minor, which seeks damages, whether economic or
28 noneconomic, for such minor as a result of a physical condition of such
29 minor that existed at the time of such minor's birth, and which is based on
30 a claim that a person's action or omission contributed to such minor's
31 mother not obtaining an abortion.

32 Sec. 10. K.S.A. 65-2401 is hereby amended to read as follows: 65-
33 2401. As used in this act:

34 (a) "Vital statistics" includes the registration, preparation,
35 transcription, collection, compilation, and preservation of data pertaining
36 to birth, adoption, legitimation, death, stillbirth, marriage, divorce,
37 annulment of marriage, induced termination of pregnancy, and data
38 incidental thereto.

39 (b) "Live birth" means the complete expulsion or extraction from its
40 mother of a human child, irrespective of the duration of pregnancy, which,
41 after such expulsion or extraction, breathes or shows any other evidence of
42 life such as beating of the heart, pulsation of the umbilical cord, or definite
43 movement of voluntary muscles, whether or not the umbilical cord has

1 been cut or the placenta is attached.

2 (c) "Gestational age" means the age of the human child as measured
3 in weeks as determined by either the last date of the mother's menstrual
4 period, a sonogram conducted prior to the 20th week of pregnancy or the
5 confirmed known date of conception.

6 (d) "Stillbirth" means any complete expulsion or extraction from its
7 mother of a human child the gestational age of which is not less than 20
8 completed weeks, resulting in other than a live birth, as defined in this
9 section, and which is not an induced termination of pregnancy.

10 (e) "Induced termination of pregnancy" means abortion, as defined in
11 ~~K.S.A. 65-6701~~ *section 7*, and amendments thereto.

12 (f) "Dead body" means a lifeless human body or such parts of a
13 human body or the bones thereof from the state of which it reasonably may
14 be concluded that death recently occurred.

15 (g) "Person in charge of interment" means any person who places or
16 causes to be placed a stillborn child or dead body or the ashes, after
17 cremation, in a grave, vault, urn or other receptacle, or otherwise disposes
18 thereof.

19 (h) "Secretary" means the secretary of health and environment.

20 Sec. 11. K.S.A. 65-2837 is hereby amended to read as follows: 65-
21 2837. As used in K.S.A. 65-2836, and amendments thereto, and in this
22 section:

23 (a) "Professional incompetency" means:

24 (1) One or more instances involving failure to adhere to the
25 applicable standard of care to a degree that constitutes gross negligence, as
26 determined by the board.

27 (2) Repeated instances involving failure to adhere to the applicable
28 standard of care to a degree that constitutes ordinary negligence, as
29 determined by the board.

30 (3) A pattern of practice or other behavior that demonstrates a
31 manifest incapacity or incompetence to practice the healing arts.

32 (b) "Unprofessional conduct" means:

33 (1) Solicitation of professional patronage through the use of
34 fraudulent or false advertisements, or profiting by the acts of those
35 representing themselves to be agents of the licensee.

36 (2) Representing to a patient that a manifestly incurable disease,
37 condition or injury can be permanently cured.

38 (3) Assisting in the care or treatment of a patient without the consent
39 of the patient, the attending physician or the patient's legal representatives.

40 (4) The use of any letters, words or terms as an affix, on stationery, in
41 advertisements or otherwise indicating that such person is entitled to
42 practice a branch of the healing arts for which such person is not licensed.

43 (5) Performing, procuring or aiding and abetting in the performance

- 1 or procurement of a ~~criminal~~ *an* abortion.
- 2 (6) Willful betrayal of confidential information.
- 3 (7) Advertising professional superiority or the performance of
4 professional services in a superior manner.
- 5 (8) Advertising to guarantee any professional service or to perform
6 any operation painlessly.
- 7 (9) Participating in any action as a staff member of a medical care
8 facility that is designed to exclude or that results in the exclusion of any
9 person licensed to practice medicine and surgery from the medical staff of
10 a nonprofit medical care facility licensed in this state because of the
11 branch of the healing arts practiced by such person or without just cause.
- 12 (10) Failure to effectuate the declaration of a qualified patient as
13 provided in K.S.A. 65-28,107(a), and amendments thereto.
- 14 (11) Prescribing, ordering, dispensing, administering, selling,
15 supplying or giving any amphetamines or sympathomimetic amines,
16 except as authorized by K.S.A. 65-2837a, and amendments thereto.
- 17 (12) Conduct likely to deceive, defraud or harm the public.
- 18 (13) Making a false or misleading statement regarding the licensee's
19 skill or the efficacy or value of the drug, treatment or remedy prescribed
20 by the licensee or at the licensee's direction in the treatment of any disease
21 or other condition of the body or mind.
- 22 (14) Aiding or abetting the practice of the healing arts by an
23 unlicensed, incompetent or impaired person.
- 24 (15) Allowing another person or organization to use the licensee's
25 license to practice the healing arts.
- 26 (16) Commission of any act of sexual abuse, misconduct or other
27 improper sexual contact that exploits the licensee-patient relationship with
28 a patient or a person responsible for health care decisions concerning such
29 patient.
- 30 (17) The use of any false, fraudulent or deceptive statement in any
31 document connected with the practice of the healing arts including the
32 intentional falsifying or fraudulent altering of a patient or medical care
33 facility record.
- 34 (18) Obtaining any fee by fraud, deceit or misrepresentation.
- 35 (19) Directly or indirectly giving or receiving any fee, commission,
36 rebate or other compensation for professional services not actually and
37 personally rendered, other than through the legal functioning of lawful
38 professional partnerships, corporations, limited liability companies or
39 associations.
- 40 (20) Failure to transfer patient records to another licensee when
41 requested to do so by the subject patient or by such patient's legally
42 designated representative.
- 43 (21) Performing unnecessary tests, examinations or services that have

1 no legitimate medical purpose.

2 (22) Charging an excessive fee for services rendered.

3 (23) Prescribing, dispensing, administering or distributing a
4 prescription drug or substance, including a controlled substance, in an
5 improper or inappropriate manner, or for other than a valid medical
6 purpose, or not in the course of the licensee's professional practice.

7 (24) Repeated failure to practice healing arts with that level of care,
8 skill and treatment that is recognized by a reasonably prudent similar
9 practitioner as being acceptable under similar conditions and
10 circumstances.

11 (25) Failure to keep written medical records that accurately describe
12 the services rendered to the patient, including patient histories, pertinent
13 findings, examination results and test results.

14 (26) Delegating professional responsibilities to a person when the
15 licensee knows or has reason to know that such person is not qualified by
16 training, experience or licensure to perform them.

17 (27) Using experimental forms of therapy without proper informed
18 patient consent, without conforming to generally accepted criteria or
19 standard protocols, without keeping detailed legible records or without
20 having periodic analysis of the study and results reviewed by a committee
21 or peers.

22 (28) Prescribing, dispensing, administering or distributing an anabolic
23 steroid or human growth hormone for other than a valid medical purpose.
24 Bodybuilding, muscle enhancement or increasing muscle bulk or strength
25 through the use of an anabolic steroid or human growth hormone by a
26 person who is in good health is not a valid medical purpose.

27 (29) Referring a patient to a health care entity for services if the
28 licensee has a significant investment interest in the health care entity,
29 unless the licensee informs the patient in writing of such significant
30 investment interest and that the patient may obtain such services
31 elsewhere.

32 (30) Failing to properly supervise, direct or delegate acts that
33 constitute the healing arts to persons who perform professional services
34 pursuant to such licensee's direction, supervision, order, referral,
35 delegation or practice protocols.

36 (31) ~~Violating K.S.A. 65-6703, and amendments thereto.~~

37 (32) Charging, billing or otherwise soliciting payment from any
38 patient, patient's representative or insurer for anatomic pathology services,
39 if such services are not personally rendered by the licensee or under such
40 licensee's direct supervision. As used in this subsection, "anatomic
41 pathology services" means the gross or microscopic examination of
42 histologic processing of human organ tissue or the examination of human
43 cells from fluids, aspirates, washings, brushings or smears, including blood

1 banking services, and subcellular or molecular pathology services,
2 performed by or under the supervision of a person licensed to practice
3 medicine and surgery or a clinical laboratory. Nothing in this subsection
4 shall be construed to prohibit billing for anatomic pathology services by:

5 (A) A hospital;

6 (B) a clinical laboratory when samples are transferred between
7 clinical laboratories for the provision of anatomic pathology services; or

8 (C) a physician providing services to a patient pursuant to a medical
9 retainer agreement in compliance with K.S.A. 65-4978, and amendments
10 thereto, when the bill to the patient for such services:

11 (i) Identifies the laboratory or physician that performed the services;

12 (ii) discloses in writing to the patient the actual amount charged by
13 the physician or laboratory that performed the service; and

14 (iii) is consistent with rules and regulations adopted by the board for
15 appropriate billing standards applicable to such services when furnished
16 under these agreements.

17 ~~(33)~~(32) Engaging in conduct that violates patient trust and exploits
18 the licensee-patient relationship for personal gain.

19 ~~(34)~~(33) Obstructing a board investigation including, but not limited to,
20 engaging in one or more of the following acts:

21 (A) Falsifying or concealing a material fact;

22 (B) knowingly making or causing to be made any false or misleading
23 statement or writing; or

24 (C) other acts or conduct likely to deceive or defraud the board.

25 (c) "False advertisement" means any advertisement that is false,
26 misleading or deceptive in a material respect. In determining whether any
27 advertisement is misleading, there shall be taken into account not only
28 representations made or suggested by statement, word, design, device,
29 sound or any combination thereof, but also the extent to which the
30 advertisement fails to reveal facts material in the light of such
31 representations made.

32 (d) "Advertisement" means all representations disseminated in any
33 manner or by any means for the purpose of inducing, or that are likely to
34 induce, directly or indirectly, the purchase of professional services.

35 (e) "Licensee" for purposes of this section and K.S.A. 65-2836, and
36 amendments thereto, means all persons issued a license, permit or special
37 permit pursuant to article 28 of chapter 65 of the Kansas Statutes
38 Annotated, and amendments thereto.

39 (f) "License" for purposes of this section and K.S.A. 65-2836, and
40 amendments thereto, means any license, permit or special permit granted
41 under article 28 of chapter 65 of the Kansas Statutes Annotated, and
42 amendments thereto.

43 (g) "Health care entity" means any corporation, firm, partnership or

1 other business entity that provides services for diagnosis or treatment of
2 human health conditions and that is owned separately from a referring
3 licensee's principle practice.

4 (h) "Significant investment interest" means ownership of at least 10%
5 of the value of the firm, partnership or other business entity that owns or
6 leases the health care entity, or ownership of at least 10% of the shares of
7 stock of the corporation that owns or leases the health care entity.

8 Sec. 12. K.S.A. 65-6731 is hereby amended to read as follows: 65-
9 6731. As used in K.S.A. 65-6731 through 65-6738, and amendments
10 thereto:

11 (a) "Abortion" ~~has the same meaning as such term is~~ *means the same*
12 *as defined in K.S.A. 65-6701 section 7, and amendments thereto.*

13 (b) "Health benefit plan" means any hospital or medical expense
14 policy, health, hospital or medical services corporation contract, and a plan
15 provided by a municipal group-funded pool, or a health maintenance
16 organization contract offered by any employer or any certificate issued
17 under any such policy, contract or plan.

18 (c) "Health care entity" means an individual physician or other health
19 care professional, a hospital, a provider-sponsored organization, a health
20 maintenance organization or any other health care facility or organization.

21 (d) "School district" means any public school district organized under
22 the laws of this state.

23 (e) "State agency" ~~has the same meaning as such term is~~ *means the*
24 *same as defined in K.S.A. 75-3701, and amendments thereto.*

25 Sec. 13. K.S.A. 65-67a01 is hereby amended to read as follows: 65-
26 67a01. As used in this act:

27 (a) "Abortion" means an abortion as defined ~~by K.S.A. 65-6701 in~~
28 *section 7, and amendments thereto.*

29 (b) (1) "Consideration" means:

30 (A) Any payment made or debt incurred;

31 (B) any gift, honorarium or recognition of value bestowed;

32 (C) any price, charge or fee which is waived, forgiven, reduced or
33 indefinitely delayed;

34 (D) any loan or debt which is canceled or otherwise forgiven; or

35 (E) the transfer of any item from one person to another or provision
36 of any service or granting of any opportunity for which a charge is
37 customarily made, without charge or for a reduced charge.

38 (2) "Consideration" ~~shall~~ *does not mean:*

39 (A) A payment in an amount not to exceed \$25 for the cost of
40 transporting, processing, preserving and storing fetal tissue; or

41 (B) a payment in an amount not to exceed the actual cost, as
42 documented by the delivery service, of transporting fetal tissue.

43 (c) "Delivery service" means a common carrier as defined by K.S.A.

1 66-105, and amendments thereto, or other person or entity used to
2 transport fetal tissue.

3 (d) "Fetal tissue" means any tissue, cells or organs obtained from a
4 dead human embryo or fetus after an abortion or after a stillbirth.

5 (e) "Person" means a person as defined by K.S.A. 65-425, and
6 amendments thereto.

7 (f) "Stillbirth" means a stillbirth as defined by K.S.A. 65-2401, and
8 amendments thereto.

9 Sec. 14. K.S.A. 76-3308 is hereby amended to read as follows: 76-
10 3308.(a) The authority shall have all the powers necessary to carry out the
11 purposes and provisions of this act, including, without limitation, the
12 following powers to:

13 (1) Have the duties, privileges, immunities, rights, liabilities and
14 disabilities of a body corporate and a political instrumentality of the state;

15 (2) have perpetual existence and succession;

16 (3) adopt, have and use a seal and to alter the same at its pleasure;

17 (4) sue and be sued in its own name;

18 (5) make and execute contracts, guarantees or any other instruments
19 and agreements necessary or convenient for the exercise of its powers and
20 functions including, without limitation, to make and execute contracts with
21 hospitals or other health care businesses to operate and manage any or all
22 of the hospital facilities or operations and to incur liabilities and secure the
23 obligations of any entity or individual;

24 (6) borrow money and to issue bonds evidencing the same and pledge
25 all or any part of the authority's assets therefor;

26 (7) purchase, lease, trade, exchange or otherwise acquire, maintain,
27 hold, improve, mortgage, sell, lease and dispose of personal property,
28 whether tangible or intangible, and any interest therein; and to purchase,
29 lease, trade, exchange or otherwise acquire real property or any interest
30 therein, and to maintain, hold, improve, mortgage, lease and otherwise
31 transfer such real property, so long as such transactions do not conflict
32 with the mission of the authority as specified in this act;

33 (8) incur or assume indebtedness to, and enter into contracts with the
34 Kansas development finance authority, which is authorized to borrow
35 money and provide financing for the authority;

36 (9) develop policies and procedures generally applicable to the
37 procurement of goods, services and construction, based upon sound
38 business practices;

39 (10) contract for and to accept any gifts, grants and loans of funds,
40 property, or any other aid in any form from the federal government, the
41 state, any state agency, or any other source, or any combination thereof,
42 and to comply with the provisions of the terms and conditions thereof;

43 (11) acquire space, equipment, services, supplies and insurance

1 necessary to carry out the purposes of this act;

2 (12) deposit any moneys of the authority in any banking institution
3 within or without the state or in any depository authorized to receive such
4 deposits, one or more persons to act as custodians of the moneys of the
5 authority, to give surety bonds in such amounts in form and for such
6 purposes as the board requires;

7 (13) procure such insurance, participate in such insurance plans or
8 provide such self insurance or both as it deems necessary or convenient to
9 carry out the purposes and provisions of this act; the purchase of
10 insurance, participation in an insurance plan or creation of a self-insurance
11 fund by the authority shall not be deemed as a waiver or relinquishment of
12 any sovereign immunity to which the authority or its officers, directors,
13 employees or agents are otherwise entitled;

14 (14) appoint, supervise and set the salary and compensation of a
15 president of the authority who shall be appointed by and serve at the
16 pleasure of the board;

17 (15) fix, revise, charge and collect rates, rentals, fees and other
18 charges for the services or facilities furnished by or on behalf of the
19 authority, and to establish policies and procedures regarding any such
20 service rendered for the use, occupancy or operation of any such facility;
21 such charges and policies and procedures not to be subject to supervision
22 or regulation by any commission, board, bureau or agency of the state; and

23 (16) do any and all things necessary or convenient to carry out the
24 authority's purposes and exercise the powers given in this act.

25 (b) The authority may create, own in whole or in part, or otherwise
26 acquire or dispose of any entity organized for a purpose related to or in
27 support of the mission of the authority.

28 (c) The authority may participate in joint ventures with individuals,
29 corporations, governmental bodies or agencies, partnerships, associations,
30 insurers or other entities to facilitate any activities or programs consistent
31 with the public purpose and intent of this act.

32 (d) The authority may create a nonprofit entity or entities for the
33 purpose of soliciting, accepting and administering grants, outright gifts and
34 bequests, endowment gifts and bequests and gifts and bequests in trust
35 which entity or entities shall not engage in trust business.

36 (e) In carrying out any activities authorized by this act, the authority
37 may provide appropriate assistance, including the making of loans and
38 providing time of employees, to corporations, partnerships, associations,
39 joint ventures or other entities, whether or not such corporations,
40 partnerships, associations, joint ventures or other entities are owned or
41 controlled in whole or in part, directly or indirectly, by the authority.

42 (f) Effective with the transfer date, all moneys of the authority shall
43 be deposited in one or more banks or trust companies in one or more

1 special accounts. All banks and trust companies are authorized to give
2 security for such deposits if required by the authority. The moneys in such
3 accounts shall be paid out on a warrant or other orders of the treasurer of
4 the authority or any such other person or persons as the authority may
5 authorize to execute such warrants or orders.

6 (g) Notwithstanding any provision of law to the contrary, the
7 authority, effective with the transfer date, may invest the authority's
8 operating funds in any obligations or securities as authorized by the board.
9 The board shall adopt written investment guidelines.

10 (h) The authority is authorized to negotiate contracts with one or
11 more qualified parties to provide collection services. The selection of a
12 collection services provider shall be based on responses to a request for
13 proposals from qualified professional firms and shall be administered in
14 accordance with policies adopted by the board.

15 (i) Notwithstanding any provision of law to the contrary, no abortion,
16 *as defined in section 7, and amendments thereto*, shall be performed,
17 ~~except in the event of a medical emergency~~, in any medical facility,
18 hospital or clinic owned, leased or operated by the authority, *except as*
19 *provided in section 1, and amendments thereto*. ~~The provisions of this~~
20 ~~subsection are not applicable to any member of the physician faculty of the~~
21 ~~university of Kansas school of medicine when such abortion is performed~~
22 ~~outside the scope of such member's employment on property not owned,~~
23 ~~leased or operated by the authority. As used in this subsection, "medical~~
24 ~~emergency" means a condition that, in reasonable medical judgment, so~~
25 ~~complicates the medical condition of the pregnant woman as to necessitate~~
26 ~~the immediate abortion of her pregnancy to avert the death of the woman~~
27 ~~or for which a delay necessary to comply with the applicable statutory~~
28 ~~requirements will create serious risk of substantial and irreversible~~
29 ~~physical impairment of a major bodily function. No condition shall be~~
30 ~~deemed a medical emergency if based on a claim or diagnosis that the~~
31 ~~woman will engage in conduct which would result in her death or in~~
32 ~~substantial and irreversible physical impairment of a major bodily~~
33 ~~function.~~

34 Sec. 15. K.S.A. 2022 Supp. 79-32,182b is hereby amended to read as
35 follows: 79-32,182b. (a) For all taxable years commencing after December
36 31, 2022, a credit shall be allowed against the tax imposed by the Kansas
37 income tax act on the Kansas taxable income of a taxpayer for
38 expenditures in research and development activities conducted within this
39 state in an amount equal to 10% of the amount by which the amount
40 expended for such activities in the taxable year of the taxpayer exceeds the
41 taxpayer's average of the actual expenditures for such purposes made in
42 such taxable year and the next preceding two taxable years.

43 (b) In any one taxable year, the amount of such credit allowable for

1 deduction from the taxpayer's tax liability shall not exceed 25% of the total
 2 amount of such credit plus any applicable carry forward amount. The
 3 amount by which that portion of the credit allowed by subsections (a) and
 4 (b) to be claimed in any one taxable year exceeds the taxpayer's tax
 5 liability in such year may be carried forward until the total amount of the
 6 credit is used.

7 (c) As used in this section, the term "expenditures in research and
 8 development activities" means expenditures made for such purposes, other
 9 than expenditures of moneys made available to the taxpayer pursuant to
 10 federal or state law, which are treated as expenses allowable for deduction
 11 under the provisions of the federal internal revenue code of 1986, as
 12 amended, except that for taxable years commencing after December 31,
 13 2013, expenditures in research and development activities shall not include
 14 any expenditures for the performance of any abortion, as defined in ~~K.S.A.~~
 15 ~~65-6701~~ section 7, and amendments thereto.

16 (d) For tax year 2023 and all tax years thereafter, the income tax
 17 credit allowed pursuant to this section shall be transferable by a taxpayer
 18 without a current tax liability. The tax credit may be transferred to any
 19 person and be claimed by the transferee as a credit against the transferee's
 20 Kansas income tax liability in the tax year when it was transferred. The
 21 credit shall be claimed and may be carried forward by the transferee as
 22 provided and limited by subsection (b). No person shall be entitled to a
 23 refund for the transferred tax credit. Only the full credit may be
 24 transferred, and the credit may only be transferred one time.
 25 Documentation of any credit acquired by transfer shall be provided by the
 26 taxpayer or the transferee in the manner required by the secretary of
 27 revenue.

28 Sec. 16. K.S.A. 79-32,195 is hereby amended to read as follows: 79-
 29 32,195. As used in this act, ~~the following words and phrases shall have the~~
 30 ~~meanings ascribed to them herein:~~ (a) "Business firm" means any business
 31 entity authorized to do business in the state of Kansas ~~which~~ *that* is subject
 32 to the state income tax imposed by the provisions of the Kansas income
 33 tax act, any individual subject to the state income tax imposed by the
 34 provisions of the Kansas income tax act, any national banking association,
 35 state bank, trust company or savings and loan association paying an annual
 36 tax on its net income pursuant to article 11 of chapter 79 of the Kansas
 37 Statutes Annotated, and amendments thereto, or any insurance company
 38 paying the premium tax and privilege fees imposed pursuant to K.S.A. 40-
 39 252, and amendments thereto;

40 (b) "Community services" means:

41 (1) The conduct of activities ~~which~~ *that* meet a demonstrated
 42 community need and ~~which~~ *that* are designed to achieve improved
 43 educational and social services for Kansas children and their families, and

1 ~~which~~ *that* are coordinated with communities including, but not limited to,
 2 social and human services organizations that address the causes of poverty
 3 through programs and services that assist low income persons in the areas
 4 of employment, food, housing, emergency assistance and health care;

5 (2) crime prevention;

6 (3) health care services; and

7 (4) youth apprenticeship and technical training.

8 (c) "Crime prevention" means any nongovernmental activity ~~which~~
 9 *that* aids in the prevention of crime.

10 (d) "Youth apprenticeship and technical training" means conduct of
 11 activities ~~which~~ *that* are designed to improve the access to and quality of
 12 apprenticeship and technical training ~~which~~ *that* support an emphasis on
 13 rural construction projects as well as the necessary equipment, facilities
 14 and supportive mentorship for youth apprenticeships and technical
 15 training.

16 (e) "Community service organization" means any organization
 17 performing community services in Kansas ~~and which~~ *that*:

18 (1) Has obtained a ruling from the internal revenue service of the
 19 United States department of the treasury that such organization is exempt
 20 from income taxation under the provisions of section 501(c)(3) of the
 21 federal internal revenue code; ~~or~~

22 (2) is incorporated in the state of Kansas or another state as a
 23 nonstock, nonprofit corporation; ~~or~~

24 (3) has been designated as a community development corporation by
 25 the United States government under the provisions of title VII of the
 26 economic opportunity act of 1964; or

27 (4) is chartered by the United States congress.

28 (f) "Contributions" ~~shall mean and include~~ *means and includes* the
 29 donation of cash, services or property other than used clothing in an
 30 amount or value of \$250 or more. Stocks and bonds contributed shall be
 31 valued at the stock market price on the date of transfer. Services
 32 contributed shall be valued at the standard billing rate for not-for-profit
 33 clients. Personal property items contributed shall be valued at the lesser of
 34 its fair market value or cost to the donor and may be inclusive of costs
 35 incurred in making the contribution, but shall not include sales tax.
 36 Contributions of real estate are allowable for credit only when title thereto
 37 is in fee simple absolute and is clear of any encumbrances. The amount of
 38 credit allowable shall be based upon the lesser of two current independent
 39 appraisals conducted by state licensed appraisers.

40 (g) "Health care services" ~~shall include, but not be~~ *includes, but is not*
 41 limited to, the following: Services provided by local health departments,
 42 city, county or district hospitals, city or county nursing homes, or other
 43 residential institutions, preventive health care services offered by a

1 community service organization including immunizations, prenatal care,
2 the postponement of entry into nursing homes by home health care
3 services, and community based services for persons with a disability,
4 mental health services, indigent health care, physician or health care
5 worker recruitment, health education, emergency medical services,
6 services provided by rural health clinics, integration of health care
7 services, home health services and services provided by rural health
8 networks, except that for taxable years commencing after December 31,
9 2013, "health care services ~~shall~~" *does* not include any service involving
10 the performance of any abortion, as defined in ~~K.S.A. 65-6701~~ *section 7*,
11 and amendments thereto.

12 (h) "Rural community" means any city having a population of fewer
13 than 15,000 located in a county that is not part of a standard metropolitan
14 statistical area as defined by the United States department of commerce or
15 its successor agency. However, any such city located in a county defined
16 as a standard metropolitan statistical area shall be deemed a rural
17 community if a substantial number of persons in such county derive their
18 income from agriculture and, in any county where there is only one city
19 within the county which has a population of more than 15,000 and which
20 classifies as a standard metropolitan statistical area, all other cities in that
21 county having a population of less than 15,000 shall be deemed a rural
22 community.

23 Sec. 17. K.S.A. 2022 Supp. 79-32,261 is hereby amended to read as
24 follows: 79-32,261. (a) (1) ~~On and after July 1, 2008,~~ Any taxpayer who
25 contributes in the manner prescribed by this paragraph to a community
26 college located in Kansas for capital improvements, to a technical college
27 for deferred maintenance or the purchase of technology or equipment or to
28 a postsecondary educational institution located in Kansas for deferred
29 maintenance, shall be allowed a credit against the tax imposed by the
30 Kansas income tax act, the premium tax or privilege fees imposed
31 pursuant to K.S.A. 40-252, and amendments thereto, or the privilege tax as
32 measured by net income of financial institutions imposed pursuant to
33 article 11 of chapter 79 of the Kansas Statutes Annotated, and amendments
34 thereto. The tax credit allowed by this paragraph is applicable for the tax
35 year 2008 for any contributions made on and after July 1, 2008, and for the
36 tax years 2009, 2010, 2011 and 2012 for any contributions made during
37 the entire tax year. The amount of the credit allowed by this paragraph
38 shall not exceed 60% of the total amount contributed during the taxable
39 year by the taxpayer to a community college or a technical college located
40 in Kansas for such purposes. The amount of the credit allowed by this
41 paragraph shall not exceed 50% of the total amount contributed during the
42 taxable year by the taxpayer to a postsecondary educational institution for
43 such purposes. If the amount of the credit allowed by this paragraph for a

1 taxpayer who contributes to a community college or a technical college
2 exceeds the taxpayer's income tax liability imposed by the Kansas income
3 tax act, such excess amount shall be refunded to the taxpayer. If the
4 amount of the tax credit for a taxpayer who contributes to a postsecondary
5 educational institution exceeds the taxpayer's income tax liability for the
6 taxable year, the amount which exceeds the tax liability may be carried
7 over for deduction from the taxpayer's income tax liability in the next
8 succeeding taxable year or years until the total amount of the tax credit has
9 been deducted from tax liability, except that no such tax credit shall be
10 carried over for deduction after the third taxable year succeeding the
11 taxable year in which the contribution is made. Prior to the issuance of any
12 tax credits pursuant to this paragraph, the structure of the process in which
13 contributions received by a community college, a technical college or a
14 postsecondary educational institution qualify as tax credits allowed and
15 issued pursuant to this paragraph shall be developed by a community
16 college, a technical college and a postsecondary educational institution in
17 consultation with the secretary of revenue and the foundation or
18 endowment association of any such community college, technical college
19 or postsecondary educational institution in a manner that complies with
20 requirements specified in the federal internal revenue code of 1986, as
21 amended, so that contributions qualify as charitable contributions
22 allowable as deductions from federal adjusted gross income.

23 (2) On and after July 1, 2022, any taxpayer who contributes in the
24 manner prescribed by this paragraph to a community college or technical
25 college located in Kansas for capital improvements, deferred maintenance
26 or the purchase of technology or equipment shall be allowed a credit
27 against the tax imposed by the Kansas income tax act, the premium tax or
28 privilege fees imposed pursuant to K.S.A. 40-252, and amendments
29 thereto, or the privilege tax as measured by net income of financial
30 institutions imposed pursuant to article 11 of chapter 79 of the Kansas
31 Statutes Annotated, and amendments thereto. The tax credit allowed by
32 this paragraph is applicable for the tax year 2022 for any contributions
33 made on and after July 1, 2022, and for the tax years 2023, 2024, 2025 and
34 2026 for any contributions made during the entire tax year. The amount of
35 the credit allowed by this paragraph shall equal 60% of the total amount
36 contributed during the taxable year by the taxpayer to a community college
37 or a technical college located in Kansas for such purposes. Prior to the
38 issuance of any tax credits pursuant to this paragraph, the structure of the
39 process in which contributions received by a community college or
40 technical college qualify as tax credits allowed and issued pursuant to this
41 paragraph shall be developed by a community college and technical
42 college in consultation with the secretary of revenue and the foundation or
43 endowment association of any such community college or technical

1 college in a manner that complies with requirements specified in the
2 federal internal revenue code of 1986, as amended, so that contributions
3 qualify as charitable contributions allowable as deductions from federal
4 adjusted gross income.

5 (b) (1) Upon receipt of any contributions to a community college
6 made pursuant to the provisions of subsection (a)(1), the treasurer of the
7 community college shall deposit such contributions to the credit of the
8 capital outlay fund of such community college established as provided by
9 K.S.A. 71-501a, and amendments thereto. Expenditures from such fund
10 shall be made for the purposes described in K.S.A. 71-501(a), and
11 amendments thereto, except that expenditures shall not be made from such
12 fund for new construction or the acquisition of real property for use as
13 building sites or for educational programs.

14 (2) Upon receipt of any contributions to a technical college made
15 pursuant to the provisions of subsection (a)(1), such contributions shall be
16 deposited to the credit of a deferred maintenance fund or a technology and
17 equipment fund established by the technical college which received the
18 contribution. Expenditures from such fund shall be made only for the
19 purpose as provided in subsection (b)(1).

20 (3) Upon receipt of any such contributions to a postsecondary
21 educational institution made pursuant to the provisions of subsection (a)
22 (1), such contributions shall be deposited to the credit of the appropriate
23 deferred maintenance support fund of the postsecondary educational
24 institution that received the contribution. Expenditures from such fund
25 shall be made only for the purposes designated for such fund pursuant to
26 law.

27 (4) Upon receipt of any such contributions to a community college or
28 technical college made pursuant to the provisions of subsection (a)(2), the
29 treasurer of the community college or technical college shall deposit such
30 contributions to the credit of the capital outlay fund of such community
31 college or technical college established as provided by K.S.A. 71-501a,
32 and amendments thereto. Expenditures from such fund shall be made for
33 the purposes designated for such fund pursuant to law.

34 (c) (1) In no event shall the total amount of credits allowed under
35 subsection (a)(1) for taxpayers who contribute to any one such community
36 college or technical college exceed the following amounts: For the tax year
37 2008, an amount not to exceed \$78,125; for the tax year 2009, an amount
38 not to exceed \$156,250; and for the tax years 2010, 2011 and 2012, an
39 amount not to exceed \$208,233.33.

40 (2) In no event shall the total of credits allowed under subsection (a)
41 (1) for taxpayers who contribute to postsecondary educational institutions
42 exceed the following amounts: For the tax year 2008, an amount not to
43 exceed \$5,625,000; for the tax year 2009, an amount not to exceed

1 \$11,250,000; and for the tax years 2010, 2011 and 2012, an amount not to
2 exceed \$15,000,000. Except as otherwise provided, the allocation of such
3 tax credits for each individual state educational institution shall be
4 determined by the state board of regents in consultation with the secretary
5 of revenue and the university foundation or endowment association of
6 each postsecondary educational institution, and such determination shall
7 be completed prior to the issuance of any tax credits pursuant to subsection
8 (a)(1). Not more than 40% of the total of credits allowed under subsection
9 (a)(1) shall be allocated to any one postsecondary educational institution
10 unless all such postsecondary educational institutions approve an
11 allocation to any one such postsecondary educational institution which
12 exceeds 40% of the total of such credits allowed under subsection (a)(1).

13 (3) For the tax years 2022 through 2026, the amount of such credit
14 awarded under subsection (a)(2) for each taxpayer shall not exceed
15 \$250,000 per tax year.

16 (4) In no event shall the total of credits allowed under subsection (a)
17 (2) for contributions to any one community college or technical college
18 exceed \$500,000 per tax year.

19 (5) In no event shall the total of credits allowed under subsection (a)
20 (2) exceed \$5,000,000 for each tax year that the credit remains in effect.

21 (d) As used in this section:

22 (1) "Community college" means a community college established
23 under the provisions of the community college act;

24 (2) "deferred maintenance" means the maintenance, repair,
25 reconstruction or rehabilitation of a building located at a technical college
26 or a postsecondary educational institution which has been deferred, any
27 utility systems relating to such building, any life-safety upgrades to such
28 building and any improvements necessary to be made to such building in
29 order to comply with the requirements of the Americans with disabilities
30 act or other federal or state law, except that for taxable years commencing
31 after December 31, 2013, deferred maintenance shall not include any
32 maintenance, repair, reconstruction or rehabilitation of any building in
33 which any abortion, as defined in ~~K.S.A. 65-6701~~ section 7, and
34 amendments thereto, is performed;

35 (3) "postsecondary educational institution" means the university of
36 Kansas, Kansas state university of agriculture and applied science, Wichita
37 state university, Emporia state university, Pittsburg state university, Fort
38 Hays state university and Washburn university of Topeka; and

39 (4) "technical college" means a technical college as designated
40 pursuant to K.S.A. 74-32,458, 74-32,460, 74-32,461, 74-32,462, 74-
41 32,464 and 74-32,465, and amendments thereto, and the institute of
42 technology at Washburn university.

43 (e) (1) Any taxpayer not subject to Kansas income, privilege or

1 premiums tax who contributes to a community college, technical college
2 or postsecondary educational institution, hereinafter designated the
3 transferor, may sell, assign, convey or otherwise transfer tax credits
4 allowed and earned pursuant to this section. The sale price of a tax credit
5 shall be at least 50% of the full value of the credit. Such credit shall be
6 deemed to be allowed and earned by any such taxpayer which is only
7 disqualified therefrom by reason of not being subject to such Kansas taxes.
8 The taxpayer acquiring earned credits, hereinafter designated the
9 transferee, may use the amount of the acquired credits to offset up to 100%
10 of the taxpayer's income, privilege or premiums tax liability for the taxable
11 year in which such acquisition was made. Such credits may be sold or
12 transferred only one time and, if sold or transferred, shall be transferred in
13 the tax year such credit is earned or the two successive tax years. A
14 transferred credit shall be claimed in the year purchased. The transferor
15 shall enter into a written agreement with the transferee establishing the
16 terms and conditions of the sale or transfer and shall perfect such transfer
17 by notifying the secretary of revenue in writing within 30 calendar days
18 following the effective date of the transfer, subject to the review and
19 approval or denial of such transfer by the secretary of revenue. The
20 transferor and transferee shall provide any information pertaining to the
21 sale or transfer as may be required by the secretary of revenue to
22 administer and carry out the provisions of this section. The amount
23 received by the transferor of such tax credit shall be taxable as income of
24 the transferor, and the excess of the value of such credit over the amount
25 paid by the transferee for such credit shall be taxable as income of the
26 transferee.

27 (2) The provisions of this subsection shall not apply to tax credits
28 earned pursuant to subsection (a)(2).

29 (f) The secretary of revenue shall submit an annual report to the
30 legislature to assist the legislature in the evaluation of the utilization of any
31 credits claimed pursuant to this act, including information specific as to
32 each community college, technical college or postsecondary educational
33 institution. Such report shall be due on or before the first day of the
34 legislative session following the tax year in which the credits were
35 claimed.

36 (g) The secretary of revenue shall adopt rules and regulations
37 necessary to administer the provisions of this section.

38 Sec. 18. K.S.A. 2022 Supp. 79-3606 is hereby amended to read as
39 follows: 79-3606. The following shall be exempt from the tax imposed by
40 this act:

41 (a) All sales of motor-vehicle fuel or other articles upon which a sales
42 or excise tax has been paid, not subject to refund, under the laws of this
43 state except cigarettes and electronic cigarettes as defined by K.S.A. 79-

1 3301, and amendments thereto, including consumable material for such
2 electronic cigarettes, cereal malt beverages and malt products as defined
3 by K.S.A. 79-3817, and amendments thereto, including wort, liquid malt,
4 malt syrup and malt extract, that is not subject to taxation under the
5 provisions of K.S.A. 79-41a02, and amendments thereto, motor vehicles
6 taxed pursuant to K.S.A. 79-5117, and amendments thereto, tires taxed
7 pursuant to K.S.A. 65-3424d, and amendments thereto, drycleaning and
8 laundry services taxed pursuant to K.S.A. 65-34,150, and amendments
9 thereto, and gross receipts from regulated sports contests taxed pursuant to
10 the Kansas professional regulated sports act, and amendments thereto;

11 (b) all sales of tangible personal property or service, including the
12 renting and leasing of tangible personal property, purchased directly by the
13 state of Kansas, a political subdivision thereof, other than a school or
14 educational institution, or purchased by a public or private nonprofit
15 hospital, public hospital authority, nonprofit blood, tissue or organ bank or
16 nonprofit integrated community care organization and used exclusively for
17 state, political subdivision, hospital, public hospital authority, nonprofit
18 blood, tissue or organ bank or nonprofit integrated community care
19 organization purposes, except when: (1) Such state, hospital or public
20 hospital authority is engaged or proposes to engage in any business
21 specifically taxable under the provisions of this act and such items of
22 tangible personal property or service are used or proposed to be used in
23 such business; or (2) such political subdivision is engaged or proposes to
24 engage in the business of furnishing gas, electricity or heat to others and
25 such items of personal property or service are used or proposed to be used
26 in such business;

27 (c) all sales of tangible personal property or services, including the
28 renting and leasing of tangible personal property, purchased directly by a
29 public or private elementary or secondary school or public or private
30 nonprofit educational institution and used primarily by such school or
31 institution for nonsectarian programs and activities provided or sponsored
32 by such school or institution or in the erection, repair or enlargement of
33 buildings to be used for such purposes. The exemption herein provided
34 shall not apply to erection, construction, repair, enlargement or equipment
35 of buildings used primarily for human habitation, except that such
36 exemption shall apply to the erection, construction, repair, enlargement or
37 equipment of buildings used for human habitation by the cerebral palsy
38 research foundation of Kansas located in Wichita, Kansas, and multi
39 community diversified services, incorporated, located in McPherson,
40 Kansas;

41 (d) all sales of tangible personal property or services purchased by a
42 contractor for the purpose of constructing, equipping, reconstructing,
43 maintaining, repairing, enlarging, furnishing or remodeling facilities for

1 any public or private nonprofit hospital or public hospital authority, public
2 or private elementary or secondary school, a public or private nonprofit
3 educational institution, state correctional institution including a privately
4 constructed correctional institution contracted for state use and ownership,
5 that would be exempt from taxation under the provisions of this act if
6 purchased directly by such hospital or public hospital authority, school,
7 educational institution or a state correctional institution; and all sales of
8 tangible personal property or services purchased by a contractor for the
9 purpose of constructing, equipping, reconstructing, maintaining, repairing,
10 enlarging, furnishing or remodeling facilities for any political subdivision
11 of the state or district described in subsection (s), the total cost of which is
12 paid from funds of such political subdivision or district and that would be
13 exempt from taxation under the provisions of this act if purchased directly
14 by such political subdivision or district. Nothing in this subsection or in
15 the provisions of K.S.A. 12-3418, and amendments thereto, shall be
16 deemed to exempt the purchase of any construction machinery, equipment
17 or tools used in the constructing, equipping, reconstructing, maintaining,
18 repairing, enlarging, furnishing or remodeling facilities for any political
19 subdivision of the state or any such district. As used in this subsection,
20 K.S.A. 12-3418 and 79-3640, and amendments thereto, "funds of a
21 political subdivision" shall mean general tax revenues, the proceeds of any
22 bonds and gifts or grants-in-aid. Gifts shall not mean funds used for the
23 purpose of constructing, equipping, reconstructing, repairing, enlarging,
24 furnishing or remodeling facilities that are to be leased to the donor. When
25 any political subdivision of the state, district described in subsection (s),
26 public or private nonprofit hospital or public hospital authority, public or
27 private elementary or secondary school, public or private nonprofit
28 educational institution, state correctional institution including a privately
29 constructed correctional institution contracted for state use and ownership
30 shall contract for the purpose of constructing, equipping, reconstructing,
31 maintaining, repairing, enlarging, furnishing or remodeling facilities, it
32 shall obtain from the state and furnish to the contractor an exemption
33 certificate for the project involved, and the contractor may purchase
34 materials for incorporation in such project. The contractor shall furnish the
35 number of such certificate to all suppliers from whom such purchases are
36 made, and such suppliers shall execute invoices covering the same bearing
37 the number of such certificate. Upon completion of the project the
38 contractor shall furnish to the political subdivision, district described in
39 subsection (s), hospital or public hospital authority, school, educational
40 institution or department of corrections concerned a sworn statement, on a
41 form to be provided by the director of taxation, that all purchases so made
42 were entitled to exemption under this subsection. As an alternative to the
43 foregoing procedure, any such contracting entity may apply to the

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

27 (e) all sales of tangible personal property or services purchased by a
28 contractor for the erection, repair or enlargement of buildings or other
29 projects for the government of the United States, its agencies or
30 instrumentalities, that would be exempt from taxation if purchased directly
31 by the government of the United States, its agencies or instrumentalities.
32 When the government of the United States, its agencies or
33 instrumentalities shall contract for the erection, repair, or enlargement of
34 any building or other project, it shall obtain from the state and furnish to
35 the contractor an exemption certificate for the project involved, and the
36 contractor may purchase materials for incorporation in such project. The
37 contractor shall furnish the number of such certificates to all suppliers
38 from whom such purchases are made, and such suppliers shall execute
39 invoices covering the same bearing the number of such certificate. Upon
40 completion of the project the contractor shall furnish to the government of
41 the United States, its agencies or instrumentalities concerned a sworn
42 statement, on a form to be provided by the director of taxation, that all
43 purchases so made were entitled to exemption under this subsection. As an

1 alternative to the foregoing procedure, any such contracting entity may
2 apply to the secretary of revenue for agent status for the sole purpose of
3 issuing and furnishing project exemption certificates to contractors
4 pursuant to rules and regulations adopted by the secretary establishing
5 conditions and standards for the granting and maintaining of such status.
6 All invoices shall be held by the contractor for a period of five years and
7 shall be subject to audit by the director of taxation. Any contractor or any
8 agent, employee or subcontractor thereof, who shall use or otherwise
9 dispose of any materials purchased under such a certificate for any purpose
10 other than that for which such a certificate is issued without the payment
11 of the sales or compensating tax otherwise imposed upon such materials,
12 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
13 subject to the penalties provided for in K.S.A. 79-3615(h), and
14 amendments thereto;

15 (f) tangible personal property purchased by a railroad or public utility
16 for consumption or movement directly and immediately in interstate
17 commerce;

18 (g) sales of aircraft including remanufactured and modified aircraft
19 sold to persons using directly or through an authorized agent such aircraft
20 as certified or licensed carriers of persons or property in interstate or
21 foreign commerce under authority of the laws of the United States or any
22 foreign government or sold to any foreign government or agency or
23 instrumentality of such foreign government and all sales of aircraft for use
24 outside of the United States and sales of aircraft repair, modification and
25 replacement parts and sales of services employed in the remanufacture,
26 modification and repair of aircraft;

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

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

31 (j) meals served without charge or food used in the preparation of
32 such meals to employees of any restaurant, eating house, dining car, hotel,
33 drugstore or other place where meals or drinks are regularly sold to the
34 public if such employees' duties are related to the furnishing or sale of
35 such meals or drinks;

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

42 (l) all isolated or occasional sales of tangible personal property,
43 services, substances or things, except isolated or occasional sale of motor

1 vehicles specifically taxed under the provisions of K.S.A. 79-3603(o), and
2 amendments thereto;

3 (m) all sales of tangible personal property that become an ingredient
4 or component part of tangible personal property or services produced,
5 manufactured or compounded for ultimate sale at retail within or without
6 the state of Kansas; and any such producer, manufacturer or compounder
7 may obtain from the director of taxation and furnish to the supplier an
8 exemption certificate number for tangible personal property for use as an
9 ingredient or component part of the property or services produced,
10 manufactured or compounded;

11 (n) all sales of tangible personal property that is consumed in the
12 production, manufacture, processing, mining, drilling, refining or
13 compounding of tangible personal property, the treating of by-products or
14 wastes derived from any such production process, the providing of
15 services or the irrigation of crops for ultimate sale at retail within or
16 without the state of Kansas; and any purchaser of such property may
17 obtain from the director of taxation and furnish to the supplier an
18 exemption certificate number for tangible personal property for
19 consumption in such production, manufacture, processing, mining,
20 drilling, refining, compounding, treating, irrigation and in providing such
21 services;

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

28 (p) all sales of drugs dispensed pursuant to a prescription order by a
29 licensed practitioner or a mid-level practitioner as defined by K.S.A. 65-
30 1626, and amendments thereto. As used in this subsection, "drug" means a
31 compound, substance or preparation and any component of a compound,
32 substance or preparation, other than food and food ingredients, dietary
33 supplements or alcoholic beverages, recognized in the official United
34 States pharmacopeia, official homeopathic pharmacopoeia of the United
35 States or official national formulary, and supplement to any of them,
36 intended for use in the diagnosis, cure, mitigation, treatment or prevention
37 of disease or intended to affect the structure or any function of the body,
38 except that for taxable years commencing after December 31, 2013, this
39 subsection shall not apply to any sales of drugs used in the performance or
40 induction of an abortion, as defined in ~~K.S.A. 65-6701~~ section 7, and
41 amendments thereto;

42 (q) all sales of insulin dispensed by a person licensed by the state
43 board of pharmacy to a person for treatment of diabetes at the direction of

1 a person licensed to practice medicine by the state board of healing arts;

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

22 (s) except as provided in K.S.A. 82a-2101, and amendments thereto,
23 all sales of tangible personal property or services purchased directly or
24 indirectly by a groundwater management district organized or operating
25 under the authority of K.S.A. 82a-1020 et seq., and amendments thereto,
26 by a rural water district organized or operating under the authority of
27 K.S.A. 82a-612, and amendments thereto, or by a water supply district
28 organized or operating under the authority of K.S.A. 19-3501 et seq., 19-
29 3522 et seq. or 19-3545, and amendments thereto, which property or
30 services are used in the construction activities, operation or maintenance of
31 the district;

32 (t) all sales of farm machinery and equipment or aquaculture
33 machinery and equipment, repair and replacement parts therefor and
34 services performed in the repair and maintenance of such machinery and
35 equipment. For the purposes of this subsection the term "farm machinery
36 and equipment or aquaculture machinery and equipment" shall include a
37 work-site utility vehicle, as defined in K.S.A. 8-126, and amendments
38 thereto, and is equipped with a bed or cargo box for hauling materials, and
39 shall also include machinery and equipment used in the operation of
40 Christmas tree farming but shall not include any passenger vehicle, truck,
41 truck tractor, trailer, semitrailer or pole trailer, other than a farm trailer, as
42 such terms are defined by K.S.A. 8-126, and amendments thereto. "Farm
43 machinery and equipment" includes precision farming equipment that is

1 portable or is installed or purchased to be installed on farm machinery and
2 equipment. "Precision farming equipment" includes the following items
3 used only in computer-assisted farming, ranching or aquaculture
4 production operations: Soil testing sensors, yield monitors, computers,
5 monitors, software, global positioning and mapping systems, guiding
6 systems, modems, data communications equipment and any necessary
7 mounting hardware, wiring and antennas. Each purchaser of farm
8 machinery and equipment or aquaculture machinery and equipment
9 exempted herein must certify in writing on the copy of the invoice or sales
10 ticket to be retained by the seller that the farm machinery and equipment
11 or aquaculture machinery and equipment purchased will be used only in
12 farming, ranching or aquaculture production. Farming or ranching shall
13 include the operation of a feedlot and farm and ranch work for hire and the
14 operation of a nursery;

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

18 (v) all sales of tangible personal property to any contractor for use in
19 preparing meals for delivery to homebound elderly persons over 60 years
20 of age and to homebound disabled persons or to be served at a group-
21 sitting at a location outside of the home to otherwise homebound elderly
22 persons over 60 years of age and to otherwise homebound disabled
23 persons, as all or part of any food service project funded in whole or in
24 part by government or as part of a private nonprofit food service project
25 available to all such elderly or disabled persons residing within an area of
26 service designated by the private nonprofit organization, and all sales of
27 tangible personal property for use in preparing meals for consumption by
28 indigent or homeless individuals whether or not such meals are consumed
29 at a place designated for such purpose, and all sales of food products by or
30 on behalf of any such contractor or organization for any such purpose;

31 (w) all sales of natural gas, electricity, heat and water delivered
32 through mains, lines or pipes: (1) To residential premises for
33 noncommercial use by the occupant of such premises; (2) for agricultural
34 use and also, for such use, all sales of propane gas; (3) for use in the
35 severing of oil; and (4) to any property which is exempt from property
36 taxation pursuant to K.S.A. 79-201b, Second through Sixth. As used in this
37 paragraph, "severing" means the same as defined in K.S.A. 79-4216(k),
38 and amendments thereto. For all sales of natural gas, electricity and heat
39 delivered through mains, lines or pipes pursuant to the provisions of
40 subsection (w)(1) and (w)(2), the provisions of this subsection shall expire
41 on December 31, 2005;

42 (x) all sales of propane gas, LP-gas, coal, wood and other fuel sources
43 for the production of heat or lighting for noncommercial use of an

1 occupant of residential premises occurring prior to January 1, 2006;

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

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

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

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

20 (cc) all sales of tangible personal property or services purchased prior
21 to January 1, 2012, except as otherwise provided, for the purpose of and in
22 conjunction with constructing, reconstructing, enlarging or remodeling a
23 business or retail business that meets the requirements established in
24 K.S.A. 74-50,115, and amendments thereto, and the sale and installation of
25 machinery and equipment purchased for installation at any such business
26 or retail business, and all sales of tangible personal property or services
27 purchased on or after January 1, 2012, for the purpose of and in
28 conjunction with constructing, reconstructing, enlarging or remodeling a
29 business that meets the requirements established in K.S.A. 74-50,115(e),
30 and amendments thereto, and the sale and installation of machinery and
31 equipment purchased for installation at any such business. When a person
32 shall contract for the construction, reconstruction, enlargement or
33 remodeling of any such business or retail business, such person shall
34 obtain from the state and furnish to the contractor an exemption certificate
35 for the project involved, and the contractor may purchase materials,
36 machinery and equipment for incorporation in such project. The contractor
37 shall furnish the number of such certificates to all suppliers from whom
38 such purchases are made, and such suppliers shall execute invoices
39 covering the same bearing the number of such certificate. Upon
40 completion of the project the contractor shall furnish to the owner of the
41 business or retail business a sworn statement, on a form to be provided by
42 the director of taxation, that all purchases so made were entitled to
43 exemption under this subsection. All invoices shall be held by the

1 contractor for a period of five years and shall be subject to audit by the
2 director of taxation. Any contractor or any agent, employee or
3 subcontractor thereof, who shall use or otherwise dispose of any materials,
4 machinery or equipment purchased under such a certificate for any
5 purpose other than that for which such a certificate is issued without the
6 payment of the sales or compensating tax otherwise imposed thereon, shall
7 be guilty of a misdemeanor and, upon conviction therefor, shall be subject
8 to the penalties provided for in K.S.A. 79-3615(h), and amendments
9 thereto. As used in this subsection, "business" and "retail business" mean
10 the same as defined in K.S.A. 74-50,114, and amendments thereto. Project
11 exemption certificates that have been previously issued under this
12 subsection by the department of revenue pursuant to K.S.A. 74-50,115,
13 and amendments thereto, but not including K.S.A. 74-50,115(e), and
14 amendments thereto, prior to January 1, 2012, and have not expired will be
15 effective for the term of the project or two years from the effective date of
16 the certificate, whichever occurs earlier. Project exemption certificates that
17 are submitted to the department of revenue prior to January 1, 2012, and
18 are found to qualify will be issued a project exemption certificate that will
19 be effective for a two-year period or for the term of the project, whichever
20 occurs earlier;

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

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

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

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

33 (hh) all sales of medical supplies and equipment, including durable
34 medical equipment, purchased directly by a nonprofit skilled nursing home
35 or nonprofit intermediate nursing care home, as defined by K.S.A. 39-923,
36 and amendments thereto, for the purpose of providing medical services to
37 residents thereof. This exemption shall not apply to tangible personal
38 property customarily used for human habitation purposes. As used in this
39 subsection, "durable medical equipment" means equipment including
40 repair and replacement parts for such equipment, that can withstand
41 repeated use, is primarily and customarily used to serve a medical purpose,
42 generally is not useful to a person in the absence of illness or injury and is
43 not worn in or on the body, but does not include mobility enhancing

1 equipment as defined in subsection (r), oxygen delivery equipment, kidney
2 dialysis equipment or enteral feeding systems;

3 (ii) all sales of tangible personal property purchased directly by a
4 nonprofit organization for nonsectarian comprehensive multidiscipline
5 youth development programs and activities provided or sponsored by such
6 organization, and all sales of tangible personal property by or on behalf of
7 any such organization. This exemption shall not apply to tangible personal
8 property customarily used for human habitation purposes;

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

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

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

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

31 (2) For purposes of this subsection:

32 (A) "Integrated production operation" means an integrated series of
33 operations engaged in at a manufacturing or processing plant or facility to
34 process, transform or convert tangible personal property by physical,
35 chemical or other means into a different form, composition or character
36 from that in which it originally existed. Integrated production operations
37 shall include: (i) Production line operations, including packaging
38 operations; (ii) preproduction operations to handle, store and treat raw
39 materials; (iii) post production handling, storage, warehousing and
40 distribution operations; and (iv) waste, pollution and environmental
41 control operations, if any;

42 (B) "production line" means the assemblage of machinery and
43 equipment at a manufacturing or processing plant or facility where the

1 actual transformation or processing of tangible personal property occurs;

2 (C) "manufacturing or processing plant or facility" means a single,
3 fixed location owned or controlled by a manufacturing or processing
4 business that consists of one or more structures or buildings in a
5 contiguous area where integrated production operations are conducted to
6 manufacture or process tangible personal property to be ultimately sold at
7 retail. Such term shall not include any facility primarily operated for the
8 purpose of conveying or assisting in the conveyance of natural gas,
9 electricity, oil or water. A business may operate one or more manufacturing
10 or processing plants or facilities at different locations to manufacture or
11 process a single product of tangible personal property to be ultimately sold
12 at retail;

13 (D) "manufacturing or processing business" means a business that
14 utilizes an integrated production operation to manufacture, process,
15 fabricate, finish or assemble items for wholesale and retail distribution as
16 part of what is commonly regarded by the general public as an industrial
17 manufacturing or processing operation or an agricultural commodity
18 processing operation. (i) Industrial manufacturing or processing operations
19 include, by way of illustration but not of limitation, the fabrication of
20 automobiles, airplanes, machinery or transportation equipment, the
21 fabrication of metal, plastic, wood or paper products, electricity power
22 generation, water treatment, petroleum refining, chemical production,
23 wholesale bottling, newspaper printing, ready mixed concrete production,
24 and the remanufacturing of used parts for wholesale or retail sale. Such
25 processing operations shall include operations at an oil well, gas well,
26 mine or other excavation site where the oil, gas, minerals, coal, clay, stone,
27 sand or gravel that has been extracted from the earth is cleaned, separated,
28 crushed, ground, milled, screened, washed or otherwise treated or prepared
29 before its transmission to a refinery or before any other wholesale or retail
30 distribution. (ii) Agricultural commodity processing operations include, by
31 way of illustration but not of limitation, meat packing, poultry slaughtering
32 and dressing, processing and packaging farm and dairy products in sealed
33 containers for wholesale and retail distribution, feed grinding, grain
34 milling, frozen food processing, and grain handling, cleaning, blending,
35 fumigation, drying and aeration operations engaged in by grain elevators
36 or other grain storage facilities. (iii) Manufacturing or processing
37 businesses do not include, by way of illustration but not of limitation,
38 nonindustrial businesses whose operations are primarily retail and that
39 produce or process tangible personal property as an incidental part of
40 conducting the retail business, such as retailers who bake, cook or prepare
41 food products in the regular course of their retail trade, grocery stores,
42 meat lockers and meat markets that butcher or dress livestock or poultry in
43 the regular course of their retail trade, contractors who alter, service, repair

1 or improve real property, and retail businesses that clean, service or
2 refurbish and repair tangible personal property for its owner;

3 (E) "repair and replacement parts and accessories" means all parts
4 and accessories for exempt machinery and equipment, including, but not
5 limited to, dies, jigs, molds, patterns and safety devices that are attached to
6 exempt machinery or that are otherwise used in production, and parts and
7 accessories that require periodic replacement such as belts, drill bits,
8 grinding wheels, grinding balls, cutting bars, saws, refractory brick and
9 other refractory items for exempt kiln equipment used in production
10 operations;

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

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

15 (A) Receive, transport, convey, handle, treat or store raw materials in
16 preparation of its placement on the production line;

17 (B) transport, convey, handle or store the property undergoing
18 manufacturing or processing at any point from the beginning of the
19 production line through any warehousing or distribution operation of the
20 final product that occurs at the plant or facility;

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

23 (D) guide, control or direct the movement of property undergoing
24 manufacturing or processing;

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

28 (F) plan, manage, control or record the receipt and flow of inventories
29 of raw materials, consumables and component parts, the flow of the
30 property undergoing manufacturing or processing and the management of
31 inventories of the finished product;

32 (G) produce energy for, lubricate, control the operating of or
33 otherwise enable the functioning of other production machinery and
34 equipment and the continuation of production operations;

35 (H) package the property being manufactured or processed in a
36 container or wrapping in which such property is normally sold or
37 transported;

38 (I) transmit or transport electricity, coke, gas, water, steam or similar
39 substances used in production operations from the point of generation, if
40 produced by the manufacturer or processor at the plant site, to that
41 manufacturer's production operation; or, if purchased or delivered from
42 off-site, from the point where the substance enters the site of the plant or
43 facility to that manufacturer's production operations;

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

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

7 (L) treat, transport or store waste or other byproducts of production
8 operations at the plant or facility; or

9 (M) control pollution at the plant or facility where the pollution is
10 produced by the manufacturing or processing operation.

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

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

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

43 (B) machinery, equipment and tools used primarily in maintaining

1 and repairing any type of machinery and equipment or the building and
2 plant;

3 (C) transportation, transmission and distribution equipment not
4 primarily used in a production, warehousing or material handling
5 operation at the plant or facility, including the means of conveyance of
6 natural gas, electricity, oil or water, and equipment related thereto, located
7 outside the plant or facility;

8 (D) office machines and equipment including computers and related
9 peripheral equipment not used directly and primarily to control or measure
10 the manufacturing process;

11 (E) furniture and other furnishings;

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

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

18 (H) machinery and equipment used for general plant heating, cooling
19 and lighting;

20 (I) motor vehicles that are registered for operation on public
21 highways; or

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

25 (6) Paragraphs (3) and (5) shall not be construed as exclusive listings
26 of the machinery and equipment that qualify or do not qualify as an
27 integral or essential part of an integrated production operation. When
28 machinery or equipment is used as an integral or essential part of
29 production operations part of the time and for nonproduction purposes at
30 other times, the primary use of the machinery or equipment shall
31 determine whether or not such machinery or equipment qualifies for
32 exemption.

33 (7) The secretary of revenue shall adopt rules and regulations
34 necessary to administer the provisions of this subsection;

35 (II) all sales of educational materials purchased for distribution to the
36 public at no charge by a nonprofit corporation organized for the purpose of
37 encouraging, fostering and conducting programs for the improvement of
38 public health, except that for taxable years commencing after December
39 31, 2013, this subsection shall not apply to any sales of such materials
40 purchased by a nonprofit corporation which performs any abortion, as
41 defined in ~~K.S.A. 65-6701~~ section 7, and amendments thereto;

42 (mm) all sales of seeds and tree seedlings; fertilizers, insecticides,
43 herbicides, germicides, pesticides and fungicides; and services, purchased

1 and used for the purpose of producing plants in order to prevent soil
2 erosion on land devoted to agricultural use;

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

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

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

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

18 (rr) all sales of tangible personal property that will admit the
19 purchaser thereof to any annual event sponsored by a nonprofit
20 organization that is exempt from federal income taxation pursuant to
21 section 501(c)(3) of the federal internal revenue code of 1986, except that
22 for taxable years commencing after December 31, 2013, this subsection
23 shall not apply to any sales of such tangible personal property purchased
24 by a nonprofit organization which performs any abortion, as defined in
25 ~~K.S.A. 65-6704~~ *section 7*, and amendments thereto;

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

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

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

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

42 (1) The American heart association, Kansas affiliate, inc. for the
43 purposes of providing education, training, certification in emergency

1 cardiac care, research and other related services to reduce disability and
2 death from cardiovascular diseases and stroke;

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

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

9 (4) the American diabetes association Kansas affiliate, inc. for the
10 purpose of eliminating diabetes through medical research, public education
11 focusing on disease prevention and education, patient education including
12 information on coping with diabetes, and professional education and
13 training;

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

19 (6) the Kansas chapters of the Alzheimer's disease and related
20 disorders association, inc. for the purpose of providing assistance and
21 support to persons in Kansas with Alzheimer's disease, and their families
22 and caregivers;

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

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

29 (9) the heartstrings community foundation for the purpose of
30 providing training, employment and activities for adults with
31 developmental disabilities;

32 (10) the cystic fibrosis foundation, heart of America chapter, for the
33 purposes of assuring the development of the means to cure and control
34 cystic fibrosis and improving the quality of life for those with the disease;

35 (11) the spina bifida association of Kansas for the purpose of
36 providing financial, educational and practical aid to families and
37 individuals with spina bifida. Such aid includes, but is not limited to,
38 funding for medical devices, counseling and medical educational
39 opportunities;

40 (12) the CHWC, Inc., for the purpose of rebuilding urban core
41 neighborhoods through the construction of new homes, acquiring and
42 renovating existing homes and other related activities, and promoting
43 economic development in such neighborhoods;

1 (13) the cross-lines cooperative council for the purpose of providing
2 social services to low income individuals and families;

3 (14) the dreams work, inc., for the purpose of providing young adult
4 day services to individuals with developmental disabilities and assisting
5 families in avoiding institutional or nursing home care for a
6 developmentally disabled member of their family;

7 (15) the KSDS, Inc., for the purpose of promoting the independence
8 and inclusion of people with disabilities as fully participating and
9 contributing members of their communities and society through the
10 training and providing of guide and service dogs to people with
11 disabilities, and providing disability education and awareness to the
12 general public;

13 (16) the lyme association of greater Kansas City, Inc., for the purpose
14 of providing support to persons with lyme disease and public education
15 relating to the prevention, treatment and cure of lyme disease;

16 (17) the dream factory, inc., for the purpose of granting the dreams of
17 children with critical and chronic illnesses;

18 (18) the Ottawa Suzuki strings, inc., for the purpose of providing
19 students and families with education and resources necessary to enable
20 each child to develop fine character and musical ability to the fullest
21 potential;

22 (19) the international association of lions clubs for the purpose of
23 creating and fostering a spirit of understanding among all people for
24 humanitarian needs by providing voluntary services through community
25 involvement and international cooperation;

26 (20) the Johnson county young matrons, inc., for the purpose of
27 promoting a positive future for members of the community through
28 volunteerism, financial support and education through the efforts of an all
29 volunteer organization;

30 (21) the American cancer society, inc., for the purpose of eliminating
31 cancer as a major health problem by preventing cancer, saving lives and
32 diminishing suffering from cancer, through research, education, advocacy
33 and service;

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

36 (23) the angel babies association, for the purpose of providing
37 assistance, support and items of necessity to teenage mothers and their
38 babies; and

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

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

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

1 subject to the penalties provided for in K.S.A. 79-3615(h), and
2 amendments thereto;

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

6 (zz) all sales of machinery and equipment purchased by over-the-air,
7 free access radio or television station that is used directly and primarily for
8 the purpose of producing a broadcast signal or is such that the failure of
9 the machinery or equipment to operate would cause broadcasting to cease.

10 For purposes of this subsection, machinery and equipment shall include,
11 but not be limited to, that required by rules and regulations of the federal
12 communications commission, and all sales of electricity which are
13 essential or necessary for the purpose of producing a broadcast signal or is
14 such that the failure of the electricity would cause broadcasting to cease;

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

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

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

30 (ccc) on and after July 1, 1999, all sales of tangible personal property
31 and services purchased by a primary care clinic or health center the
32 primary purpose of which is to provide services to medically underserved
33 individuals and families, and that is exempt from federal income taxation
34 pursuant to section 501(c)(3) of the federal internal revenue code, and all
35 sales of tangible personal property or services purchased by a contractor
36 for the purpose of constructing, equipping, reconstructing, maintaining,
37 repairing, enlarging, furnishing or remodeling facilities for any such clinic
38 or center that would be exempt from taxation under the provisions of this
39 section if purchased directly by such clinic or center, except that for
40 taxable years commencing after December 31, 2013, this subsection shall
41 not apply to any sales of such tangible personal property and services
42 purchased by a primary care clinic or health center which performs any
43 abortion, as defined in ~~K.S.A. 65-6701~~ section 7, and amendments thereto.

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

35 (ddd) on and after January 1, 1999, and before January 1, 2000, all
36 sales of materials and services purchased by any class II or III railroad as
37 classified by the federal surface transportation board for the construction,
38 renovation, repair or replacement of class II or III railroad track and
39 facilities used directly in interstate commerce. In the event any such track
40 or facility for which materials and services were purchased sales tax
41 exempt is not operational for five years succeeding the allowance of such
42 exemption, the total amount of sales tax that would have been payable
43 except for the operation of this subsection shall be recouped in accordance

1 with rules and regulations adopted for such purpose by the secretary of
2 revenue;

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

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

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

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

31 (iii) all sales of personal property and services purchased by an
32 organization that is exempt from federal income taxation pursuant to
33 section 501(c)(3) of the federal internal revenue code of 1986, and such
34 personal property and services are used by any such organization in the
35 collection, storage and distribution of food products to nonprofit
36 organizations that distribute such food products to persons pursuant to a
37 food distribution program on a charitable basis without fee or charge, and
38 all sales of tangible personal property or services purchased by a
39 contractor for the purpose of constructing, equipping, reconstructing,
40 maintaining, repairing, enlarging, furnishing or remodeling facilities used
41 for the collection and storage of such food products for any such
42 organization which is exempt from federal income taxation pursuant to
43 section 501(c)(3) of the federal internal revenue code of 1986, that would

1 be exempt from taxation under the provisions of this section if purchased
2 directly by such organization. Nothing in this subsection shall be deemed
3 to exempt the purchase of any construction machinery, equipment or tools
4 used in the constructing, equipping, reconstructing, maintaining, repairing,
5 enlarging, furnishing or remodeling facilities for any such organization.
6 When any such organization shall contract for the purpose of constructing,
7 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
8 remodeling facilities, it shall obtain from the state and furnish to the
9 contractor an exemption certificate for the project involved, and the
10 contractor may purchase materials for incorporation in such project. The
11 contractor shall furnish the number of such certificate to all suppliers from
12 whom such purchases are made, and such suppliers shall execute invoices
13 covering the same bearing the number of such certificate. Upon
14 completion of the project the contractor shall furnish to such organization
15 concerned a sworn statement, on a form to be provided by the director of
16 taxation, that all purchases so made were entitled to exemption under this
17 subsection. All invoices shall be held by the contractor for a period of five
18 years and shall be subject to audit by the director of taxation. If any
19 materials purchased under such a certificate are found not to have been
20 incorporated in such facilities or not to have been returned for credit or the
21 sales or compensating tax otherwise imposed upon such materials that will
22 not be so incorporated in such facilities reported and paid by such
23 contractor to the director of taxation not later than the 20th day of the
24 month following the close of the month in which it shall be determined
25 that such materials will not be used for the purpose for which such
26 certificate was issued, such organization concerned shall be liable for tax
27 on all materials purchased for the project, and upon payment thereof it
28 may recover the same from the contractor together with reasonable
29 attorney fees. Any contractor or any agent, employee or subcontractor
30 thereof, who shall use or otherwise dispose of any materials purchased
31 under such a certificate for any purpose other than that for which such a
32 certificate is issued without the payment of the sales or compensating tax
33 otherwise imposed upon such materials, shall be guilty of a misdemeanor
34 and, upon conviction therefor, shall be subject to the penalties provided for
35 in K.S.A. 79-3615(h), and amendments thereto. Sales tax paid on and after
36 July 1, 2005, but prior to the effective date of this act upon the gross
37 receipts received from any sale exempted by the amendatory provisions of
38 this subsection shall be refunded. Each claim for a sales tax refund shall be
39 verified and submitted to the director of taxation upon forms furnished by
40 the director and shall be accompanied by any additional documentation
41 required by the director. The director shall review each claim and shall
42 refund that amount of sales tax paid as determined under the provisions of
43 this subsection. All refunds shall be paid from the sales tax refund fund

1 upon warrants of the director of accounts and reports pursuant to vouchers
2 approved by the director or the director's designee;

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

18 (lll) all sales of tangible personal property and services purchased by
19 special olympics Kansas, inc. for the purpose of providing year-round
20 sports training and athletic competition in a variety of olympic-type sports
21 for individuals with intellectual disabilities by giving them continuing
22 opportunities to develop physical fitness, demonstrate courage, experience
23 joy and participate in a sharing of gifts, skills and friendship with their
24 families, other special olympics athletes and the community, and activities
25 provided or sponsored by such organization, and all sales of tangible
26 personal property by or on behalf of any such organization;

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

33 (nnn) all sales of tangible personal property and services purchased
34 by the west Sedgwick county-sunrise rotary club and sunrise charitable
35 fund for the purpose of constructing a boundless playground which is an
36 integrated, barrier free and developmentally advantageous play
37 environment for children of all abilities and disabilities;

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

42 (ppp) all sales of tangible personal property and services purchased
43 by or on behalf of a homeless shelter that is exempt from federal income

1 taxation pursuant to section 501(c)(3) of the federal income tax code of
2 1986, and used by any such homeless shelter to provide emergency and
3 transitional housing for individuals and families experiencing
4 homelessness, and all sales of any such property by or on behalf of any
5 such homeless shelter for any such purpose;

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

1 contractor or any agent, employee or subcontractor thereof, who shall use
2 or otherwise dispose of any materials purchased under such a certificate
3 for any purpose other than that for which such a certificate is issued
4 without the payment of the sales or compensating tax otherwise imposed
5 upon such materials, shall be guilty of a misdemeanor and, upon
6 conviction therefor, shall be subject to the penalties provided for in K.S.A.
7 79-3615(h), and amendments thereto;

8 (rrr) all sales of tangible personal property and services purchased by
9 any county law library maintained pursuant to law and sales of tangible
10 personal property and services purchased by an organization that would
11 have been exempt from taxation under the provisions of this subsection if
12 purchased directly by the county law library for the purpose of providing
13 legal resources to attorneys, judges, students and the general public, and
14 all sales of any such property by or on behalf of any such county law
15 library;

16 (sss) all sales of tangible personal property and services purchased by
17 catholic charities or youthville, hereinafter referred to as charitable family
18 providers, which is exempt from federal income taxation pursuant to
19 section 501(c)(3) of the federal internal revenue code of 1986, and which
20 such property and services are used for the purpose of providing
21 emergency shelter and treatment for abused and neglected children as well
22 as meeting additional critical needs for children, juveniles and family, and
23 all sales of any such property by or on behalf of charitable family
24 providers for any such purpose; and all sales of tangible personal property
25 or services purchased by a contractor for the purpose of constructing,
26 maintaining, repairing, enlarging, furnishing or remodeling facilities for
27 the operation of services for charitable family providers for any such
28 purpose which would be exempt from taxation under the provisions of this
29 section if purchased directly by charitable family providers. Nothing in
30 this subsection shall be deemed to exempt the purchase of any construction
31 machinery, equipment or tools used in the constructing, maintaining,
32 repairing, enlarging, furnishing or remodeling such facilities for charitable
33 family providers. When charitable family providers contracts for the
34 purpose of constructing, maintaining, repairing, enlarging, furnishing or
35 remodeling such facilities, it shall obtain from the state and furnish to the
36 contractor an exemption certificate for the project involved, and the
37 contractor may purchase materials for incorporation in such project. The
38 contractor shall furnish the number of such certificate to all suppliers from
39 whom such purchases are made, and such suppliers shall execute invoices
40 covering the same bearing the number of such certificate. Upon
41 completion of the project the contractor shall furnish to charitable family
42 providers 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 so incorporated in 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, charitable family providers shall be
11 liable for tax on all materials purchased for the project, and upon payment
12 thereof it may recover the same from the contractor together with
13 reasonable attorney fees. Any contractor or any agent, employee or
14 subcontractor thereof, who shall use or otherwise dispose of any materials
15 purchased under such a certificate for any purpose other than that for
16 which such a certificate is issued without the payment of the sales or
17 compensating tax otherwise imposed upon such materials, shall be guilty
18 of a misdemeanor and, upon conviction therefor, shall be subject to the
19 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;

20 (ttt) all sales of tangible personal property or services purchased by a
21 contractor for a project for the purpose of restoring, constructing,
22 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or
23 remodeling a home or facility owned by a nonprofit museum that has been
24 granted an exemption pursuant to subsection (qq), which such home or
25 facility is located in a city that has been designated as a qualified
26 hometown pursuant to the provisions of K.S.A. 75-5071 et seq., and
27 amendments thereto, and which such project is related to the purposes of
28 K.S.A. 75-5071 et seq., and amendments thereto, and that would be
29 exempt from taxation under the provisions of this section if purchased
30 directly by such nonprofit museum. Nothing in this subsection shall be
31 deemed to exempt the purchase of any construction machinery, equipment
32 or tools used in the restoring, constructing, equipping, reconstructing,
33 maintaining, repairing, enlarging, furnishing or remodeling a home or
34 facility for any such nonprofit museum. When any such nonprofit museum
35 shall contract for the purpose of restoring, constructing, equipping,
36 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
37 a home or facility, it shall obtain from the state and furnish to the
38 contractor an exemption certificate for the project involved, and the
39 contractor may purchase materials for incorporation in such project. The
40 contractor shall furnish the number of such certificates to all suppliers
41 from whom such purchases are made, and such suppliers shall execute
42 invoices covering the same bearing the number of such certificate. Upon
43 completion of the project, the contractor shall furnish to such nonprofit

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

22 (uuu) all sales of tangible personal property and services purchased
23 by Kansas children's service league, hereinafter referred to as KCSL,
24 which is exempt from federal income taxation pursuant to section 501(c)
25 (3) of the federal internal revenue code of 1986, and which such property
26 and services are used for the purpose of providing for the prevention and
27 treatment of child abuse and maltreatment as well as meeting additional
28 critical needs for children, juveniles and family, and all sales of any such
29 property by or on behalf of KCSL for any such purpose; and all sales of
30 tangible personal property or services purchased by a contractor for the
31 purpose of constructing, maintaining, repairing, enlarging, furnishing or
32 remodeling facilities for the operation of services for KCSL for any such
33 purpose that would be exempt from taxation under the provisions of this
34 section if purchased directly by KCSL. Nothing in this subsection shall be
35 deemed to exempt the purchase of any construction machinery, equipment
36 or tools used in the constructing, maintaining, repairing, enlarging,
37 furnishing or remodeling such facilities for KCSL. When KCSL contracts
38 for the purpose of constructing, maintaining, repairing, enlarging,
39 furnishing or remodeling such facilities, it shall obtain from the state and
40 furnish to the contractor an exemption certificate for the project involved,
41 and the contractor may purchase materials for incorporation in such
42 project. The contractor shall furnish the number of such certificate to all
43 suppliers from whom such purchases are made, and such suppliers shall

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

24 (vvv) all sales of tangible personal property or services, including the
25 renting and leasing of tangible personal property or services, purchased by
26 jazz in the woods, inc., a Kansas corporation that is exempt from federal
27 income taxation pursuant to section 501(c)(3) of the federal internal
28 revenue code, for the purpose of providing jazz in the woods, an event
29 benefiting children-in-need and other nonprofit charities assisting such
30 children, and all sales of any such property by or on behalf of such
31 organization for such purpose;

32 (www) all sales of tangible personal property purchased by or on
33 behalf of the Frontenac education foundation, which is exempt from
34 federal income taxation pursuant to section 501(c)(3) of the federal
35 internal revenue code, for the purpose of providing education support for
36 students, and all sales of any such property by or on behalf of such
37 organization for such purpose;

38 (xxx) all sales of personal property and services purchased by the
39 booth theatre foundation, inc., an organization, which is exempt from
40 federal income taxation pursuant to section 501(c)(3) of the federal
41 internal revenue code of 1986, and which such personal property and
42 services are used by any such organization in the constructing, equipping,
43 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling

1 of the booth theatre, and all sales of tangible personal property or services
2 purchased by a contractor for the purpose of constructing, equipping,
3 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
4 the booth theatre for such organization, that would be exempt from
5 taxation under the provisions of this section if purchased directly by such
6 organization. Nothing in this subsection shall be deemed to exempt the
7 purchase of any construction machinery, equipment or tools used in the
8 constructing, equipping, reconstructing, maintaining, repairing, enlarging,
9 furnishing or remodeling facilities for any such organization. When any
10 such organization shall contract for the purpose of constructing, equipping,
11 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling
12 facilities, it shall obtain from the state and furnish to the contractor an
13 exemption certificate for the project involved, and the contractor may
14 purchase materials for incorporation in such project. The contractor shall
15 furnish the number of such certificate to all suppliers from whom such
16 purchases are made, and such suppliers shall execute invoices covering the
17 same bearing the number of such certificate. Upon completion of the
18 project the contractor shall furnish to such organization concerned a sworn
19 statement, on a form to be provided by the director of taxation, that all
20 purchases so made were entitled to exemption under this subsection. All
21 invoices shall be held by the contractor for a period of five years and shall
22 be subject to audit by the director of taxation. If any materials purchased
23 under such a certificate are found not to have been incorporated in such
24 facilities or not to have been returned for credit or the sales or
25 compensating tax otherwise imposed upon such materials that will not be
26 so incorporated in such facilities reported and paid by such contractor to
27 the director of taxation not later than the 20th day of the month following
28 the close of the month in which it shall be determined that such materials
29 will not be used for the purpose for which such certificate was issued, such
30 organization concerned shall be liable for tax on all materials purchased
31 for the project, and upon payment thereof it may recover the same from
32 the contractor together with reasonable attorney fees. Any contractor or
33 any agent, employee or subcontractor thereof, who shall use or otherwise
34 dispose of any materials purchased under such a certificate for any purpose
35 other than that for which such a certificate is issued without the payment
36 of the sales or compensating tax otherwise imposed upon such materials,
37 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
38 subject to the penalties provided for in K.S.A. 79-3615(h), and
39 amendments thereto. Sales tax paid on and after January 1, 2007, but prior
40 to the effective date of this act upon the gross receipts received from any
41 sale which would have been exempted by the provisions of this subsection
42 had such sale occurred after the effective date of this act shall be refunded.
43 Each claim for a sales tax refund shall be verified and submitted to the

1 director of taxation upon forms furnished by the director and shall be
2 accompanied by any additional documentation required by the director.
3 The director shall review each claim and shall refund that amount of sales
4 tax paid as determined under the provisions of this subsection. All refunds
5 shall be paid from the sales tax refund fund upon warrants of the director
6 of accounts and reports pursuant to vouchers approved by the director or
7 the director's designee;

8 (yyy) all sales of tangible personal property and services purchased
9 by TLC charities foundation, inc., hereinafter referred to as TLC charities,
10 which is exempt from federal income taxation pursuant to section 501(c)
11 (3) of the federal internal revenue code of 1986, and which such property
12 and services are used for the purpose of encouraging private philanthropy
13 to further the vision, values, and goals of TLC for children and families,
14 inc.; and all sales of such property and services by or on behalf of TLC
15 charities for any such purpose and all sales of tangible personal property or
16 services purchased by a contractor for the purpose of constructing,
17 maintaining, repairing, enlarging, furnishing or remodeling facilities for
18 the operation of services for TLC charities for any such purpose that would
19 be exempt from taxation under the provisions of this section if purchased
20 directly by TLC charities. Nothing in this subsection shall be deemed to
21 exempt the purchase of any construction machinery, equipment or tools
22 used in the constructing, maintaining, repairing, enlarging, furnishing or
23 remodeling such facilities for TLC charities. When TLC charities contracts
24 for the purpose of constructing, maintaining, repairing, enlarging,
25 furnishing or remodeling such facilities, it shall obtain from the state and
26 furnish to the contractor an exemption certificate for the project involved,
27 and the contractor may purchase materials for incorporation in such
28 project. The contractor shall furnish the number of such certificate to all
29 suppliers from whom such purchases are made, and such suppliers shall
30 execute invoices covering the same bearing the number of such certificate.
31 Upon completion of the project the contractor shall furnish to TLC
32 charities 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 the building or other project or not to have been returned
38 for credit or the sales or compensating tax otherwise imposed upon such
39 materials that will not be incorporated into the building or other project
40 reported and paid by such contractor to the director of taxation not later
41 than the 20th day of the month following the close of the month in which it
42 shall be determined that such materials will not be used for the purpose for
43 which such certificate was issued, TLC charities shall be liable for tax on

1 all materials purchased for the project, and upon payment thereof it may
2 recover the same from the contractor together with reasonable attorney
3 fees. Any contractor or any agent, employee or subcontractor thereof, who
4 shall use or otherwise dispose of any materials purchased under such a
5 certificate for any purpose other than that for which such a certificate is
6 issued without the payment of the sales or compensating tax otherwise
7 imposed upon such materials, shall be guilty of a misdemeanor and, upon
8 conviction therefor, shall be subject to the penalties provided for in K.S.A.
9 79-3615(h), and amendments thereto;

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

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

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

26 (cccc) all sales of tangible personal property or services purchased by
27 or on behalf of wayside waifs, inc., which is exempt from federal income
28 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
29 for the purpose of providing such organization's annual fundraiser, an
30 event whose purpose is to support the care of homeless and abandoned
31 animals, animal adoption efforts, education programs for children and
32 efforts to reduce animal over-population and animal welfare services, and
33 all sales of any such property, including entry or participation fees or
34 charges, by or on behalf of such organization for such purpose;

35 (dddd) all sales of tangible personal property or services purchased
36 by or on behalf of goodwill industries or Easter seals of Kansas, inc., both
37 of which are exempt from federal income taxation pursuant to section
38 501(c)(3) of the federal internal revenue code, for the purpose of providing
39 education, training and employment opportunities for people with
40 disabilities and other barriers to employment;

41 (eeee) all sales of tangible personal property or services purchased by
42 or on behalf of all American beef battalion, inc., which is exempt from
43 federal income taxation pursuant to section 501(c)(3) of the federal

1 internal revenue code, for the purpose of educating, promoting and
2 participating as a contact group through the beef cattle industry in order to
3 carry out such projects that provide support and morale to members of the
4 United States armed forces and military services;

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

1 agent, employee or subcontractor thereof, who shall use or otherwise
2 dispose of any materials purchased under such a certificate for any purpose
3 other than that for which such a certificate is issued without the payment
4 of the sales or compensating tax otherwise imposed upon such materials,
5 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
6 subject to the penalties provided for in K.S.A. 79-3615(h), and
7 amendments thereto;

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

10 (hhhh) all sales of tangible personal property or services purchased
11 on or after July 1, 2014, for the purpose of and in conjunction with
12 constructing, reconstructing, enlarging or remodeling a business identified
13 under the North American industry classification system (NAICS)
14 subsectors 1123, 1124, 112112, 112120 or 112210, and the sale and
15 installation of machinery and equipment purchased for installation at any
16 such business. The exemption provided in this subsection shall not apply
17 to projects that have actual total costs less than \$50,000. When a person
18 contracts for the construction, reconstruction, enlargement or remodeling
19 of any such business, such person shall obtain from the state and furnish to
20 the contractor an exemption certificate for the project involved, and the
21 contractor may purchase materials, machinery and equipment for
22 incorporation in such project. The contractor shall furnish the number of
23 such certificates to all suppliers from whom such purchases are made, and
24 such suppliers shall execute invoices covering the same bearing the
25 number of such certificate. Upon completion of the project, the contractor
26 shall furnish to the owner of the business a sworn statement, on a form to
27 be provided by the director of taxation, that all purchases so made were
28 entitled to exemption under this subsection. All invoices shall be held by
29 the contractor for a period of five years and shall be subject to audit by the
30 director of taxation. Any contractor or any agent, employee or
31 subcontractor of the contractor, who shall use or otherwise dispose of any
32 materials, machinery or equipment purchased under such a certificate for
33 any purpose other than that for which such a certificate is issued without
34 the payment of the sales or compensating tax otherwise imposed thereon,
35 shall be guilty of a misdemeanor and, upon conviction therefor, shall be
36 subject to the penalties provided for in K.S.A. 79-3615(h), and
37 amendments thereto;

38 (iiii) all sales of tangible personal property or services purchased by a
39 contractor for the purpose of constructing, maintaining, repairing,
40 enlarging, furnishing or remodeling facilities for the operation of services
41 for Wichita children's home for any such purpose that would be exempt
42 from taxation under the provisions of this section if purchased directly by
43 Wichita children's home. Nothing in this subsection shall be deemed to

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

33 (jjjj) all sales of tangible personal property or services purchased by
34 or on behalf of the beacon, inc., that is exempt from federal income
35 taxation pursuant to section 501(c)(3) of the federal internal revenue code,
36 for the purpose of providing those desiring help with food, shelter, clothing
37 and other necessities of life during times of special need;

38 (kkkk) all sales of tangible personal property and services purchased
39 by or on behalf of reaching out from within, inc., which is exempt from
40 federal income taxation pursuant to section 501(c)(3) of the federal
41 internal revenue code, for the purpose of sponsoring self-help programs for
42 incarcerated persons that will enable such incarcerated persons to become
43 role models for non-violence while in correctional facilities and productive

1 family members and citizens upon return to the community;

2 (III) all sales of tangible personal property and services purchased by
3 Gove county healthcare endowment foundation, inc., which is exempt
4 from federal income taxation pursuant to section 501(c)(3) of the federal
5 internal revenue code of 1986, and which such property and services are
6 used for the purpose of constructing and equipping an airport in Quinter,
7 Kansas, and all sales of tangible personal property or services purchased
8 by a contractor for the purpose of constructing and equipping an airport in
9 Quinter, Kansas, for such organization, that would be exempt from
10 taxation under the provisions of this section if purchased directly by such
11 organization. Nothing in this subsection shall be deemed to exempt the
12 purchase of any construction machinery, equipment or tools used in the
13 constructing or equipping of facilities for such organization. When such
14 organization shall contract for the purpose of constructing or equipping an
15 airport in Quinter, Kansas, it shall obtain from the state and furnish to the
16 contractor an exemption certificate for the project involved, and the
17 contractor may purchase materials for incorporation in such project. The
18 contractor shall furnish the number of such certificate to all suppliers from
19 whom such purchases are made, and such suppliers shall execute invoices
20 covering the same bearing the number of such certificate. Upon
21 completion of the project, the contractor shall furnish to such organization
22 concerned a sworn statement, on a form to be provided by the director of
23 taxation, that all purchases so made were entitled to exemption under this
24 subsection. All invoices shall be held by the contractor for a period of five
25 years and shall be subject to audit by the director of taxation. If any
26 materials purchased under such a certificate are found not to have been
27 incorporated in such facilities or not to have been returned for credit or the
28 sales or compensating tax otherwise imposed upon such materials that will
29 not be so incorporated in such facilities reported and paid by such
30 contractor to the director of taxation no later than the 20th day of the month
31 following the close of the month in which it shall be determined that such
32 materials will not be used for the purpose for which such certificate was
33 issued, such organization concerned shall be liable for tax on all materials
34 purchased for the project, and upon payment thereof it may recover the
35 same from the contractor together with reasonable attorney fees. Any
36 contractor or any agent, employee or subcontractor thereof, who purchased
37 under such a certificate for any purpose other than that for which such a
38 certificate is issued without the payment of the sales or compensating tax
39 otherwise imposed upon such materials, shall be guilty of a misdemeanor
40 and, upon conviction therefor, shall be subject to the penalties provided for
41 in K.S.A. 79-3615(h), and amendments thereto. The provisions of this
42 subsection shall expire and have no effect on and after July 1, 2019;

43 (mmmm) all sales of gold or silver coins; and palladium, platinum,

1 gold or silver bullion. For the purposes of this subsection, "bullion" means
2 bars, ingots or commemorative medallions of gold, silver, platinum,
3 palladium, or a combination thereof, for which the value of the metal
4 depends on its content and not the form;

5 (nnnn) all sales of tangible personal property or services purchased
6 by friends of hospice of Jefferson county, an organization that is exempt
7 from federal income taxation pursuant to section 501(c)(3) of the federal
8 internal revenue code of 1986, for the purpose of providing support to the
9 Jefferson county hospice agency in end-of-life care of Jefferson county
10 families, friends and neighbors, and all sales of entry or participation fees,
11 charges or tickets by friends of hospice of Jefferson county for such
12 organization's fundraising event for such purpose; and

13 (oooo) all sales of tangible personal property or services purchased
14 for the purpose of and in conjunction with constructing, reconstructing,
15 enlarging or remodeling a qualified business facility by a qualified firm or
16 qualified supplier that meets the requirements established in K.S.A. 2022
17 Supp. 74-50,312 and 74-50,319, and amendments thereto, and that has
18 been approved for a project exemption certificate by the secretary of
19 commerce, and the sale and installation of machinery and equipment
20 purchased by such qualified firm or qualified supplier for installation at
21 any such qualified business facility. When a person shall contract for the
22 construction, reconstruction, enlargement or remodeling of any such
23 qualified business facility, such person shall obtain from the state and
24 furnish to the contractor an exemption certificate for the project involved,
25 and the contractor may purchase materials, machinery and equipment for
26 incorporation in such project. The contractor shall furnish the number of
27 such certificates to all suppliers from whom such purchases are made, and
28 such suppliers shall execute invoices covering the same bearing the
29 number of such certificate. Upon completion of the project, the contractor
30 shall furnish to the owner of the qualified firm or qualified supplier a
31 sworn statement, on a form to be provided by the director of taxation, that
32 all purchases so made were entitled to exemption under this subsection.
33 All invoices shall be held by the contractor for a period of five years and
34 shall be subject to audit by the director of taxation. Any contractor or any
35 agent, employee or subcontractor thereof who shall use or otherwise
36 dispose of any materials, machinery or equipment purchased under such a
37 certificate for any purpose other than that for which such a certificate is
38 issued without the payment of the sales or compensating tax otherwise
39 imposed thereon, shall be guilty of a misdemeanor and, upon conviction
40 therefor, shall be subject to the penalties provided for in K.S.A. 79-
41 3615(h), and amendments thereto. As used in this subsection, "qualified
42 business facility," "qualified firm" and "qualified supplier" mean the same
43 as defined in K.S.A. 2022 Supp. 74-50,311, and amendments thereto.

1 Sec. 19. K.S.A. 65-4a01, 65-4a02, 65-4a03, 65-4a04, 65-4a05, 65-
2 4a06, 65-4a07, 65-4a08, 65-4a09, 65-4a10, 65-4a11, 65-4a12, 65-2401,
3 65-2837, 65-6701, 65-6702, 65-6703, 65-6704, 65-6705, 65-6707, 65-
4 6708, 65-6709, 65-6710, 65-6711, 65-6712, 65-6714, 65-6715, 65-6721,
5 65-6722, 65-6723, 65-6724, 65-6725, 65-6726, 65-6731, 65-6741, 65-
6 6742, 65-6743, 65-6744, 65-6745, 65-6746, 65-6747, 65-6748, 65-6749,
7 65-67a01, 76-3308 and 79-32,195 and K.S.A. 2022 Supp. 60-1906, 79-
8 32,182b, 79-32,261 and 79-3606 are hereby repealed.
9 Sec. 20. This act shall take effect and be in force from and after its
10 publication in the statute book.