

Senate Substitute for HOUSE BILL No. 2058

By Committee on Federal and State Affairs

4-3

1 AN ACT concerning gaming; relating to sports wagering; authorizing any
2 compact with a federally recognized Indian tribe to include provisions
3 governing sports wagering outside the boundaries of Indian lands;
4 crediting tax revenue generated by wagers on historical horse races to
5 the horse breeding development fund and the horse fair racing benefit
6 fund; amending K.S.A. 2022 Supp. 46-2305 and 74-8823 and repealing
7 the existing sections.
8

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

10 Section 1. K.S.A. 2022 Supp. 46-2305 is hereby amended to read as
11 follows: 46-2305. ~~(a)~~ If any federally recognized Indian tribe, as described
12 in K.S.A. 74-9802(f), and amendments thereto, submits a request for
13 negotiation of a gaming compact regarding sports wagering in accordance
14 with K.S.A. 46-2302, and amendments thereto, the governor or the
15 governor's designated representative shall negotiate in good faith with such
16 Indian tribe to enter into such gaming compact.

17 ~~(b) No compact described in subsection (a) shall include sports~~
18 ~~wagering beyond the boundaries of the compacting tribe's Indian lands,~~
19 ~~within the meaning of the Indian gaming regulatory act, 25 U.S.C. § 2701~~
20 ~~et seq.~~

21 Sec. 2. K.S.A. 2022 Supp. 74-8823 is hereby amended to read as
22 follows: 74-8823. (a) There is hereby imposed a tax on the gross sum
23 wagered by the parimutuel method as follows:

24 (1) Of the total daily takeout from parimutuel pools for live horse
25 races conducted in this state, a tax at the rate of $\frac{3}{18}$;

26 (2) except as provided by subsection (a)(3), for live greyhound races
27 conducted in this state at a racetrack facility for the racing of only
28 greyhounds:

29 (A) During the first four years when racing with parimutuel wagering
30 is conducted at such facility, a tax at the rate of $\frac{3}{18}$ of the total daily
31 takeout from parimutuel pools for live greyhound races; and

32 (B) thereafter, from parimutuel pools for each live greyhound
33 performance, a tax at the rate of $\frac{3}{18}$ of the first \$400,000 wagered, $\frac{4}{18}$ of
34 the next \$200,000 wagered and $\frac{5}{18}$ of any amounts wagered exceeding
35 \$600,000;

36 (3) for live greyhound races conducted in this state at a dual racetrack

1 facility or at a racetrack facility owned by a licensee whose license
2 authorizes the construction of a dual racetrack facility:

3 (A) During the first seven years when racing with parimutuel
4 wagering is conducted at such facility, a tax at the rate of $\frac{3}{18}$ of the total
5 daily takeout from parimutuel pools for live greyhound races; and

6 (B) thereafter, from parimutuel pools for each live greyhound
7 performance, a tax at the rate of $\frac{3}{18}$ of the first \$600,000 wagered, $\frac{4}{18}$ of
8 the next \$200,000 wagered and $\frac{5}{18}$ of any amounts wagered exceeding
9 \$800,000;

10 (4) of the total daily takeout from amounts wagered in this
11 jurisdiction on simulcast races displayed in this state, a tax at the rate of
12 $\frac{3}{18}$; and

13 (5) of the total amount wagered on historical horse races, a tax at the
14 rate of 3%.

15 (b) The tax imposed by this section shall be ~~no~~ not less than 3% nor
16 more than 6% of the total money wagered each day at a racetrack facility.

17 (c) The tax imposed by this section shall be remitted to the
18 commission by each organization licensee by the next business day
19 following the day on which the wagers took place. The commission shall
20 remit any such tax moneys received to the state treasurer in accordance
21 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon
22 receipt of each ~~such~~ remittance made pursuant to subsection (a)(1)
23 through (4), the state treasurer shall deposit the entire amount in the state
24 treasury to the credit of the state racing fund created by K.S.A. 74-8826,
25 and amendments thereto, except as provided by K.S.A. 74-8838, and
26 amendments thereto. *Upon receipt of each remittance made pursuant to*
27 *subsection (a)(5), the state treasurer shall deposit the entire amount in the*
28 *state treasury and credit $\frac{1}{3}$ of the amount to the Kansas horse breeding*
29 *development fund created by K.S.A. 74-8829, and amendments thereto,*
30 *and $\frac{2}{3}$ of the amount to the horse fair racing benefit fund created by*
31 *K.S.A. 74-8838, and amendments thereto.*

32 (d) The commission shall audit and verify that the amount of tax
33 received from each organization licensee hereunder is correct.

34 (e) Nothing in this section shall be construed to impose any tax on
35 amounts wagered on electronic gaming machine games operated pursuant
36 to the Kansas expanded lottery act.

37 Sec. 3. K.S.A. 2022 Supp. 46-2305 and 74-8823 are hereby repealed.

38 Sec. 4. This act shall take effect and be in force from and after its
39 publication in the Kansas register.