

## HOUSE BILL No. 2163

By Representatives Karleskint, Holscher, Horn and Kessinger

2-6

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- 18 (1) Amyotrophic lateral sclerosis;
- 19 (2) cancer;
- 20 (3) Crohn's disease;
- 21 (4) damage to the nervous tissue of the spinal cord, if the patient has  
22 objective neurological indication of intractable spasticity;
- 23 (5) epilepsy or any other seizure disorder specified by the board of  
24 pharmacy;
- 25 (6) glaucoma;
- 26 (7) hepatitis C virus, if the patient is receiving antiviral treatment;
- 27 (8) human immunodeficiency virus or acquired immune deficiency  
28 syndrome;
- 29 (9) Huntington's disease;
- 30 (10) inclusion body myositis;
- 31 (11) inflammatory autoimmune-mediated arthritis;
- 32 (12) intractable nausea or vomiting;
- 33 (13) multiple sclerosis;
- 34 (14) obstructive sleep apnea;
- 35 (15) painful peripheral neuropathy;
- 36 (16) Parkinson's disease;
- 37 (17) post-traumatic stress disorder;
- 38 (18) severe chronic pain;
- 39 (19) severe anorexia or cachexia;
- 40 (20) spasmodic torticollis or cervical dystonia;
- 41 (21) ulcerative colitis;
- 42 (22) admission into hospice care; or
- 43 (23) any other medical condition that results in pain, suffering or

1 debility and for which there is credible evidence satisfactory to the state  
2 board of pharmacy that the medical use of cannabis could benefit, as  
3 specified in rules and regulations adopted by the state board of pharmacy.

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

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

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

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

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

40 (3) A valid caregiver identification card shall authorize the primary  
41 caregiver to possess an adequate supply of medical cannabis consumer  
42 product, or to collectively possess an adequate supply of medical cannabis  
43 consumer product with the associated qualified patient, and to acquire, on

1 behalf of the associated qualified patient, an adequate supply of medical  
2 cannabis consumer product from a medical cannabis dispensary.

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

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

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

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

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

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

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

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

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

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

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

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

42 (3) the date of issuance and expiration date of the patient  
43 identification card or caregiver identification card; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

38 (g) The cannabis regulatory commission shall remit all moneys from  
39 any fees under this section to the state treasurer in accordance with K.S.A.  
40 75-4215, and amendments thereto. Upon receipt of each such remittance,  
41 the state treasurer shall deposit the entire amount of moneys into the state  
42 treasury to the credit of the medical cannabis harvest fund created by  
43 section 8, and amendments thereto.

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

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

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

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

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

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

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

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

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

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

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

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

43 New Sec. 6. (a) (1) An individual may apply to the state board of



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 any other information required by the cannabis regulatory commission.

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

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

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

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

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

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

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

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

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

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

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

5 New Sec. 9. (a) A tax is hereby imposed upon the privilege of selling  
6 or dispensing in medical cannabis consumer products in this state by any  
7 duly licensed medical cannabis dispensary, at the rate of \$3.00 per ounce  
8 of such products and a proportionate tax at the like rate on all fractional  
9 parts thereof. Such tax shall be imposed at the earliest time the dispensary:

10 (1) Makes, manufactures or processes medical cannabis consumer  
11 products in this state; (2) packages medical cannabis consumer products in  
12 this state; or (3) sells medical cannabis consumer products to consumers  
13 within this state.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 (2) Information in the database shall be shared with law enforcement  
41 authorities in a manner prescribed by the Kansas bureau of investigation  
42 for the purpose of verifying the validity of any identification card or  
43 license issued in accordance with the veterans first medical cannabis act or

1 the location of any operations authorized by the veterans first medical  
2 cannabis act.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 to be immune from criminal prosecution under this section.

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

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

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

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

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

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

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

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

34 (2) drug severity level 1 felony if:

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

38 (B) the offender has a prior conviction for unlawful manufacturing of  
39 a controlled substance under this section, K.S.A. 65-4159, prior to its  
40 repeal, K.S.A. 2010 Supp. 21-36a03, prior to its transfer, or a substantially  
41 similar offense from another jurisdiction and the substance was not  
42 methamphetamine, as defined by ~~subsection (d)(3) or (f)(1) of K.S.A. 65-~~  
43 ~~4107(d)(3) or (f)(1),~~ and amendments thereto, or an analog thereof, in any

1 such prior conviction; and

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

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

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

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

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

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

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

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

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

41 (3) any stimulant designated in ~~subsection (f)~~ of K.S.A. 65-4105(f),  
 42 ~~subsection (d)(2), (d)(4), (d)(5) or (f)(2)~~ of K.S.A. 65-4107(d)(2), (d)(4),  
 43 (d)(5) or (f)(2) or ~~subsection (e)~~ of K.S.A. 65-4109(e), and amendments



1 thereto;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (B) drug severity level 3 felony if the quantity of the material was at

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

1 in a transaction involving a controlled substance or controlled substance  
2 analog;

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

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

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

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

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

19 (h) As used in this section:

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

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

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

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

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

40 Sec. 17. K.S.A. 2018 Supp. 21-5706 is hereby amended to read as  
41 follows: 21-5706. (a) It shall be unlawful for any person to possess any  
42 opiates, opium or narcotic drugs, or any stimulant designated in K.S.A. 65-  
43 4107(d)(1), (d)(3) or (f)(1), and amendments thereto, or a controlled

1 substance analog thereof.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

43 (C) drug severity level 5 felony if that person has two or more prior

1 convictions under such subsection, under K.S.A. 65-4162, prior to its  
2 repeal, under a substantially similar offense from another jurisdiction, or  
3 under any city ordinance or county resolution for a substantially similar  
4 offense.

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

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

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

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

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

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

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

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

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

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

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

42 (d) As used in this section, "communication facility" means any and  
43 all public and private instrumentalities used or useful in the transmission

1 of writing, signs, signals, pictures or sounds of all kinds and includes  
2 telephone, wire, radio, computer, computer networks, beepers, pagers and  
3 all other means of communication.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

42 (g) *The provisions of subsection (b) shall not apply to any person*  
43 *licensed or authorized by the veterans first medical cannabis act whose*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 licensee to attend a specific number of hours of continuing education in  
2 addition to any hours the licensee may already be required to attend or  
3 may publicly or privately censure a licensee or holder of a temporary  
4 permit or authorization, if the applicant, licensee or holder of a temporary  
5 permit or authorization is found after hearing:

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

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

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

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

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

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

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

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

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

1 United States or country shall constitute prima facie evidence of such a  
2 fact for purposes of this paragraph (9); or

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

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

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

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

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

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

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

42 (e) *Professional incompetency defined*. As used in this section,  
43 "professional incompetency" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

42 ~~(b)~~(2) The licensee has committed an act of unprofessional or  
43 dishonorable conduct or professional incompetency, except that the board

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

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

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

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

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

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

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

42 (i)(9) The licensee's ability to practice the healing arts with  
43 reasonable skill and safety to patients is impaired by reason of physical or

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

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

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

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

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

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

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

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

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

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

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

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

1 for acts or conduct similar to acts or conduct ~~which~~ *that* would constitute  
2 grounds for disciplinary action under this section.

3 ~~(tt)~~(21) The licensee has surrendered a license or authorization to  
4 practice the healing arts in another state or jurisdiction, has surrendered the  
5 authority to utilize controlled substances issued by any state or federal  
6 agency, has agreed to a limitation to or restriction of privileges at any  
7 medical care facility or has surrendered the licensee's membership on any  
8 professional staff or in any professional association or society while under  
9 investigation for acts or conduct similar to acts or conduct ~~which~~ *that*  
10 would constitute grounds for disciplinary action under this section.

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

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

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

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

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

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

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

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

41 ~~(d)~~(A) A copy of the record of criminal conviction or plea of guilty  
42 for a felony in violation of K.S.A. 21-3406, prior to its repeal, or K.S.A.  
43 2018 Supp. 21-5407, and amendments thereto.

- 1       ~~(2)~~(B) A copy of the record of a judgment of contempt of court for
- 2 violating an injunction issued under K.S.A. 60-4404, and amendments
- 3 thereto.
- 4       ~~(3)~~(C) A copy of the record of a judgment assessing damages under
- 5 K.S.A. 60-4405, and amendments thereto.
- 6       ~~(dd)~~(30) The licensee has given a worthless check or stopped
- 7 payment on a debit or credit card for fees or moneys legally due to the
- 8 board.
- 9       ~~(ee)~~(40) The licensee has knowingly or negligently abandoned
- 10 medical records.
- 11       (b) *The board shall not revoke, suspend or limit a physician's license,*
- 12 *publicly censure a physician or place a physician's license under*
- 13 *probationary conditions upon any of the following:*
- 14       (1) *The physician, after diagnosing a patient with a qualifying*
- 15 *medical condition or after knowing that a patient has been validly*
- 16 *diagnosed with a qualifying medical condition by a healthcare provider:*
- 17       (A) *Advised the patient about the possible benefits and risks of using*
- 18 *medical cannabis consumer products;*
- 19       (B) *advised the patient that using medical cannabis consumer*
- 20 *products may mitigate the symptoms of the patient's qualifying medical*
- 21 *condition; or*
- 22       (C) *issued to the patient a valid, written certification in accordance*
- 23 *with section 3, and amendments thereto;*
- 24       (2) *the physician uses or has used medical cannabis consumer*
- 25 *products in accordance with the veterans first medical cannabis act; or*
- 26       (3) *the physician acts or has acted as a patient's primary caregiver in*
- 27 *accordance with the veterans first medical cannabis act.*
- 28       Sec. 23. K.S.A. 65-28a05 is hereby amended to read as follows: 65-
- 29 28a05. (a) A licensee's license may be revoked, suspended or limited, or
- 30 the licensee may be publicly or privately censured, or an application for a
- 31 license or for reinstatement of a license may be denied upon a finding of
- 32 the existence of any of the following grounds:
- 33       ~~(a)~~(1) The licensee has committed an act of unprofessional conduct as
- 34 defined by rules and regulations adopted by the board;
- 35       ~~(b)~~(2) the licensee has obtained a license by means of fraud,
- 36 misrepresentations or concealment of material facts;
- 37       ~~(c)~~(3) the licensee has committed an act of professional incompetency
- 38 as defined by rules and regulations adopted by the board;
- 39       ~~(d)~~(4) the licensee has been convicted of a felony;
- 40       ~~(e)~~(5) the licensee has violated any provision of this act, and
- 41 amendments thereto;
- 42       ~~(f)~~(6) the licensee has violated any lawful order or rule and regulation
- 43 of the board;

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

42       (1) To be guilty of fraud or deceit while engaging in the independent  
 43 practice of midwifery or in procuring or attempting to procure a license to

1 engage in the independent practice of midwifery;

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

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

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

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

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

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

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

43 (9) to have assisted suicide in violation of K.S.A. 21-3406, prior to its

1 repeal, or K.S.A. 2018 Supp. 21-5407, and amendments thereto, as  
2 established by any of the following:

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

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

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

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

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

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

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

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

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

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

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

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

43 (B) *advised the patient that using medical cannabis consumer*

1 *products may mitigate the symptoms of the patient's qualifying medical*  
2 *condition; or*

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

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

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

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

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

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

41 (c) all sales of tangible personal property or services, including the  
42 renting and leasing of tangible personal property, purchased directly by a  
43 public or private elementary or secondary school or public or private

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

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

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

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

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

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

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

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

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

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

1 such meals or drinks;

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

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

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

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

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

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



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

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

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

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

41 (t) all sales of farm machinery and equipment or aquaculture  
42 machinery and equipment, repair and replacement parts therefor and  
43 services performed in the repair and maintenance of such machinery and

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

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

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

40 (w) all sales of natural gas, electricity, heat and water delivered  
41 through mains, lines or pipes: (1) To residential premises for  
42 noncommercial use by the occupant of such premises; (2) for agricultural  
43 use and also, for such use, all sales of propane gas; (3) for use in the

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

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

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

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

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

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

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

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

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

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

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

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

42 (hh) all sales of medical supplies and equipment, including durable  
43 medical equipment, purchased directly by a nonprofit skilled nursing home

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

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

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

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

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

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

40 (2) For purposes of this subsection:

41 (A) "Integrated production operation" means an integrated series of  
42 operations engaged in at a manufacturing or processing plant or facility to  
43 process, transform or convert tangible personal property by physical,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



1 completed final site reclamation.

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

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

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

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

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

20 (E) furniture and other furnishings;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 or on behalf of any rural volunteer fire-fighting organization for use  
2 exclusively in the performance of its duties and functions;

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

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

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

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

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

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

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

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

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

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

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

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

1 providing food and clothing to those in need;

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

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

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

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

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

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

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

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

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

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

39 (ccc) on and after July 1, 1999, all sales of tangible personal property  
40 and services purchased by a primary care clinic or health center the  
41 primary purpose of which is to provide services to medically underserved  
42 individuals and families, and that is exempt from federal income taxation  
43 pursuant to section 501(c)(3) of the federal internal revenue code, and all

1 sales of tangible personal property or services purchased by a contractor  
2 for the purpose of constructing, equipping, reconstructing, maintaining,  
3 repairing, enlarging, furnishing or remodeling facilities for any such clinic  
4 or center that would be exempt from taxation under the provisions of this  
5 section if purchased directly by such clinic or center, except that for  
6 taxable years commencing after December 31, 2013, this subsection shall  
7 not apply to any sales of such tangible personal property and services  
8 purchased by a primary care clinic or health center which performs any  
9 abortion, as defined in K.S.A. 65-6701, and amendments thereto. Nothing  
10 in this subsection shall be deemed to exempt the purchase of any  
11 construction machinery, equipment or tools used in the constructing,  
12 equipping, reconstructing, maintaining, repairing, enlarging, furnishing or  
13 remodeling facilities for any such clinic or center. When any such clinic or  
14 center shall contract for the purpose of constructing, equipping,  
15 reconstructing, maintaining, repairing, enlarging, furnishing or remodeling  
16 facilities, it shall obtain from the state and furnish to the contractor an  
17 exemption certificate for the project involved, and the contractor may  
18 purchase materials for incorporation in such project. The contractor shall  
19 furnish the number of such certificate to all suppliers from whom such  
20 purchases are made, and such suppliers shall execute invoices covering the  
21 same bearing the number of such certificate. Upon completion of the  
22 project the contractor shall furnish to such clinic or center concerned a  
23 sworn statement, on a form to be provided by the director of taxation, that  
24 all purchases so made were entitled to exemption under this subsection.  
25 All invoices shall be held by the contractor for a period of five years and  
26 shall be subject to audit by the director of taxation. If any materials  
27 purchased under such a certificate are found not to have been incorporated  
28 in the building or other project or not to have been returned for credit or  
29 the sales or compensating tax otherwise imposed upon such materials that  
30 will not be so incorporated in the building or other project reported and  
31 paid by such contractor to the director of taxation not later than the 20<sup>th</sup>  
32 day of the month following the close of the month in which it shall be  
33 determined that such materials will not be used for the purpose for which  
34 such certificate was issued, such clinic or center concerned shall be liable  
35 for tax on all materials purchased for the project, and upon payment  
36 thereof it may recover the same from the contractor together with  
37 reasonable attorney fees. Any contractor or any agent, employee or  
38 subcontractor thereof, who shall use or otherwise dispose of any materials  
39 purchased under such a certificate for any purpose other than that for  
40 which such a certificate is issued without the payment of the sales or  
41 compensating tax otherwise imposed upon such materials, shall be guilty  
42 of a misdemeanor and, upon conviction therefor, shall be subject to the  
43 penalties provided for in K.S.A. 79-3615(h), and amendments thereto;



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

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

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

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

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

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

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

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

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

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

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

42 (nnn) all sales of tangible personal property and services purchased  
43 by the west Sedgwick county-sunrise rotary club and sunrise charitable

1 fund for the purpose of constructing a boundless playground which is an  
2 integrated, barrier free and developmentally advantageous play  
3 environment for children of all abilities and disabilities;

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

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

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

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

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

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

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

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

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

31 (uuu) all sales of tangible personal property and services purchased  
32 by Kansas children's service league, hereinafter referred to as KCSL,  
33 which is exempt from federal income taxation pursuant to section 501(c)  
34 (3) of the federal internal revenue code of 1986, and which such property  
35 and services are used for the purpose of providing for the prevention and  
36 treatment of child abuse and maltreatment as well as meeting additional  
37 critical needs for children, juveniles and family, and all sales of any such  
38 property by or on behalf of KCSL for any such purpose; and all sales of  
39 tangible personal property or services purchased by a contractor for the  
40 purpose of constructing, maintaining, repairing, enlarging, furnishing or  
41 remodeling facilities for the operation of services for KCSL for any such  
42 purpose that would be exempt from taxation under the provisions of this  
43 section if purchased directly by KCSL. Nothing in this subsection shall be

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

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

41 (www) all sales of tangible personal property purchased by or on  
42 behalf of the Frontenac education foundation, 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 providing education support for  
2 students, and all sales of any such property by or on behalf of such  
3 organization for such purpose;

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

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

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

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

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

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

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

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

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

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

14 (ffff) all sales of tangible personal property and services purchased by  
15 sheltered living, inc., which is exempt from federal income taxation  
16 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,  
17 and which such property and services are used for the purpose of  
18 providing residential and day services for people with developmental  
19 disabilities or intellectual disability, or both, and all sales of any such  
20 property by or on behalf of sheltered living, inc., for any such purpose; and  
21 all sales of tangible personal property or services purchased by a  
22 contractor for the purpose of rehabilitating, constructing, maintaining,  
23 repairing, enlarging, furnishing or remodeling homes and facilities for  
24 sheltered living, inc., for any such purpose that would be exempt from  
25 taxation under the provisions of this section if purchased directly by  
26 sheltered living, inc. Nothing in this subsection shall be deemed to exempt  
27 the purchase of any construction machinery, equipment or tools used in the  
28 constructing, maintaining, repairing, enlarging, furnishing or remodeling  
29 such homes and facilities for sheltered living, inc. When sheltered living,  
30 inc., contracts for the purpose of rehabilitating, constructing, maintaining,  
31 repairing, enlarging, furnishing or remodeling such homes and 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 sheltered living, inc., a sworn statement, on a  
39 form to be provided by the director of taxation, that all purchases so made  
40 were entitled to exemption under this subsection. All invoices shall be held  
41 by the contractor for a period of five years and shall be subject to audit by  
42 the director of taxation. If any materials purchased under such a certificate  
43 are found not to have been incorporated in the building or other project or

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

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

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

1 shall be guilty of a misdemeanor and, upon conviction therefor, shall be  
2 subject to the penalties provided for in K.S.A. 79-3615(h), and  
3 amendments thereto;

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

42 (jjjj) all sales of tangible personal property or services purchased by  
43 or on behalf of the beacon, inc., that is exempt from federal income

1 taxation pursuant to section 501(c)(3) of the federal internal revenue code,  
2 for the purpose of providing those desiring help with food, shelter, clothing  
3 and other necessities of life during times of special need;

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

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

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

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

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

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

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

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

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

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

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

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

43 Sec. 28. K.S.A. 65-2836, 65-28a05, 65-28b08 and 79-5210, K.S.A.



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

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