

**House Substitute for Substitute for SENATE BILL No. 84**

By Committee on Federal and State Affairs

3-26

1 AN ACT concerning gaming; relating to the Kansas expanded lottery act;  
2 Kansas lottery and Kansas racing and gaming commission, rules and  
3 regulations; authorizing sports wagering; allowing Sedgwick county to  
4 vote to permit electronic gaming machines at a racetrack gaming  
5 facility; creating the sports wagering receipts fund and the white collar  
6 crime fund; amending K.S.A. 46-2301, 74-8702, 74-8710, 74-8711, 74-  
7 8716, 74-8718, 74-8733, 74-8734, 74-8741, 74-8743, 74-8751, 74-  
8 8752, 74-8757, 74-8760, 74-8761, 75-6202, 75-6204, 75-6217 and 79-  
9 4806 and K.S.A. 2020 Supp. 21-6403 and 21-6507 and repealing the  
10 existing sections.  
11

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

13 New Section 1. (a) Sports wagering shall only be conducted in this  
14 state in accordance with the provisions of the Kansas lottery act and the  
15 Kansas expanded lottery act.

16 (b) The Kansas lottery may offer sports wagering through:

17 (1) Sports wagering retailers that have contracted with the Kansas  
18 lottery pursuant to section 2, and amendments thereto, to conduct sports  
19 wagering on behalf of the Kansas lottery;

20 (2) one or more lottery gaming facility managers or racetrack gaming  
21 facility managers that have contracted with the Kansas lottery in  
22 accordance with the Kansas expanded lottery act to operate and manage  
23 sports wagering on behalf of the Kansas lottery, including, but not limited to,  
24 sports wagering over the internet through websites and mobile device  
25 applications through a licensed interactive sports wagering platform  
26 approved by the Kansas lottery and the use of any such platform at the  
27 primary facility of a professional sports team pursuant to a marketing  
28 agreement entered into between the lottery gaming facility manager or  
29 racetrack gaming facility manager and the professional sports team in  
30 accordance with section 4, and amendments thereto; and

31 (3) one or more licensed interactive sports wagering platforms,  
32 including the use of any such platform at the primary facility of a  
33 professional sports team pursuant to a marketing agreement entered into  
34 between the Kansas lottery and the professional sports team in accordance  
35 with section 4, and amendments thereto.

36 New Sec. 2. (a) The executive director may select persons as sports

1 wagering retailers that the executive director deems are best able to serve  
2 the public convenience and promote sports wagering in accordance with  
3 marketing plans developed by the Kansas lottery. In the selection of sports  
4 wagering retailers, the executive director shall consider factors such as  
5 financial responsibility, security of the applicant's place of business or  
6 activity, accessibility of the applicant's place of business or activity,  
7 integrity, reputation, volume of expected wagers and such other factors as  
8 the executive director may deem appropriate. The aggregate number of  
9 sports wagering retailers shall not exceed 1,200. A sports wagering retailer  
10 shall offer only tier one sports wagers.

11 (b) The executive director may charge an application fee to persons  
12 applying to become sports wagering retailers.

13 (c) All sports wagering retailer contracts awarded by the Kansas  
14 lottery under this section shall be renewed annually after issuance unless  
15 sooner canceled or terminated.

16 (d) No sports wagering retailer contract awarded under this section  
17 shall be transferable or assignable.

18 (e) The sports wagering retailer shall conduct sports wagering only as  
19 approved by the Kansas lottery and in accordance with the provisions of  
20 the Kansas expanded lottery act.

21 (f) To be selected as a sports wagering retailer, a natural person acting  
22 as a sole proprietor shall:

23 (1) Be at least 21 years of age;

24 (2) have sufficient financial resources to support the activities  
25 required to conduct sports wagering;

26 (3) be current in payment of all taxes, interest and penalties owed to  
27 any taxing subdivision where the sports wagering retailer will conduct  
28 sports wagering;

29 (4) be current in filing all applicable tax returns and in payment of all  
30 taxes, interest and penalties owed to the state of Kansas, excluding items  
31 under formal appeal pursuant to applicable statutes; and

32 (5) not be engaged exclusively in conducting sports wagering.

33 (g) No natural person shall be selected as a sports wagering retailer  
34 who:

35 (1) Has been convicted of a felony in this or any other jurisdiction,  
36 unless at least 10 years have passed since satisfactory completion of the  
37 sentence or probation imposed by the court for each such felony;

38 (2) has been convicted of any crime involving illegal gambling  
39 activity, fraud, dishonesty or deceit, or any financial crime in this or any  
40 other jurisdiction;

41 (3) has been found to have violated the provisions of this act or any  
42 rule and regulation adopted hereunder;

43 (4) is a vendor or an employee or agent of any vendor doing business

1 with the Kansas lottery;

2 (5) resides in the same household of an employee of the Kansas  
3 lottery or of a member of the commission; or

4 (6) has made a statement of material fact to the Kansas lottery,  
5 knowing such statement to be false.

6 (h) For a partnership to be selected as a sports wagering retailer, the  
7 partnership must meet the requirements of subsections (f)(2) through (f)  
8 (5), and each partner must meet the requirements of subsections (f)(1), (f)  
9 (3), (f)(4) and (g)(1) through (g)(6).

10 (i) For a corporation to be selected as a sports wagering retailer, the  
11 corporation must meet the requirements of subsections (f)(2) through (f)  
12 (5), and each officer or director and each stockholder who owns 5% or  
13 more of the stock of such corporation must meet the requirements of  
14 subsections (f)(3), (f)(4) and (g)(1) through (g)(6).

15 (j) For an unincorporated association to be selected as a sports  
16 wagering retailer, the association must meet the requirements of  
17 subsections (f)(2) through (f)(5), and each officer or director of such  
18 association must meet the requirements of subsections (f)(1), (f)(3), (f)(4)  
19 and (g)(1) through (g)(6).

20 (k) The executive director may terminate the contract of any sports  
21 wagering retailer that fails to meet any of the applicable qualifying  
22 standards for selection as a sports wagering retailer provided in this section  
23 or on the grounds for termination provided in the contract pursuant to rules  
24 and regulations adopted by the commission.

25 (l) If a sports wagering retailer's rental payments for the business  
26 premises are contractually computed, in whole or in part, on the basis of a  
27 percentage of retail sales, and such computation of retail sales is not  
28 explicitly defined to include sports wagering revenues under the Kansas  
29 expanded lottery act, the compensation received by the sports wagering  
30 retailer from conducting sports wagering on behalf of the Kansas lottery  
31 shall be considered the amount of the retail sale for purposes of computing  
32 the rental payment.

33 New Sec. 3. (a) The executive director may select an interactive  
34 sports wagering platform that the executive director deems is best able to  
35 serve the public convenience and promote sports wagering in accordance  
36 with marketing plans developed by the Kansas lottery. The interactive  
37 sports wagering platform selected by the executive director shall offer tier  
38 one and tier two sports wagers and shall be made available to any lottery  
39 gaming facility manager and racetrack gaming facility manager that has  
40 entered into a management contract for the operation and management of  
41 sports wagering under the Kansas expanded lottery act. Sports wagering  
42 conducted through the interactive sports wagering platform shall be  
43 offered only as approved by the Kansas lottery and in accordance with the

1 provisions of the Kansas expanded lottery act.

2 (b) A lottery gaming facility manager or racetrack gaming facility  
3 manager may apply to the Kansas lottery for approval of one additional  
4 graphical user interface specific to such lottery gaming facility manager or  
5 racetrack gaming facility manager to be used to access the interactive  
6 sports wagering platform provided by the Kansas lottery.

7 (c) In addition to the interactive sports wagering platform provided by  
8 the Kansas lottery, a lottery gaming facility manager or racetrack gaming  
9 facility manager may apply to the Kansas lottery for approval of one  
10 additional interactive sports wagering platform to be used by such lottery  
11 gaming facility manager or racetrack gaming facility manager in operating  
12 and managing sports wagering. All additional platforms shall comply with  
13 the Kansas lottery act and the Kansas expanded lottery act for the legal  
14 operation of sports wagering in this state. The lottery gaming facility  
15 manager or racetrack gaming facility manager shall submit such request in  
16 such form and manner as prescribed by the executive director and shall  
17 provide such information regarding the interactive sports wagering  
18 platform and such manager's intended use of such platform as the  
19 executive director deems necessary. All background investigation  
20 requirements shall be completed before the Kansas lottery shall consider  
21 approval and usage of any additional platforms.

22 New Sec. 4. (a) A professional sports team may enter into a  
23 marketing agreement with the Kansas lottery, a lottery gaming facility  
24 manager or a racetrack gaming facility manager for the purpose of  
25 marketing sports wagering at the primary facility of such professional  
26 sports team. All sports wagering shall be operated and managed by the  
27 Kansas lottery, the lottery gaming facility manager or the racetrack gaming  
28 facility manager. No owner, director, officer, employee or agent of the  
29 professional sports team shall have any duties directly related to the  
30 operation or management of sports wagering except as expressly provided  
31 in the marketing agreement.

32 (b) (1) A marketing agreement shall provide that the professional  
33 sports team shall promote and advertise sports wagering on behalf of the  
34 other contracting party at the primary facility of the professional sports  
35 team. Promotion and advertising may include, but shall not be limited to:

36 (A) Advertising through signage and other media, including  
37 electronic media;

38 (B) allowing devices, such as kiosks, to be located within the primary  
39 facility of the professional sports team to allow patrons to engage in sports  
40 wagering; and

41 (C) providing access to mobile device applications that allow patrons  
42 to access the interactive sports wagering platforms utilized by the  
43 contracting party operating and managing sports wagering at the primary

1 facility.

2 (2) A marketing agreement shall expressly prohibit the professional  
3 sports team and any owner, director, officer, employee or agent of such  
4 professional sports team from taking any bets, paying out any prizes or  
5 otherwise having any control or access to the interactive sports wagering  
6 platform, or any other system used by the Kansas lottery, the lottery  
7 gaming facility manager or the racetrack gaming facility manager to  
8 operate and manage sports wagering.

9 (c) Any lottery gaming facility manager or racetrack gaming facility  
10 manager seeking to enter into a marketing agreement pursuant to this  
11 section shall submit the marketing agreement to the Kansas lottery for  
12 approval. No such marketing agreement shall become effective until it is  
13 approved by the executive director of the Kansas lottery. If the marketing  
14 agreement satisfies all requirements of the Kansas lottery act and the  
15 Kansas expanded lottery act, then it shall be approved. If the agreement is  
16 not approved, the executive director shall notify the parties to the  
17 agreement that approval has been denied and the reasons for such denial.

18 New Sec. 5. The executive director shall adopt rules and regulations  
19 regarding the advertisement for sports wagering. Such rules and  
20 regulations shall be adopted on or before January 1, 2022, and shall  
21 include, but not be limited to:

22 (a) Ensuring that advertisements, including limitations on the form,  
23 content, quantity, timing and location of such advertisements, do not target  
24 children and minors, or other persons who are ineligible to place wagers,  
25 or problem gamblers or other vulnerable persons;

26 (b) disclosure of the identity of the sports wagering manager in all  
27 such advertisements;

28 (c) provision of the toll-free number for information and referral  
29 services for compulsive and problem gambling; and

30 (d) prohibitions on false, misleading or deceptive advertisements.

31 New Sec. 6. A sports governing body may notify the Kansas lottery  
32 that the sports governing body desires to restrict, limit or exclude wagering  
33 on one or more sporting events overseen by such sports governing body by  
34 providing notice in such form and manner as prescribed by the executive  
35 director. Upon receiving such notice, the executive director shall review  
36 the request in good faith, seek input from sports wagering managers on  
37 such a request and, if deemed appropriate, the commission shall adopt  
38 rules and regulations to restrict sports wagering on such sporting events. If  
39 the executive director denies a request submitted pursuant to this section,  
40 the executive director shall notify the sports governing body of such  
41 denial. Any sports governing body whose request is denied may appeal the  
42 decision of the executive director in accordance with the Kansas  
43 administrative procedure act. Offering or taking wagers contrary to any

1 published restrictions on a sporting event is a violation of the Kansas  
2 expanded lottery act. In the event that a request submitted pursuant to this  
3 section is submitted in response to an emergency situation, the executive  
4 director may temporarily prohibit sports wagering on the sporting event in  
5 question until there is an opportunity to review the request and adopt rules  
6 and regulations in accordance with this section.

7 New Sec. 7. (a) Sports wagering managers shall use reasonable  
8 methods to:

9 (1) Prohibit the manager, and any director, officer, owner and  
10 employee of the manager, and any relative living in the same household as  
11 such persons, from placing wagers with the manager;

12 (2) prohibit the interactive sports wagering platform, and any director,  
13 officer, owner and employee of the platform, and any relative living in the  
14 same household as such persons, from placing wagers with the manager;

15 (3) prohibit athletes, coaches, referees, team owners, employees of a  
16 sports governing body or its member teams, and player and referee union  
17 personnel from placing wagers on any sporting event overseen by such  
18 sports governing body. In determining which persons are excluded from  
19 placing wagers under this paragraph, sports wagering managers shall use  
20 publicly available information and any list of such persons that the sports  
21 governing body may provide to the Kansas lottery and the Kansas racing  
22 and gaming commission;

23 (4) prohibit any person with access to nonpublic confidential  
24 information held by the manager from placing wagers with the manager;

25 (5) prohibit persons from placing wagers as agents or proxies for  
26 other persons;

27 (6) prohibit any person convicted of any felony or misdemeanor  
28 offense involving sports wagering, including, but not limited to, the use of  
29 funds derived from illegal activity to make wagers, placing wagers to  
30 conceal money derived from illegal activity, the use of other individuals to  
31 place wagers as part of any wagering scheme to circumvent any provision  
32 of federal or state law, and the use of false identification to facilitate the  
33 placement of any wager or the collection of any prize in violation of  
34 federal or state law, from placing wagers; and

35 (7) maintain the security of wagering data, customer data and other  
36 confidential information from unauthorized access and dissemination,  
37 provided that nothing in this act shall preclude the use of internet or cloud-  
38 based hosting of such data and information or disclosure as required by  
39 court order, state or federal law or as otherwise required by this act.

40 (b) Sports wagering managers shall cooperate with any investigations  
41 conducted by the Kansas lottery, the Kansas racing and gaming  
42 commission, sports governing bodies or law enforcement agencies,  
43 including, but not limited to, providing or facilitating the provision of

1 account-level betting information and audio or video files relating to  
2 persons placing wagers.

3 (c) (1) Sports wagering managers shall immediately report to the  
4 Kansas lottery and the Kansas racing and gaming commission any  
5 information relating to:

6 (A) Criminal or disciplinary proceedings commenced against the  
7 sports wagering manager in connection with such manager's operations in  
8 any jurisdiction in which such sports wagering manager operates;

9 (B) abnormal wagering activity or patterns that may indicate a  
10 concern with the integrity of a sporting event in any jurisdiction in which  
11 such sports wagering manager operates;

12 (C) any potential breach of the relevant sports governing body's  
13 internal rules and codes of conduct pertaining to sports wagering;

14 (D) any other conduct that corrupts a betting outcome of a sporting  
15 event for purposes of financial gain, including match-fixing; and

16 (E) suspicious or illegal wagering activities, including the use of:  
17 Funds derived from illegal activity; wagers to conceal or launder funds  
18 derived from illegal activity; agents to place wagers; and false  
19 identification when placing wagers.

20 (2) Sports wagering managers shall immediately report information  
21 relating to the conduct described in subparagraphs (B) through (D) to the  
22 relevant sports governing body.

23 (d) Information provided by a sports governing body to a sports  
24 wagering manager shall be confidential and not subject to the open records  
25 act, K.S.A. 45-215 et seq., and amendments thereto, and the sports  
26 wagering manager shall not disclose such information or any portion  
27 thereof, unless disclosure is required by this act, the Kansas racing and  
28 gaming commission, state or federal law or court order. The provisions of  
29 this subsection shall expire on July 1, 2026, unless the legislature acts to  
30 reenact such provision. The provisions of this subsection shall be reviewed  
31 by the legislature prior to July 1, 2026.

32 (e) Sports wagering managers may use data for determining the result  
33 of tier one sports wagers from any source such manager deems  
34 appropriate. Sports wagering managers shall use only official league data  
35 for determining the result of tier two sports wagers, provided that official  
36 league data is readily available for sports wagering managers to access or  
37 purchase on commercially reasonable terms.

38 New Sec. 8. (a) (1) Sports wagering managers shall maintain records  
39 of:

40 (A) All wagers placed, including personally identifiable information  
41 of the person placing the wager;

42 (B) the amount and type of wager;

43 (C) the time the wager was placed;

- 1 (D) the location of the wager, including the IP address, if applicable;
- 2 (E) the outcome of the wager;
- 3 (F) any records of abnormal wagering activity; and
- 4 (G) video camera recordings, in the case of in-person wagers.

5 (2) Such records shall be maintained for at least three years after the  
6 sporting event occurs. A sports wagering manager shall make such records  
7 available for inspection upon request by the Kansas lottery or the Kansas  
8 racing and gaming commission, or as required by court order.

9 (b) If a sports governing body has notified the Kansas racing and  
10 gaming commission that real-time information sharing for wagers placed  
11 on such sports governing body's sporting events is necessary and desirable,  
12 sports wagering managers shall share in real time the information required  
13 to be retained pursuant to subsection (a), except video camera recordings,  
14 with the sports governing body, or such sports governing body's designee,  
15 with respect to wagers on such sports governing body's sporting events.  
16 Any information provided pursuant to this subsection shall not contain any  
17 personally identifiable information.

18 (c) The Kansas lottery and the Kansas racing and gaming commission  
19 shall cooperate with a sports governing body and sports wagering  
20 managers to ensure the timely, efficient and accurate sharing of  
21 information.

22 (d) Any disclosures made pursuant to this section shall be in  
23 accordance with section 9, and amendments thereto.

24 New Sec. 9. The Kansas racing and gaming commission and any  
25 sports wagering manager shall only disclose personal information of  
26 individuals placing wagers to a sports governing body if such sports  
27 governing body has entered into a data-sharing agreement with the Kansas  
28 lottery. Such agreement shall specify when and to what extent the personal  
29 information of individuals placing wagers may be disclosed by the Kansas  
30 racing and gaming commission or a sports wagering manager. Any  
31 disclosure of such information shall be in accordance with any such data-  
32 sharing agreement.

33 New Sec. 10. The state or a sports governing body shall have a cause  
34 of action against any person who knowingly engages in, facilitates or  
35 conceals conduct that intends to improperly influence a betting outcome of  
36 a sporting event for purposes of financial gain, in connection with betting  
37 or wagering on a sporting event. The entity filing any such action may  
38 seek damages or other equitable relief. The provisions of this section shall  
39 not be construed as a limitation on or bar against any other claims the state  
40 or a sports governing body may bring against such person, or any other  
41 claim the state or a sports governing body may bring for injuries or  
42 damages arising out of the operation of sports wagering.

43 New Sec. 11. Upon request by an individual, a sports wagering



1 manager shall restrict such individual from placing sports wagers with the  
2 manager and shall take reasonable measures to prevent such individual  
3 from placing sports wagers. The sports wagering manager shall submit the  
4 restricted individual's name and pertinent information to the Kansas racing  
5 and gaming commission for the sole purpose of having such information  
6 disseminated to all other sports wagering managers. Any sports wagering  
7 manager that receives such individual's information from the Kansas  
8 racing and gaming commission shall restrict such individual from placing  
9 sports wagers.

10 New Sec. 12. (a) There is hereby established in the state treasury the  
11 sports wagering receipts fund. Separate accounts shall be maintained in  
12 such fund for receipt of moneys from sports wagering conducted by the  
13 Kansas lottery, sports wagering retailers, each lottery gaming facility  
14 manager and each racetrack gaming facility manager. All expenditures  
15 from the fund shall be made in accordance with appropriation acts upon  
16 warrants of the director of accounts and reports issued pursuant to  
17 vouchers approved by the executive director, or the executive director's  
18 designee, for the purposes set forth in this act.

19 (b) All revenues from sports wagering conducted by the Kansas  
20 lottery, sports wagering retailers, lottery gaming facility managers and  
21 racetrack gaming facility managers shall be paid weekly and electronically  
22 to the executive director, or as soon as reasonably possible based on the  
23 sporting event and the wager placed, but in no event prior to the  
24 completion and settling of all bets for the sporting events for which wagers  
25 were placed. The executive director shall remit all moneys received  
26 therefrom to the state treasurer in accordance with the provisions of K.S.A.  
27 75-4215, and amendments thereto. Upon receipt of each such remittance,  
28 the state treasurer shall deposit the entire amount in the state treasury and  
29 credit such remittance to the respective account in the sports wagering  
30 receipts fund maintained for the Kansas lottery, sports wagering retailers,  
31 the lottery gaming facility manager or the racetrack gaming facility  
32 manager.

33 (c) (1) The executive director shall certify monthly to the director of  
34 accounts and reports the percentages or amounts to be transferred from  
35 each account maintained in the sports wagering receipts fund to the lottery  
36 operating fund in accordance with the provisions of K.S.A. 74-8711, and  
37 amendments thereto, as provided by the sports wagering retailer contract,  
38 lottery gaming facility management contract or racetrack gaming facility  
39 management contract. Upon receipt of the certification, the director of  
40 accounts and reports shall transfer amounts from each such account in  
41 accordance with the certification of the executive director.

42 (2) Once each month, the executive director shall cause amounts from  
43 each such account to be paid to the sports wagering retailers, lottery

1 gaming facility managers and racetrack gaming facility managers in  
2 accordance with each entity's respective contract with the Kansas lottery.

3 New Sec. 13. (a) There is hereby established in the state treasury the  
4 white collar crime fund. The attorney general shall administer such fund.  
5 All moneys credited to the white collar crime fund shall be expended only  
6 for the purpose of investigating and prosecuting:

7 (1) Criminal offenses involving or facilitated by:

8 (A) The use of funds derived from illegal activity to make wagers;

9 (B) placing wagers to conceal money derived from illegal activity;

10 (C) the use of other individuals to place wagers as part of any  
11 wagering scheme to circumvent any provision of federal or state law;

12 (D) the use of false identification to facilitate the placement of any  
13 wager or the collection of any prize in violation of federal or state law;

14 (E) any other unlawful activity involving or facilitated by the placing  
15 of wagers; or

16 (F) any other violation of the Kansas expanded lottery act; or

17 (2) any financial or economic crime.

18 (b) All expenditures from the fund shall be made in accordance with  
19 appropriation acts upon warrants of the director of accounts and reports  
20 issued pursuant to vouchers approved by the attorney general, or the  
21 attorney general's designee, for the purposes set forth in this act.

22 (c) The attorney general may certify to the director of accounts and  
23 reports amounts to be transferred from the white collar crime fund to any  
24 special revenue fund or funds of the Kansas bureau of investigation as  
25 deemed appropriate by the attorney general to carry out the purposes of the  
26 white collar crime fund. Upon receipt of any such certification, the director  
27 of accounts and reports shall transfer amounts from the white collar crime  
28 fund to the special revenue fund or funds of the Kansas bureau of  
29 investigation in accordance with the certification of the attorney general.

30 New Sec. 14. (a) Notwithstanding the provisions of K.S.A. 74-8733,  
31 and amendments thereto, the attorney general may file an action in quo  
32 warranto in the supreme court within 90 days after July 1, 2021, on the  
33 question of the authority of a public official to act in accordance with the  
34 provisions of section 1 or 2, and amendments thereto. Such action may  
35 only be filed by the attorney general and shall only be filed in the supreme  
36 court.

37 (b) No action against the state of Kansas for specific performance,  
38 anticipatory breach or breach of contract, the basis of which is that a  
39 contract between the Kansas lottery and a sports wagering retailer to offer  
40 sports wagering pursuant to section 1, and amendments thereto, violates  
41 the provisions of K.S.A. 74-8734(h)(19) or 74-8741(c)(4), and  
42 amendments thereto, or that such contract creates a material breach of a  
43 lottery gaming facility management contract, shall be deemed to have

1 accrued until such date as the Kansas lottery enters into a contract with a  
2 sports wagering retailer to offer sports wagering, or such date a final order  
3 is issued in any action brought by the attorney general pursuant to  
4 subsection (a), whichever occurs later. Any such action shall be  
5 commenced in the district court of Shawnee county within 60 days from  
6 the date the cause of action accrued.

7 (c) No claim for equitable relief, including injunctive relief, may be  
8 brought in any action filed pursuant to this section except by the attorney  
9 general in an action brought under subsection (a).

10 (d) The monetary damages that may be awarded in any action  
11 brought pursuant to this section shall not exceed an amount equal to the  
12 privilege fee paid by the lottery gaming facility manager plus accrued  
13 interest from the date such action accrues as specified in subsection (b).

14 New Sec. 15. (a) Prior to the execution of any racetrack gaming  
15 facility management contract for the management of a racetrack gaming  
16 facility, the executive director shall provide written notice to any lottery  
17 gaming facility manager managing a lottery gaming facility located in the  
18 same gaming zone as such proposed racetrack gaming facility. Such notice  
19 shall state the executive director's intent to enter into such contract and the  
20 parties to the proposed contract.

21 (b) No action against the state of Kansas or any other person or party  
22 for specific performance, anticipatory breach or breach of contract, the  
23 basis of which is that a proposed racetrack gaming facility management  
24 contract or the election authorized under K.S.A. 74-8743, and amendments  
25 thereto, violates the provisions of K.S.A. 74-8734(h)(19) or 74-8741(c)(4),  
26 and amendments thereto, or that such racetrack gaming facility  
27 management contract or the election authorized under K.S.A. 74-8743, and  
28 amendments thereto, creates a material breach of a lottery gaming facility  
29 manager's management contract with the Kansas lottery, including any  
30 claim for reimbursement of privilege fees and interest thereon, shall be  
31 deemed to have accrued until the lottery gaming facility manager receives  
32 written notice from the executive director pursuant to subsection (a). Any  
33 such action shall be commenced within 60 days after receipt of such  
34 written notice and shall be filed as an original action in the supreme court,  
35 which shall have original jurisdiction for determination of any claims  
36 made and damages related thereto.

37 (c) (1) No claim for equitable relief, including injunctive relief, may  
38 be brought in any action filed pursuant to this section.

39 (2) No claim may be brought in any action filed pursuant to this  
40 section except by the lottery gaming facility manager for the lottery  
41 gaming facility located in the same gaming zone as the proposed racetrack  
42 gaming facility.

43 (3) No claim arising from the election authorized under K.S.A. 74-

1 8743, and amendments thereto, may be brought in any action filed  
2 pursuant to this section except by the lottery gaming facility manager for  
3 the lottery gaming facility located in the south central Kansas gaming  
4 zone.

5 (d) Any monetary damages awarded in any action brought pursuant  
6 to this section shall not exceed an amount equal to the privilege fee paid  
7 by the lottery gaming facility manager filing such action, plus any interest  
8 from the date such action accrued as specified in subsection (b).

9 (e) (1) If no action is filed pursuant to subsection (b), the executive  
10 director may execute the proposed racetrack gaming facility management  
11 contract.

12 (2) If an action is properly filed, the executive director shall not  
13 execute any such management contract until such time as the supreme  
14 court issues a final order in such action if such order does not prohibit the  
15 executive director from executing such management contract.

16 (f) For purposes of this section, the Kansas expanded lottery act and  
17 the Kansas parimutuel racing act, a racetrack gaming facility manager, as  
18 defined in K.S.A. 74-8702, and amendments thereto, may also be a facility  
19 owner licensee, as defined in K.S.A. 74-8802, and amendments thereto.

20 (g) The provisions of this section shall be a part of and supplemental  
21 to the Kansas expanded lottery act.

22 New Sec. 16. (a) If any federally recognized Indian tribe, as  
23 described in K.S.A. 74-9802(f), and amendments thereto, submits a  
24 request for negotiation of a gaming compact regarding sports wagering in  
25 accordance with K.S.A. 46-2302, and amendments thereto, the governor,  
26 or the governor's designated representative, shall negotiate in good faith  
27 with such Indian tribe to enter into such gaming compact.

28 (b) No compact described in subsection (a) shall include sports  
29 wagering beyond the boundaries of the reservation of the compacting tribe.

30 (c) Any federally recognized Indian tribe described in K.S.A. 74-  
31 9802(f), and amendments thereto, or any corporation, limited liability  
32 company or other business entity that is wholly owned by such federally  
33 recognized Indian tribe, shall be permitted to contract with the Kansas  
34 lottery to conduct sports wagering via an interactive sports wagering  
35 platform under the same terms and conditions as other sports wagering  
36 managers pursuant to the Kansas expanded lottery act.

37 New Sec. 17. (a) Misuse of nonpublic sports information is placing or  
38 causing to be placed, a bet or wager on a sports contest on the basis of  
39 material nonpublic information relating to such bet or wager.

40 (b) Misuse of nonpublic sports information is a severity level 5,  
41 nonperson felony.

42 (c) As used in this section:

43 (1) "On the basis of material nonpublic information" means the

1 person placing the bet or wager, or causing such bet or wager to be placed,  
2 was aware of the material nonpublic information relating to such bet or  
3 wager when the person placed the bet or wager, or caused such bet or  
4 wager to be placed; and

5 (2) "sports contest" means the same as defined in K.S.A. 2020 Supp.  
6 21-6507, and amendments thereto.

7 (d) The provisions of this section shall be a part of and supplemental  
8 to the Kansas criminal code.

9 Sec. 18. K.S.A. 2020 Supp. 21-6403 is hereby amended to read as  
10 follows: 21-6403. As used in K.S.A. 2020 Supp. 21-6403 through 21-  
11 6409, and amendments thereto:

12 (a) "Bet" means a bargain in which the parties agree that, dependent  
13 upon chance, one stands to win or lose something of value specified in the  
14 agreement. A bet does not include:

15 (1) Bona fide business transactions which are valid under the law of  
16 contracts including, but not limited to, contracts for the purchase or sale at  
17 a future date of securities or other commodities, and agreements to  
18 compensation for loss caused by the happening of the chance including,  
19 but not limited to, contracts of indemnity or guaranty and life or health and  
20 accident insurance;

21 (2) offers of purses, prizes or premiums to the actual contestants in  
22 any bona fide contest for the determination of skill, speed, strength or  
23 endurance or to the bona fide owners of animals or vehicles entered in  
24 such a contest;

25 (3) a lottery as defined in this section;

26 (4) any bingo game by or for participants managed, operated or  
27 conducted in accordance with the laws of the state of Kansas by an  
28 organization licensed by the state of Kansas to manage, operate or conduct  
29 games of bingo;

30 (5) a lottery operated by the state pursuant to the Kansas lottery act;

31 (6) any system of parimutuel wagering managed, operated and  
32 conducted in accordance with the Kansas parimutuel racing act;

33 (7) tribal gaming;

34 (8) charitable raffles as defined by K.S.A. 75-5173, and amendments  
35 thereto; ~~or~~

36 (9) a fantasy sports league as defined in this section; *or*

37 (10) *sports wagering, as defined in K.S.A. 74-8702, and amendments*  
38 *thereto;*

39 (b) "lottery" means an enterprise wherein for a consideration the  
40 participants are given an opportunity to win a prize, the award of which is  
41 determined by chance. A lottery does not include:

42 (1) A lottery operated by the state pursuant to the Kansas lottery act;  
43 *or*

1 (2) tribal gaming;

2 (c) "consideration" means anything which is a commercial or  
3 financial advantage to the promoter or a disadvantage to any participant.  
4 Mere registration without purchase of goods or services; personal  
5 attendance at places or events, without payment of an admission price or  
6 fee; listening to or watching radio and television programs; answering the  
7 telephone or making a telephone call and acts of like nature are not  
8 consideration. "Consideration" shall not include sums of money paid by or  
9 for:

10 (1) Participants in any bingo game managed, operated or conducted  
11 in accordance with the laws of the state of Kansas by any bona fide  
12 nonprofit religious, charitable, fraternal, educational or veteran  
13 organization licensed to manage, operate or conduct bingo games under  
14 the laws of the state of Kansas and it shall be conclusively presumed that  
15 such sums paid by or for such participants were intended by such  
16 participants to be for the benefit of the sponsoring organizations for the use  
17 of such sponsoring organizations in furthering the purposes of such  
18 sponsoring organizations, as set forth in the appropriate paragraphs of  
19 section 501(c) or (d) of the internal revenue code of 1986 and as set forth  
20 in K.S.A. 79-4701, and amendments thereto;

21 (2) participants in any lottery operated by the state pursuant to the  
22 Kansas lottery act;

23 (3) participants in any system of parimutuel wagering managed,  
24 operated and conducted in accordance with the Kansas parimutuel racing  
25 act; or

26 (4) a person to participate in tribal gaming;

27 (d) "fantasy sports league" means any fantasy or simulation sports  
28 game or contest in which no fantasy or simulation sports team is based on  
29 the current membership of an actual team that is a member of an amateur  
30 or professional sports organization and that meets the following  
31 conditions:

32 (1) All prizes and awards offered to winning participants are  
33 established and made known to the participants in advance of the game or  
34 contest and their value is not determined by the number of participants or  
35 the amount of any fees paid by those participants;

36 (2) all winning outcomes reflect the relative knowledge and skill of  
37 the participants and are determined predominantly by accumulated  
38 statistical results of the performance of individual athletes in ~~multiple~~ real-  
39 world sporting events; and

40 (3) no winning outcome is based:

41 (A) On the score, point spread or any performance or performances  
42 of any single real-world team or any combination of such teams; or

43 (B) solely on any single performance of an individual athlete in any

1 single real-world sporting event.

2 (e) (1) "gambling device" means any:

3 (A) So-called "slot machine" or any other machine, mechanical  
4 device, electronic device or other contrivance an essential part of which is  
5 a drum or reel with insignia thereon, and:

6 (i) ~~Which~~ *That* when operated may deliver, as the result of chance,  
7 any money or property; or

8 (ii) by the operation of which a person may become entitled to  
9 receive, as the result of chance, any money or property;

10 (B) other machine, mechanical device, electronic device or other  
11 contrivance including, but not limited to, roulette wheels and similar  
12 devices, ~~which that~~ are equipped with or designed to accommodate the  
13 addition of a mechanism that enables accumulated credits to be removed,  
14 is equipped with or designed to accommodate a mechanism to record the  
15 number of credits removed or is otherwise designed, manufactured or  
16 altered primarily for use in connection with gambling, and:

17 (i) ~~Which~~ *That* when operated may deliver, as the result of chance,  
18 any money or property; or

19 (ii) by the operation of which a person may become entitled to  
20 receive, as the result of chance, any money or property;

21 (C) subassembly or essential part intended to be used in connection  
22 with any such machine, mechanical device, electronic device or other  
23 contrivance, but ~~which that~~ is not attached to any such machine,  
24 mechanical device, electronic device or other contrivance as a constituent  
25 part; or

26 (D) any token, chip, paper, receipt or other document ~~which that~~  
27 evidences, purports to evidence or is designed to evidence participation in  
28 a lottery or the making of a bet.

29 The fact that the prize is not automatically paid by the device does not  
30 affect its character as a gambling device.

31 (2) "Gambling device" shall not include:

32 (A) Any machine, mechanical device, electronic device or other  
33 contrivance used or for use by a licensee of the Kansas racing *and gaming*  
34 commission as authorized by law and rules and regulations adopted by the  
35 commission or by the Kansas lottery or Kansas lottery retailers as  
36 authorized by law and rules and regulations adopted by the Kansas lottery  
37 commission;

38 (B) any machine, mechanical device, electronic device or other  
39 contrivance, such as a coin-operated bowling alley, shuffleboard, marble  
40 machine, a so-called pinball machine, or mechanical gun, ~~which that~~ is not  
41 designed and manufactured primarily for use in connection with gambling,  
42 and:

43 (i) ~~Which~~ *That* when operated does not deliver, as a result of chance,

1 any money; or

2 (ii) by the operation of which a person may not become entitled to  
3 receive, as the result of the application of an element of chance, any  
4 money;

5 (C) any so-called claw, crane or digger machine and similar devices  
6 ~~which~~ *that* are designed and manufactured primarily for use at carnivals or  
7 county or state fairs; or

8 (D) any machine, mechanical device, electronic device or other  
9 contrivance used in tribal gaming;

10 (f) "gambling place" means any place, room, building, vehicle, tent or  
11 location ~~which~~ *that* is used for any of the following: Making and settling  
12 bets; receiving, holding, recording or forwarding bets or offers to bet;  
13 conducting lotteries; or playing gambling devices. Evidence that the place  
14 has a general reputation as a gambling place or that, at or about the time in  
15 question, it was frequently visited by persons known to be commercial  
16 gamblers or known as frequenters of gambling places is admissible on the  
17 issue of whether it is a gambling place;

18 (g) "tribal gaming" means the same as in K.S.A. 74-9802, and  
19 amendments thereto; and

20 (h) "tribal gaming commission" means the same as in K.S.A. 74-  
21 9802, and amendments thereto.

22 Sec. 19. K.S.A. 2020 Supp. 21-6507 is hereby amended to read as  
23 follows: 21-6507. (a) Sports bribery is:

24 (1) Conferring, or offering or agreeing to confer, any benefit upon a  
25 sports participant with intent to influence such participant not to give such  
26 participant's best efforts in a sports contest;

27 (2) conferring or offering or agreeing to confer, any benefit upon a  
28 sports official with intent to influence such official to perform such  
29 official's duties improperly;

30 (3) accepting, agreeing to accept or soliciting by a sports participant  
31 of any benefit from another person upon an understanding that such sports  
32 participant will thereby be influenced not to give such participant's best  
33 efforts in a sports contest; or

34 (4) accepting, agreeing to accept or soliciting by a sports official any  
35 benefit from another person upon an understanding that such official will  
36 perform such official's duties improperly.

37 (b) Sports bribery as defined in:

38 (1) Subsection (a)(1) or (a)(2) is a severity level 9, nonperson felony;

39 ~~and~~

40 (2) subsection (a)(3) or (a)(4) is a class A nonperson misdemeanor;

41 *and*

42 (3) *subsection (a)(1) through (a)(4), if committed with the intent to*  
43 *influence a betting outcome of a sports contest in order to obtain financial*



1 *gain, in connection with betting or wagering on a sports contest, is a*  
2 *severity level 5, nonperson felony.*

3 (c) As used in this section and K.S.A. 2020 Supp. 21-6508, and  
4 amendments thereto:

5 (1) "Sports contest" means any professional or amateur sports or  
6 athletic game or contest viewed by the public;

7 (2) "sports participant" means any person who participates or expects  
8 to participate in a sports contest as a player, contestant or member of a  
9 team, or as a coach, manager, trainer or other person directly associated  
10 with a player, contestant or team; and

11 (3) "sports official" means any person who acts or expects to act in a  
12 sports contest as an umpire, referee, judge or otherwise to officiate at a  
13 sports contest.

14 Sec. 20. K.S.A. 46-2301 is hereby amended to read as follows: 46-  
15 2301. As used in ~~this act~~ *K.S.A. 46-2301 through 46-2304, and*  
16 *amendments thereto, and section 16, and amendments thereto:*

17 (a) "Class III gaming" has the meaning provided by the Indian  
18 gaming regulatory act (25 U.S.C. 2701 et seq.).

19 (b) "Gaming compact" means a tribal-state compact regarding class  
20 III gaming as provided by section 11 of the Indian gaming regulatory act  
21 (25 U.S.C. 2710).

22 (c) "Committee" or "joint committee" means the joint committee on  
23 state-tribal relations.

24 Sec. 21. K.S.A. 74-8702 is hereby amended to read as follows: 74-  
25 8702. As used in the Kansas lottery act, unless the context otherwise  
26 requires:

27 (a) "Ancillary lottery gaming facility operations" means additional  
28 non-lottery facility game products and services not owned and operated by  
29 the state ~~which~~ *that* may be included in the overall development associated  
30 with the lottery gaming facility. Such operations may include, but are not  
31 limited to, restaurants, hotels, motels, museums or entertainment facilities.

32 (b) "Commission" means the Kansas lottery commission.

33 (c) "Electronic gaming machine" means any electronic,  
34 electromechanical, video or computerized device, contrivance or machine  
35 authorized by the Kansas lottery ~~which~~ *that*, upon insertion of cash,  
36 tokens, electronic cards or any consideration, is available to play, operate  
37 or simulate the play of a game authorized by the Kansas lottery pursuant to  
38 the Kansas expanded lottery act, including, but not limited to, bingo,  
39 poker, blackjack, keno and slot machines, and ~~which~~ *that* may deliver or  
40 entitle the player operating the machine to receive cash, tokens,  
41 merchandise or credits that may be redeemed for cash. Electronic gaming  
42 machines may use bill validators and may be single-position reel-type,  
43 single or multi-game video and single-position multi-game video

1 electronic game, including, but not limited to, poker, blackjack and slot  
2 machines. Electronic gaming machines shall be directly linked to a central  
3 computer at a location determined by the executive director for purposes  
4 of security, monitoring and auditing.

5 (d) "Executive director" means the executive director of the Kansas  
6 lottery.

7 (e) "Gaming equipment" means any electric, electronic, computerized  
8 or electromechanical machine, mechanism, supply or device or any other  
9 equipment, ~~which~~ *that* is: (1) Unique to the Kansas lottery and used  
10 pursuant to the Kansas lottery act; ~~and~~ (2) integral to the operation of an  
11 electronic gaming machine or lottery facility game; and (3) affects the  
12 results of an electronic gaming machine or lottery facility game by  
13 determining win or loss.

14 (f) "Gaming zone" means: (1) The northeast Kansas gaming zone,  
15 which consists of Wyandotte county; (2) the southeast Kansas gaming  
16 zone, which consists of Crawford and Cherokee counties; (3) the south  
17 central Kansas gaming zone, which consists of Sedgwick and Sumner  
18 counties; and (4) the southwest Kansas gaming zone, which consists of  
19 Ford county.

20 (g) "Gray machine" means any mechanical, electro-mechanical or  
21 electronic device, capable of being used for gambling, that is: (1) Not  
22 authorized by the Kansas lottery; (2) not linked to a lottery central  
23 computer system; (3) available to the public for play; or (4) capable of  
24 simulating a game played on an electronic gaming machine or any similar  
25 gambling game authorized pursuant to the Kansas expanded lottery act.

26 (h) *"Interactive sports wagering platform" means sports wagering*  
27 *made available over the internet, including through websites and mobile*  
28 *device applications, that accepts wagers or bets and pays prizes to*  
29 *persons physically located within the geographical boundaries of the state*  
30 *of Kansas by and through the Kansas lottery, a lottery gaming facility*  
31 *manager or a racetrack gaming facility manager.*

32 ~~(h)~~(i) (1) "Instant bingo vending machine" means a machine or  
33 electronic device that is purchased or leased by a licensee, as defined by  
34 K.S.A. 75-5173, and amendments thereto, from a distributor who has been  
35 issued a distributor registration certificate pursuant to K.S.A. 75-5184, and  
36 amendments thereto, or leased from the Kansas lottery in fulfillment of the  
37 Kansas lottery's obligations under an agreement between the Kansas  
38 lottery and a licensee entered into pursuant to K.S.A. 75-5189, and  
39 amendments thereto, and the sole purpose of which is to:

40 (A) Dispense a printed physical instant bingo ticket after a purchaser  
41 inserts cash or other form of consideration into the machine; and

42 (B) allow purchasers to manually check the winning status of the  
43 instant bingo ticket.

1 (2) "Instant bingo vending machine" shall not:

2 (A) Provide a visual or audio representation of a bingo card or an  
3 electronic gaming machine;

4 (B) visually or functionally have the same characteristics of an  
5 electronic instant bingo game or an electronic gaming machine;

6 (C) automatically determine or display the winning status of any  
7 dispensed instant bingo ticket;

8 (D) extend or arrange credit for the purchase of an instant bingo  
9 ticket;

10 (E) dispense any winnings;

11 (F) dispense any prize;

12 (G) dispense any evidence of a prize other than an instant bingo  
13 ticket;

14 (H) provide free instant bingo tickets or any other item that can be  
15 redeemed for cash; or

16 (I) dispense any other form of a prize to a purchaser.

17 All physical instant bingo tickets dispensed by an instant bingo vending  
18 machine shall be purchased by a licensee, as defined by K.S.A. 75-5173,  
19 and amendments thereto, from a registered distributor.

20 ~~Not~~ more than two instant bingo vending machines may be located  
21 on the premises of each licensee location.

22 ~~(j)~~(j) "Kansas lottery" means the state agency created by this act to  
23 operate a lottery or lotteries pursuant to this act.

24 ~~(k)~~(k) "Lottery" or "state lottery" means the lottery or lotteries  
25 operated pursuant to this act.

26 ~~(l)~~(l) "Lottery facility games" means any electronic gaming machines  
27 and any other games ~~which~~ that, as of January 1, 2007, are authorized to  
28 be conducted or operated at a tribal gaming facility, as defined in K.S.A.  
29 74-9802, and amendments thereto, located within the boundaries of this  
30 state. *The term "lottery facility games" does not include sports wagering.*

31 ~~(m)~~(m) "Lottery gaming enterprise" means an entertainment enterprise  
32 ~~which~~ that includes a lottery gaming facility authorized pursuant to the  
33 Kansas expanded lottery act and ancillary lottery gaming facility  
34 operations that have a coordinated business or marketing strategy. A lottery  
35 gaming enterprise shall be designed to attract to its lottery gaming facility  
36 consumers who reside outside the immediate area of such enterprise.

37 ~~(n)~~(n) "Lottery gaming facility" means that portion of a building  
38 used for the purposes of operating, managing and maintaining lottery  
39 facility games.

40 ~~(o)~~(o) "Lottery gaming facility expenses" means normal business  
41 expenses, as defined in the lottery gaming facility management contract,  
42 associated with the ownership and operation of a lottery gaming facility.

43 ~~(p)~~(p) "Lottery gaming facility management contract" means a

1 contract, subcontract or collateral agreement between the state and a  
2 lottery gaming facility manager for the management of a lottery gaming  
3 facility, the business of which is owned and operated by the Kansas lottery,  
4 negotiated and signed by the executive director on behalf of the state.

5 ~~(p)~~(q) "Lottery gaming facility manager" means a corporation,  
6 limited liability company, resident Kansas American Indian tribe or other  
7 business entity authorized to construct and manage, or manage alone,  
8 pursuant to a lottery gaming facility management contract with the Kansas  
9 lottery, and on behalf of the state, a lottery gaming enterprise and lottery  
10 gaming facility.

11 ~~(p)~~(r) "Lottery gaming facility revenues" means the total revenues  
12 from lottery facility games at a lottery gaming facility after all related  
13 prizes are paid. *The term "lottery gaming facility revenues" does not*  
14 *include sports wagering revenues.*

15 ~~(s)~~(s) (1) "Lottery machine" means any machine or device that allows  
16 a purchaser to insert cash or other form of consideration and may deliver  
17 as the result of an element of chance, regardless of the skill required by the  
18 purchaser, a prize or evidence of a prize, including, but not limited to:

19 (A) Any machine or device in which the prize or evidence of a prize  
20 is determined by both chance and the purchaser's or purchasers' skill,  
21 including, but not limited to, any machine or device on which a lottery  
22 game or lottery games, such as poker or blackjack, are played; or

23 (B) any machine or device in which the prize or evidence of a prize is  
24 determined only by chance, including, but not limited to, any slot machine  
25 or bingo machine.

26 (2) "Lottery machine" shall not mean:

27 (A) Any food vending machine defined by K.S.A. 36-501, and  
28 amendments thereto;

29 (B) any nonprescription drug machine authorized under K.S.A. 65-  
30 650, and amendments thereto;

31 (C) any machine ~~which~~ that dispenses only bottled or canned soft  
32 drinks, chewing gum, nuts or candies;

33 (D) any machine excluded from the definition of gambling devices  
34 under K.S.A. 21-4302(d), prior to its repeal, or K.S.A. 2020 Supp. 21-  
35 6403, and amendments thereto;

36 (E) any electronic gaming machine or lottery facility game operated  
37 in accordance with the provisions of the Kansas expanded lottery act;

38 (F) any lottery ticket vending machine; or

39 (G) any instant bingo vending machine.

40 ~~(s)~~(t) "Lottery retailer" means any person with whom the Kansas  
41 lottery has contracted to sell lottery tickets or shares, or both, to the public.

42 ~~(s)~~(u) (1) "Lottery ticket vending machine" means a machine or  
43 similar electronic device owned or leased by the Kansas lottery, the sole

1 purposes of which are to:

2 (A) Dispense a printed physical ticket, such as a lottery ticket, *a*  
3 *sports wagering ticket*, a keno ticket, a pull tab ticket or a coupon, the  
4 coupon of which must be redeemed through something other than a lottery  
5 ticket vending machine, after a purchaser inserts cash or other form of  
6 consideration into the machine;

7 (B) allow purchasers to manually check the winning status of a  
8 Kansas lottery ticket; and

9 (C) display advertising, promotions and other information pertaining  
10 to the Kansas lottery.

11 (2) "Lottery ticket vending machine" shall not:

12 (A) Provide a visual or audio representation of an electronic gaming  
13 machine;

14 (B) visually or functionally have the same characteristics of an  
15 electronic gaming machine;

16 (C) automatically determine or display the winning status of any  
17 dispensed ticket;

18 (D) extend or arrange credit for the purchase of a ticket;

19 (E) dispense any winnings;

20 (F) dispense any prize;

21 (G) dispense any evidence of a prize other than the lottery ticket,  
22 *sports wagering ticket*, keno ticket, pull tab ticket or any free Kansas  
23 lottery ticket received as a result of the purchase of another Kansas lottery  
24 ticket;

25 (H) provide free games or any other item that can be redeemed for  
26 cash; or

27 (I) dispense any other form of a prize to a purchaser.

28 ~~No~~Not more than two lottery ticket vending machines may be located  
29 at each Kansas lottery retailer selling location.

30 Lottery ticket vending machines may only dispense the printed physical  
31 lottery ticket, *sports wagering ticket*, keno ticket or pull tab ticket,  
32 including any free Kansas lottery ticket received as a result of the purchase  
33 of another Kansas lottery ticket, and change from a purchase to the  
34 purchaser. Any winnings from a lottery ticket vending machine shall be  
35 redeemed only for cash or check by a lottery retailer *or sports wagering*  
36 *retailer*, or by cash, check or other prize from the office of the Kansas  
37 lottery.

38 ~~(u)~~(v) (1) "Major procurement" means any gaming product or service,  
39 including, but not limited to, facilities, advertising and promotional  
40 services, annuity contracts, prize payment agreements, consulting services,  
41 equipment, tickets and other products and services unique to the Kansas  
42 lottery, but not including materials, supplies, equipment and services  
43 common to the ordinary operations of state agencies.

1 (2) "Major procurement" shall not mean any product, service or other  
2 matter covered by or addressed in the Kansas expanded lottery act or a  
3 lottery gaming facility management contract or racetrack gaming facility  
4 management contract executed pursuant to the Kansas expanded lottery  
5 act.

6 (w) *"Marketing agreement" means an agreement entered into*  
7 *between a professional sports team and the Kansas lottery, a lottery*  
8 *gaming facility manager or a racetrack gaming facility manager for the*  
9 *purposes described in section 4, and amendments thereto.*

10 (x) *"Match-fixing" means to arrange or determine any action that*  
11 *occurs during a sporting event, including, but not limited to, any action*  
12 *resulting in the final outcome of such sporting event, for financial gain.*

13 ~~(y)~~(y) *"Net electronic gaming machine income" means all cash or*  
14 *other consideration utilized to play an electronic gaming machine operated*  
15 *at a racetrack gaming facility, less all cash or other consideration paid out*  
16 *to winning players as prizes.*

17 (z) *"Official league data" means statistics, results, outcomes and*  
18 *other data relating to a sporting event that have been obtained from the*  
19 *relevant sports governing body, or an entity expressly authorized by the*  
20 *sports governing body to provide such information to sports wagering*  
21 *managers.*

22 ~~(aa)~~(aa) *"Organization licensee" has the meaning provided by K.S.A.*  
23 *74-8802, and amendments thereto.*

24 ~~(bb)~~(bb) *"Parimutuel licensee" means a facility owner licensee or*  
25 *facility manager licensee under the Kansas parimutuel racing act.*

26 ~~(cc)~~(cc) *"Parimutuel licensee location" means a racetrack facility, as*  
27 *defined in K.S.A. 74-8802, and amendments thereto, owned or managed*  
28 *by the parimutuel licensee. A parimutuel licensee location may include any*  
29 *existing structure at such racetrack facility or any structure that may be*  
30 *constructed on real estate where such racetrack facility is located.*

31 ~~(dd)~~(dd) *"Person" means any natural person, association, limited*  
32 *liability company, corporation or partnership.*

33 (ee) *"Primary facility" means the stadium or arena where a*  
34 *professional sports team hosts competitive games in accordance with such*  
35 *team's league rules.*

36 ~~(ff)~~(ff) *"Prize" means any prize paid directly by the Kansas lottery*  
37 *pursuant to the Kansas lottery act or the Kansas expanded lottery act or*  
38 *any rules and regulations adopted pursuant to either act.*

39 (gg) *"Professional sports team" means an athletic team, whose*  
40 *primary facility is located in Kansas, that operates at the major league*  
41 *level in the sport of baseball, basketball, football, ice hockey or soccer.*

42 ~~(hh)~~(hh) *"Progressive electronic game" means a game played on an*  
43 *electronic gaming machine for which the payoff increases uniformly as the*

1 game is played and for which the jackpot, determined by application of a  
2 formula to the income of independent, local or interlinked electronic  
3 gaming machines, may be won.

4 ~~(ee)~~(ii) "Racetrack gaming facility" means that portion of a  
5 parimutuel licensee location where electronic gaming machines are  
6 operated, managed and maintained.

7 ~~(dd)~~(jj) "Racetrack gaming facility management contract" means an  
8 agreement between the Kansas lottery and a racetrack gaming facility  
9 manager, negotiated and signed by the executive director on behalf of the  
10 state, for placement of electronic gaming machines owned and operated by  
11 the state at a racetrack gaming facility.

12 ~~(ee)~~(kk) "Racetrack gaming facility manager" means a parimutuel  
13 licensee specifically certified by the Kansas lottery to become a certified  
14 racetrack gaming facility manager and offer electronic gaming machines  
15 for play at the racetrack gaming facility.

16 ~~(ff)~~(ll) "Returned ticket" means any ticket ~~which~~ that was transferred  
17 to a lottery retailer, ~~which~~ that was not sold by the lottery retailer and  
18 ~~which~~ that was returned to the Kansas lottery for refund by issuance of a  
19 credit or otherwise.

20 ~~(gg)~~(mm) "Share" means any intangible manifestation authorized by  
21 the Kansas lottery to prove participation in a lottery game, except as  
22 provided by the Kansas expanded lottery act.

23 (nn) *"Sports governing body" means the organization that prescribes*  
24 *the final rules and enforces codes of conduct with respect to a sporting*  
25 *event and the participants in such event.*

26 (oo) (1) *"Sporting event" means any professional or collegiate sport*  
27 *or athletic event, motor race event or any other special event authorized*  
28 *by the commission that has not occurred at the time wagers are placed on*  
29 *such event.*

30 (2) *The term "sporting event" does not include:*

31 (A) *Any horse ~~or greyhound~~ race that is subject to the provisions of*  
32 *the Kansas parimutuel racing act, K.S.A. 74-8801 et seq., and*  
33 *amendments thereto; ~~or~~*

34 (B) **{any greyhound race; or**

35 (C) **}any sporting or athletic event where a majority of the**  
36 **participants are less than 18 years of age.**

37 (pp) (1) *"Sports wagering" means placing a wager or bet on one or*  
38 *more sporting events, or any portion thereof, or on the individual*  
39 *performance statistics of athletes participating in a sporting event, or*  
40 *combination of sporting events, by any system or method of wagering at or*  
41 *through the Kansas lottery, a sports wagering retailer, a lottery gaming*  
42 *facility or a racetrack gaming facility.*

43 (2) *The term "sports wagering" shall not include:*

1       (A) *Parimutuel wagering, as defined in K.S.A. 74-8802, and*  
2 *amendments thereto; or*

3       (B) *fantasy sports leagues, as defined in K.S.A. 2020 Supp. 21-6403,*  
4 *and amendments thereto.*

5       (qq) *"Sports wagering manager" means the Kansas lottery, any*  
6 *sports wagering retailer that has entered into a sports wagering retailer*  
7 *contract or any lottery gaming facility manager or racetrack gaming*  
8 *facility manager that has entered into an approved management contract*  
9 *that provides for operating and managing sports wagering.*

10       (rr) *"Sports wagering retailer" means any person with whom the*  
11 *Kansas lottery has contracted to conduct sports wagering on behalf of the*  
12 *Kansas lottery pursuant to section 2, and amendments thereto.*

13       (ss) *"Sports wagering revenues" means wagering revenue generated*  
14 *from sports wagering that is an amount equal to the total wagers less any*  
15 *voided wagers and any amounts paid as prizes.*

16       ~~(hh)~~(tt) *"Ticket" means any tangible evidence issued by the Kansas*  
17 *lottery to prove participation in a lottery game, including a sports wager;*  
18 *other than a lottery facility game.*

19       (uu) *"Tier one sports wager" means a sports wager that is*  
20 *determined solely by the final score or final outcome of the sporting event*  
21 *and is placed before the sporting event has begun.*

22       (vv) *"Tier two sports wager" means a sports wager that is not a tier*  
23 *one sports wager.*

24       ~~(h)~~(ww) *"Token" means a representative of value, of metal or other*  
25 *material, which that is not legal tender, redeemable for cash only by the*  
26 *issuing lottery gaming facility manager or racetrack gaming facility*  
27 *manager and which that is issued and sold by a lottery gaming facility*  
28 *manager or racetrack gaming facility manager for the sole purpose of*  
29 *playing an electronic gaming machine or lottery facility game.*

30       ~~(j)~~(xx) *"Vendor" means any person who has entered into a major*  
31 *procurement contract with the Kansas lottery.*

32       ~~(k)~~(yy) *"Video lottery machine" means any electronic video game*  
33 *machine that, upon insertion of cash, is available to play or simulate the*  
34 *play of a video game authorized by the commission, including, but not*  
35 *limited to, bingo, poker, black jack and keno, and which uses a video*  
36 *display and microprocessors and in which, by chance, the player may*  
37 *receive free games or credits that can be redeemed for cash.*

38       (zz) *"Wager" or "bet" means a bargain in which the parties agree*  
39 *that, dependent upon chance, one stands to win or lose something of value*  
40 *specified in the agreement.*

41       Sec. 22. K.S.A. 74-8710 is hereby amended to read as follows: 74-  
42 8710. (a) The commission, upon the recommendation of the executive  
43 director, shall adopt rules and regulations governing the establishment and



1 operation of a state lottery, sales of lottery tickets~~and~~, the operation of  
2 lottery gaming facilities and racetrack gaming facilities *and the operation*  
3 *of sports wagering* as necessary to carry out the purposes of the Kansas  
4 lottery act and the Kansas expanded lottery act. Temporary rules and  
5 regulations may be adopted by the commission without being subject to  
6 the provisions and requirements of K.S.A. 77-415 through 77-438, and  
7 amendments thereto, but shall be subject to approval by the attorney  
8 general as to legality and shall be filed with the secretary of state and  
9 published in the Kansas register. Temporary and permanent rules and  
10 regulations may include, but shall not be limited to:

11 (1) Subject to the provisions of subsection (c), the types of lottery  
12 games to be conducted, including, but not limited to, instant lottery,~~on-~~  
13 ~~line~~ *online*, traditional games, lottery facility games and electronic gaming  
14 machine games but not including games on video lottery machines or  
15 lottery machines. *The lottery may sell traditional lottery tickets and*  
16 *conduct traditional lottery ticket games over the internet or digital cellular*  
17 *network, including through a lottery website and mobile device*  
18 *application. No traditional lottery ticket or traditional lottery ticket game*  
19 *sold or conducted under this section shall:*

20 (A) *Allow a player to choose the denomination of a ticket during*  
21 *game play;*

22 (B) *offer a ticket or game at a price less than any traditional lottery*  
23 *ticket offered at retail;*

24 (C) *operate or appear to operate with the dress, theme or*  
25 *mechanisms of an electronic gaming machine;*

26 (D) *extend or arrange credit for the purchase of a ticket;*

27 (E) *allow for the redemption for payment of a lottery ticket other than*  
28 *at a lottery retail location or with the Kansas lottery;*

29 (F) *allow a player to use an automatic play feature for consecutive*  
30 *instant games; or*

31 (G) *allow a player to use a reveal all feature that functions over a*  
32 *period of less than three seconds.*

33 (2) The manner of selecting the winning tickets or shares, except that,  
34 if a lottery game utilizes a drawing of winning numbers, a drawing among  
35 entries or a drawing among finalists, such drawings shall always be open  
36 to the public and shall be recorded on both video and audio tape.

37 (3) The manner of payment of prizes to the holders of winning tickets  
38 or shares.

39 (4) The frequency of the drawings or selections of winning tickets or  
40 shares.

41 (5) The type or types of locations at which tickets or shares may be  
42 sold.

43 (6) The method or methods to be used in selling tickets or shares.

1 (7) Additional qualifications for the selection of lottery retailers and  
2 the amount of application fees to be paid by each.

3 (8) The amount and method of compensation to be paid to lottery  
4 retailers, including special bonuses and incentives.

5 (9) Deadlines for claims for prizes by winners of each lottery game.

6 (10) Provisions for confidentiality of information submitted by  
7 vendors pursuant to K.S.A. 74-8705, and amendments thereto.

8 (11) Information required to be submitted by vendors, in addition to  
9 that required by K.S.A. 74-8705, and amendments thereto.

10 (12) The major procurement contracts or portions thereof to be  
11 awarded to minority business enterprises pursuant to ~~subsection (a) of~~  
12 K.S.A. 74-8705(a), and amendments thereto, and procedures for the award  
13 thereof.

14 (13) Rules and regulations to implement, administer and enforce the  
15 provisions of the Kansas expanded lottery act. Such rules and regulations  
16 shall include, but not be limited to, rules and regulations ~~which~~ *that* govern  
17 management contracts and ~~which~~ *that* are designed to: (A) Ensure the  
18 integrity of electronic gaming machines ~~and~~, other lottery facility games,  
19 *sports wagering* and the finances of lottery gaming facilities and racetrack  
20 gaming facilities; and (B) alleviate problem gambling, including a  
21 requirement that each lottery gaming facility and each racetrack gaming  
22 facility maintain a self-exclusion list by which individuals may exclude  
23 themselves from access to electronic gaming machines ~~and~~, other lottery  
24 facility games *and sports wagering*.

25 (14) The types of electronic gaming machines, lottery facility games  
26 and electronic gaming machine games to be operated pursuant to the  
27 Kansas expanded lottery act.

28 (15) *Rules and regulations to implement, administer and enforce the*  
29 *provisions of sections 1 through 12, and amendments thereto. Such rules*  
30 *and regulations shall include, but not be limited to: (A) Sports wagering*  
31 *conducted by the Kansas lottery, including contracts for sports wagering*  
32 *conducted by sports wagering retailers; (B) management contracts for*  
33 *sports wagering conducted by lottery gaming facility managers and*  
34 *racetrack gaming facility managers; (C) provisions for the confidentiality*  
35 *of information submitted by an interactive sports wagering platform and*  
36 *sports wagering managers; and (D) provisions ensuring the integrity of*  
37 *sports wagering conducted in this state.*

38 (b) No new lottery game shall commence operation after the effective  
39 date of this act unless first approved by the governor or, in the governor's  
40 absence or disability, the lieutenant governor. This subsection shall not be  
41 construed to require approval of games played on an electronic gaming  
42 machine.

43 (c) The lottery shall adopt rules and regulations concerning the game

1 of keno. Such rules and regulations shall require that the amount of time  
2 which elapses between the start of games shall not be less than four  
3 minutes.

4 Sec. 23. K.S.A. 74-8711 is hereby amended to read as follows: 74-  
5 8711. (a) There is hereby established in the state treasury the lottery  
6 operating fund.

7 (b) Except as provided by K.S.A. 74-8724 and the Kansas expanded  
8 lottery act, and amendments thereto, the executive director shall remit all  
9 moneys collected from the sale of lottery tickets and shares and any other  
10 moneys received by or on behalf of the Kansas lottery to the state treasurer  
11 in accordance with the provisions of K.S.A. 75-4215, and amendments  
12 thereto. Upon receipt of each such remittance, the state treasurer shall  
13 deposit the entire amount in the state treasury to the credit of the lottery  
14 operating fund. Moneys credited to the fund shall be expended or  
15 transferred only as provided by this act. Expenditures from such fund shall  
16 be made in accordance with appropriations acts upon warrants of the  
17 director of accounts and reports issued pursuant to vouchers approved by  
18 the executive director or by a person designated by the executive director.

19 (c) Moneys in the lottery operating fund shall be used for:

20 (1) The payment of expenses of the lottery, which shall include all  
21 costs incurred in the operation and administration of the Kansas lottery; all  
22 costs resulting from contracts entered into for the purchase or lease of  
23 goods and services needed for operation of the lottery, including but not  
24 limited to supplies, materials, tickets, independent studies and surveys,  
25 data transmission, advertising, printing, promotion, incentives, public  
26 relations, communications and distribution of tickets and shares; and  
27 reimbursement of costs of facilities and services provided by other state  
28 agencies;

29 (2) the payment of compensation to lottery retailers;

30 (3) transfers of moneys to the lottery prize payment fund pursuant to  
31 K.S.A. 74-8712, and amendments thereto;

32 (4) transfers to the state general fund pursuant to K.S.A. 74-8713, and  
33 amendments thereto;

34 (5) transfers to the community crisis stabilization centers fund and  
35 clubhouse model program fund of the Kansas department for aging and  
36 disability services pursuant to subsection (e);

37 (6) *transfers to the white collar crime fund of the attorney general*  
38 *pursuant to subsection (f);*

39 ~~(6)~~(7) transfers to the state gaming revenues fund pursuant to  
40 subsection (d) and as otherwise provided by law; and

41 ~~(7)~~(8) transfers to the county reappraisal fund as prescribed by law.

42 (d) The director of accounts and reports shall transfer moneys in the  
43 lottery operating fund to the state gaming revenues fund created by K.S.A.

1 79-4801, and amendments thereto, on or before the 15<sup>th</sup> day of each month  
2 in an amount certified monthly by the executive director and determined as  
3 follows, whichever is greater:

4 (1) An amount equal to the moneys in the lottery operating fund in  
5 excess of those needed for the purposes described in subsections (c)(1)  
6 through ~~(c)(5)~~ (c)(6); or

7 (2) except for pull-tab lottery tickets and shares, an amount equal to  
8 not less than 30% of total monthly revenues from the sales of lottery  
9 tickets and shares less estimated returned tickets. In the case of pull-tab  
10 lottery tickets and shares, an amount equal to not less than 20% of the total  
11 monthly revenues from the sales of pull-tab lottery tickets and shares less  
12 estimated returned tickets.

13 (e) (1) Subject to the limitations set forth in paragraph (2),  
14 commencing in fiscal year 2020, on or before the 10<sup>th</sup> day of each month,  
15 the director of the lottery shall certify to the director of accounts and  
16 reports all net profits from the sale of lottery tickets and shares via lottery  
17 ticket vending machines. Of such certified amount, the director of  
18 accounts and reports shall transfer 75% from the lottery operating fund to  
19 the community crisis stabilization centers fund of the Kansas department  
20 for aging and disability services and 25% from the lottery operating fund  
21 to the clubhouse model program fund of the Kansas department for aging and  
22 disability services.

23 (2) Moneys transferred pursuant to paragraph (1) shall not exceed in  
24 the aggregate \$4,000,000 in fiscal year 2019, and shall not exceed in the  
25 aggregate \$8,000,000 in fiscal year 2020 and each fiscal year thereafter.

26 *(f) On July 1, 2022, and each July 1 thereafter, or as soon thereafter*  
27 *as moneys are available, the first \$750,000 credited to the lottery*  
28 *operating fund from sports wagering revenues deposited in the lottery*  
29 *operating fund shall be transferred by the director of accounts and reports*  
30 *from the lottery operating fund to the white collar crime fund of the*  
31 *attorney general established in section 13, and amendments thereto.*

32 Sec. 24. K.S.A. 74-8716 is hereby amended to read as follows: 74-  
33 8716. (a) It is unlawful for the executive director, a member of the  
34 commission or any employee of the Kansas lottery, or any person residing  
35 in the household thereof to:

36 (1) Have, either directly or indirectly, an interest in a business  
37 knowing that such business contracts with the Kansas lottery for a major  
38 procurement, whether such interest is as a natural person, partner, member  
39 of an association, stockholder or director or officer of a corporation; or

40 (2) accept or agree to accept any economic opportunity, gift, loan,  
41 gratuity, special discount, favor or service, or hospitality other than food  
42 and beverages, having an aggregate value of \$20 or more in any calendar  
43 year from a person knowing that such person: (A) Contracts or seeks to

1 contract with the state to supply gaming equipment, materials, tickets or  
2 consulting services for use in the lottery; or (B) is a lottery retailer or an  
3 applicant for lottery retailer.

4 (b) It is unlawful for a lottery retailer, an applicant for lottery retailer  
5 or a person who contracts or seeks to contract with the state to supply  
6 gaming equipment, materials, tickets or consulting services for use in the  
7 lottery to offer, pay, give or make any economic opportunity, gift, loan,  
8 gratuity, special discount, favor or service, or hospitality other than food  
9 and beverages, having an aggregate value of \$20 or more in any calendar  
10 year to a person, knowing such person is the executive director, a member  
11 of the commission or an employee of the Kansas lottery, or a person  
12 residing in the household thereof.

13 (c) It shall be unlawful for any person to serve as executive director, a  
14 member of the commission or an employee of the Kansas lottery while or  
15 within five years after holding, either directly or indirectly, a financial  
16 interest or being employed by or a consultant to any of the following:

17 (1) Any lottery gaming facility manager, subcontractor or agent of a  
18 lottery gaming facility manager, manufacturer or vendor of electronic  
19 gaming machines, *an interactive sports wagering platform* or central  
20 computer system provider, or any business ~~which~~ *that* sells goods or  
21 services to a lottery gaming facility manager; or

22 (2) any licensee pursuant to the Kansas parimutuel racing act, other  
23 than the Kansas lottery or a person holding a license on behalf of the  
24 Kansas lottery, or any business ~~which~~ *that* sells goods or services to a  
25 parimutuel licensee.

26 (d) No person who holds a license issued by the Kansas racing and  
27 gaming commission shall serve as executive director or as a member of the  
28 commission or shall be employed by the Kansas lottery while or within  
29 five years after holding such license.

30 (e) No person shall participate, directly or indirectly, as an owner,  
31 owner-trainer or trainer of a horse or greyhound, or as a jockey of a horse,  
32 entered in a race meeting conducted in this state while executive director, a  
33 member of the commission or an employee of the Kansas lottery.

34 (f) It shall be unlawful for the executive director, a member of the  
35 commission or an employee of the Kansas lottery to accept any  
36 compensation, gift, loan, entertainment, favor or service from any lottery  
37 gaming facility manager, subcontractor or agent of a lottery gaming  
38 facility manager, manufacturer or vendor of electronic gaming machines,  
39 *an interactive sports wagering platform* or central computer system  
40 provider.

41 (g) It shall be unlawful for the executive director, a member of the  
42 commission or an employee of the Kansas lottery to accept any  
43 compensation, gift, loan, entertainment, favor or service from any licensee

1 pursuant to the Kansas parimutuel racing act, except such suitable facilities  
2 and services within a racetrack facility operated by an organization  
3 licensee as may be required to facilitate the performance of the executive  
4 director's, member's or employee's official duties.

5 (h) Violation of this section is a class A misdemeanor.

6 (i) If the executive director, a member of the commission or an  
7 employee of the Kansas lottery, or any person residing in the household  
8 thereof, is convicted of an act described by this section, such executive  
9 director, member or employee shall be removed from office or  
10 employment with the Kansas lottery.

11 (j) In addition to the provisions of this section, all other provisions of  
12 law relating to conflicts of interest of state employees shall apply to the  
13 members of the commission and employees of the Kansas lottery.

14 Sec. 25. K.S.A. 74-8718 is hereby amended to read as follows: 74-  
15 8718. (a) It is unlawful:

16 (1) To sell a lottery ticket or share at a price other than that fixed by  
17 rules and regulations adopted pursuant to this act;

18 (2) for any person other than the Kansas lottery or a lottery retailer  
19 authorized by the Kansas lottery to sell or resell any lottery ticket or share;

20 (3) to sell a lottery ticket or share to any person, knowing such person  
21 to be under 18 years of age; or

22 (4) to sell a lottery ticket at retail by electronic mail, the internet or  
23 telephone.

24 (b) *The lottery may sell traditional lottery tickets and conduct*  
25 *traditional lottery ticket games over the internet or digital cellular*  
26 *network, including through a lottery website and mobile device*  
27 *application. No traditional lottery ticket or traditional lottery ticket game*  
28 *sold or conducted under this section shall:*

29 (1) *Allow a player to choose the denomination of a ticket during*  
30 *game play;*

31 (2) *offer a ticket or game at a price less than any traditional lottery*  
32 *ticket offered at retail;*

33 (3) *operate or appear to operate with the dress, theme or*  
34 *mechanisms of an electronic gaming machine;*

35 (4) *extend or arrange credit for the purchase of a ticket;*

36 (5) *allow for the redemption for payment of a lottery ticket other than*  
37 *at a lottery retail location or with the Kansas lottery;*

38 (6) *allow a player to use an automatic play feature for consecutive*  
39 *instant games; or*

40 (7) *allow a player to use a reveal all feature that functions over a*  
41 *period of less than three seconds.*

42 (c) (1) Violation of this section is a class A nonperson misdemeanor  
43 upon conviction for a first offense; and

1 (2) violation of this section is a severity level 9, nonperson felony  
2 upon conviction for a second or subsequent offense.

3 Sec. 26. K.S.A. 74-8733 is hereby amended to read as follows: 74-  
4 8733. (a) K.S.A. 74-8733 through 74-8773, and amendments thereto, *and*  
5 *sections 1 through 15, and amendments thereto*, shall be known and may  
6 be cited as the Kansas expanded lottery act. The Kansas expanded lottery  
7 act shall be *a* part of and supplemental to the Kansas lottery act.

8 (b) If any provision of this act or the application thereof to any person  
9 or circumstance is held invalid, the invalidity shall not affect any other  
10 provision or application of the act which can be given effect without the  
11 invalid provision or application.

12 (c) Any action challenging the constitutionality of or arising out of  
13 any provision of this act, any lottery gaming facility management contract  
14 or any racetrack gaming facility management contract entered into  
15 pursuant to this act shall be brought in the district court of Shawnee  
16 county.

17 Sec. 27. K.S.A. 74-8734 is hereby amended to read as follows: 74-  
18 8734. (a) The Kansas lottery may operate one lottery gaming facility in  
19 each gaming zone.

20 (b) Not more than 30 days after the effective date of this act the  
21 lottery commission shall adopt and publish in the Kansas register the  
22 procedure for receiving, considering and approving, proposed lottery  
23 gaming facility management contracts. Such procedure shall include  
24 provisions for review of competitive proposals within a gaming zone and  
25 the date by which proposed lottery gaming facility management contracts  
26 must be received by the lottery commission if they are to receive  
27 consideration.

28 (c) The lottery commission shall adopt standards to promote the  
29 integrity of the gaming and finances of lottery gaming facilities, which  
30 shall apply to all management contracts, shall meet or exceed industry  
31 standards for monitoring and controlling the gaming and finances of  
32 gaming facilities and shall give the executive director sufficient authority  
33 to monitor and control the gaming operation and to ensure its integrity and  
34 security.

35 (d) The Kansas lottery commission may approve management  
36 contracts with one or more prospective lottery gaming facility managers to  
37 manage, or construct and manage, on behalf of the state of Kansas and  
38 subject to the operational control of the Kansas lottery, a lottery gaming  
39 facility or lottery gaming enterprise at specified destination locations  
40 within the northeast, south central, southwest and southeast Kansas  
41 gaming zones where the commission determines the operation of such  
42 facility would promote tourism and economic development. The  
43 commission shall approve or disapprove a proposed management contract

1 within 90 days after the deadline for receipt of proposals established  
2 pursuant to subsection (b).

3 (e) In determining whether to approve a management contract with a  
4 prospective lottery gaming facility manager to manage a lottery gaming  
5 facility or lottery gaming enterprise pursuant to this section, the  
6 commission shall take into consideration the following factors: The size of  
7 the proposed facility; the geographic area in which such facility is to be  
8 located; the proposed facility's location as a tourist and entertainment  
9 destination; the estimated number of tourists that would be attracted by the  
10 proposed facility; the number and type of lottery facility games to be  
11 operated at the proposed facility; and agreements related to ancillary  
12 lottery gaming facility operations.

13 (f) Subject to the requirements of this section, the commission shall  
14 approve at least one proposed lottery gaming facility management contract  
15 for a lottery gaming facility in each gaming zone.

16 (g) The commission shall not approve a management contract unless:

17 (1) (A) The prospective lottery gaming facility manager is a resident  
18 Kansas American Indian tribe and, at a minimum: (i) Has sufficient access  
19 to financial resources to support the activities required of a lottery gaming  
20 facility manager under the Kansas expanded lottery act; and (ii) has three  
21 consecutive years' experience in the management of gaming—~~which that~~  
22 would be class III gaming, as defined in K.S.A. 46-2301, and amendments  
23 thereto, operated pursuant to state or federal law; or

24 (B) the prospective lottery gaming facility manager is not a resident  
25 Kansas American Indian tribe and, at a minimum: (i) Has sufficient access  
26 to financial resources to support the activities required of a lottery gaming  
27 facility manager under the Kansas expanded lottery act; (ii) is current in  
28 filing all applicable tax returns and in payment of all taxes, interest and  
29 penalties owed to the state of Kansas and any taxing subdivision where  
30 such prospective manager is located in the state of Kansas, excluding  
31 items under formal appeal pursuant to applicable statutes; and (iii) has  
32 three consecutive years' experience in the management of gaming—~~which~~  
33 *that* would be class III gaming, as defined in K.S.A. 46-2301, and  
34 amendments thereto, operated pursuant to state or federal law; and

35 (2) the commission determines that the proposed development  
36 consists of an investment in infrastructure, including ancillary lottery  
37 gaming facility operations, of at least \$225,000,000 in the northeast and  
38 south central Kansas gaming zones and of at least \$50,000,000 in the  
39 southeast and southwest Kansas gaming zones. The commission, in  
40 determining whether the minimum investment required by this subsection  
41 is met, shall not include any amounts derived from or financed by state or  
42 local retailers' sales tax revenues.

43 (h) Any management contract approved by the commission under this



1 section shall:

- 2 (1) Have a maximum initial term of 15 years from the date of opening  
3 of the lottery gaming facility. At the end of the initial term, the contract  
4 may be renewed by mutual consent of the state and the lottery gaming  
5 facility manager;
- 6 (2) specify the total amount to be paid to the lottery gaming facility  
7 manager pursuant to the contract;
- 8 (3) establish a mechanism to facilitate payment of lottery gaming  
9 facility expenses, payment of the lottery gaming facility manager's share of  
10 the lottery gaming facility revenues and distribution of the state's share of  
11 the lottery gaming facility revenues;
- 12 (4) include a provision for the lottery gaming facility manager to pay  
13 the costs of oversight and regulation of the lottery gaming facility manager  
14 and the operations of the lottery gaming facility by the Kansas racing and  
15 gaming commission;
- 16 (5) establish the types of lottery facility games to be installed in such  
17 facility;
- 18 (6) provide for the prospective lottery gaming facility manager, upon  
19 approval of the proposed lottery gaming facility management contract, to  
20 pay to the state treasurer a privilege fee of \$25,000,000 for the privilege of  
21 being selected as a lottery gaming facility manager of a lottery gaming  
22 facility in the northeast or south central Kansas gaming zone and  
23 \$5,500,000 for the privilege of being selected as a lottery gaming facility  
24 manager of a lottery gaming facility in the southeast or southwest Kansas  
25 gaming zone. Such fee shall be deposited in the state treasury and credited  
26 to the lottery gaming facility manager fund, ~~which~~ *that* is hereby created in  
27 the state treasury;
- 28 (7) incorporate terms and conditions for the ancillary lottery gaming  
29 facility operations;
- 30 (8) designate as key employees, subject to approval of the executive  
31 director, any employees or contractors providing services or functions  
32 which are related to lottery facility games authorized by a management  
33 contract;
- 34 (9) include financing commitments for construction;
- 35 (10) include a resolution of endorsement from the city governing  
36 body, if the proposed facility is within the corporate limits of a city, or  
37 from the county commission, if the proposed facility is located in the  
38 unincorporated area of the county;
- 39 (11) include a requirement that any parimutuel licensee developing a  
40 lottery gaming facility pursuant to this act comply with all orders and rules  
41 and regulations of the Kansas racing and gaming commission with regard  
42 to the conduct of live racing, including the same minimum days of racing  
43 as specified in K.S.A. 74-8746, and amendments thereto, for operation of

1 electronic gaming machines at racetrack gaming facilities;

2 (12) include a provision for the state to receive not less than 22% of  
3 lottery gaming facility revenues, which shall be paid to the expanded  
4 lottery act revenues fund established by K.S.A. 74-8768, and amendments  
5 thereto;

6 (13) include a provision for 2% of lottery gaming facility revenues to  
7 be paid to the problem gambling and addictions grant fund established by  
8 K.S.A. 79-4805, and amendments thereto;

9 (14) if the prospective lottery gaming facility manager is an American  
10 Indian tribe, include a provision that such tribe agrees to waive its  
11 sovereign immunity with respect to any actions arising from or to enforce  
12 either the Kansas expanded lottery act or any provision of the lottery  
13 gaming facility management contract; any action brought by an injured  
14 patron or by the state of Kansas; any action for purposes of enforcing the  
15 workers compensation act or any other employment or labor law; and any  
16 action to enforce laws, rules and regulations and codes pertaining to  
17 health, safety and consumer protection; and for any other purpose deemed  
18 necessary by the executive director to protect patrons or employees and  
19 promote fair competition between the tribe and others seeking a lottery  
20 gaming facility management contract;

21 (15) (A) if the lottery gaming facility is located in the northeast or  
22 southwest Kansas gaming zone and is not located within a city, include a  
23 provision for payment of an amount equal to 3% of the lottery gaming  
24 facility revenues to the county in which the lottery gaming facility is  
25 located; or (B) if the lottery gaming facility is located in the northeast or  
26 southwest Kansas gaming zone and is located within a city, include  
27 provision for payment of an amount equal to 1.5% of the lottery gaming  
28 facility revenues to the city in which the lottery gaming facility is located  
29 and an amount equal to 1.5% of such revenues to the county in which such  
30 facility is located;

31 (16) (A) if the lottery gaming facility is located in the southeast or  
32 south central Kansas gaming zone and is not located within a city, include  
33 a provision for payment of an amount equal to 2% of the lottery gaming  
34 facility revenues to the county in which the lottery gaming facility is  
35 located and an amount equal to 1% of such revenues to the other county in  
36 such zone; or (B) if the lottery gaming facility is located in the southeast or  
37 south central Kansas gaming zone and is located within a city, provide for  
38 payment of an amount equal to 1% of the lottery gaming facility revenues  
39 to the city in which the lottery gaming facility is located, an amount equal  
40 to 1% of such revenues to the county in which such facility is located and  
41 an amount equal to 1% of such revenues to the other county in such zone;

42 (17) allow the lottery gaming facility manager to manage the lottery  
43 gaming facility in a manner consistent with this act and applicable law, but

1 shall place full, complete and ultimate ownership and operational control  
2 of the gaming operation of the lottery gaming facility with the Kansas  
3 lottery. The Kansas lottery shall not delegate and shall explicitly retain the  
4 power to overrule any action of the lottery gaming facility manager  
5 affecting the gaming operation without prior notice. The Kansas lottery  
6 shall retain full control over all decisions concerning lottery gaming  
7 facility games *and sports wagering*;

8 (18) include provisions for the Kansas racing and gaming  
9 commission to oversee all lottery gaming facility operations, including, but  
10 not limited to: Oversight of internal controls; oversight of security of  
11 facilities; performance of background investigations, determination of  
12 qualifications and credentialing of employees, contractors and agents of  
13 the lottery gaming facility manager and of ancillary lottery gaming facility  
14 operations, as determined by the Kansas racing and gaming commission;  
15 auditing of lottery gaming facility revenues *and sports wagering revenues*;  
16 enforcement of all state laws and maintenance of the integrity of gaming  
17 operations; and

18 (19) include enforceable provisions: (A) Prohibiting the state, until  
19 July 1, 2032, from: (i) Entering into management contracts for more than  
20 four lottery gaming facilities or similar gaming facilities, ~~one to be~~ located  
21 in the northeast Kansas gaming zone, ~~one to be~~ located in the south central  
22 Kansas gaming zone, ~~one to be~~ located in the southwest Kansas gaming  
23 zone and ~~one to be~~ located in the southeast Kansas gaming zone; (ii)  
24 designating additional areas of the state where operation of lottery gaming  
25 facilities or similar gaming facilities would be authorized; or (iii) operating  
26 an aggregate of more than 2,800 electronic gaming machines at all  
27 parimutuel licensee locations; and (B) requiring the state to repay to the  
28 lottery gaming facility manager an amount equal to the privilege fee paid  
29 by such lottery gaming facility manager, plus interest on such amount,  
30 compounded annually at the rate of 10%, if the state violates the  
31 prohibition provision described in (A).

32 (i) (1) *Any management contract approved by the commission under*  
33 *this section may include provisions for operating and managing sports*  
34 *wagering by the lottery gaming facility manager in person at the lottery*  
35 *gaming facility and over the internet via one or more interactive sports*  
36 *wagering platforms.*

37 (2) *If a management contract includes such provisions, then such*  
38 *contract shall include the following provisions:*

39 (A) *The lottery gaming facility may offer tier one or tier two sports*  
40 *wagers, or both; and*

41 (B) (i) *The state shall receive 20% of the sports wagering revenues*  
42 *received from wagers placed with the lottery gaming facility through an*  
43 *interactive sports wagering platform; and*

1       (ii) *the state shall receive 14% of the sports wagering revenues*  
2 *received from wagers placed in person at the lottery gaming facility.*

3       ~~(j)~~ The power of eminent domain shall not be used to acquire any  
4 interest in real property for use in a lottery gaming enterprise.

5       ~~(k)~~ Any proposed management contract for which the privilege fee  
6 has not been paid to the state treasurer within 30 days after the date of  
7 approval of the management contract shall be null and void.

8       ~~(l)~~ A person who is the manager of the racetrack gaming facility in  
9 a gaming zone shall not be eligible to be the manager of the lottery gaming  
10 facility in the same zone.

11       ~~(m)~~ Management contracts authorized by this section may include  
12 provisions relating to:

13       (1) Accounting procedures to determine the lottery gaming facility  
14 revenues, unclaimed prizes and credits;

15       (2) minimum requirements for a lottery gaming facility manager to  
16 provide qualified oversight, security and supervision of the lottery facility  
17 games including the use of qualified personnel with experience in  
18 applicable technology;

19       (3) eligibility requirements for employees, contractors or agents of a  
20 lottery gaming facility manager who will have responsibility for or  
21 involvement with actual gaming activities or for the handling of cash or  
22 tokens;

23       (4) background investigations to be performed by the Kansas racing  
24 and gaming commission;

25       (5) credentialing requirements for any employee, contractor or agent  
26 of the lottery gaming facility manager or of any ancillary lottery gaming  
27 facility operation as provided by the Kansas expanded lottery act or rules  
28 and regulations adopted pursuant thereto;

29       (6) provision for termination of the management contract by either  
30 party for cause; and

31       (7) any other provision deemed necessary by the parties, including  
32 such other terms and restrictions as necessary to conduct any lottery  
33 facility game in a legal and fair manner.

34       ~~(n)~~ A management contract shall not constitute property, nor shall  
35 it be subject to attachment, garnishment or execution, nor shall it be  
36 alienable or transferable, except upon approval by the executive director,  
37 nor shall it be subject to being encumbered or hypothecated. The trustee of  
38 any insolvent or bankrupt lottery gaming facility manager may continue to  
39 operate pursuant to the management contract under order of the  
40 appropriate court for no longer than one year after the bankruptcy or  
41 insolvency of such manager.

42       ~~(o)~~ (1) The Kansas lottery shall be the licensee and owner of all  
43 software programs used at a lottery gaming facility for any lottery facility

1 game.

2 (2) A lottery gaming facility manager, on behalf of the state, shall  
3 purchase or lease for the Kansas lottery all lottery facility games. All  
4 lottery facility games shall be subject to the ultimate control of the Kansas  
5 lottery in accordance with this act.

6 (3) *If a lottery gaming facility manager agrees to operate and*  
7 *manage sports wagering, the Kansas lottery shall be the licensee and*  
8 *owner of all software programs used in conducting sports wagering, and*  
9 *the lottery gaming facility manager, on behalf of the state, shall purchase*  
10 *or lease for the Kansas lottery any equipment or other property necessary*  
11 *for operating and managing sports wagering. All sports wagering shall be*  
12 *subject to the ultimate control of the Kansas lottery in accordance with the*  
13 *Kansas expanded lottery act.*

14 ~~(p)~~(p) A lottery gaming facility shall comply with any planning and  
15 zoning regulations of the city or county in which it is to be located. The  
16 executive director shall not contract with any prospective lottery gaming  
17 facility manager for the operation and management of such lottery gaming  
18 facility unless such manager first receives any necessary approval under  
19 planning and zoning requirements of the city or county in which it is to be  
20 located.

21 ~~(q)~~(q) Prior to expiration of the term of a lottery gaming facility  
22 management contract, the lottery commission may negotiate a new lottery  
23 gaming facility management contract with the lottery gaming facility  
24 manager if the new contract is substantially the same as the existing  
25 contract. Otherwise, the lottery gaming facility review board shall be  
26 reconstituted and a new lottery gaming facility management contract shall  
27 be negotiated and approved in the manner provided by this act.

28 Sec. 28. K.S.A. 74-8741 is hereby amended to read as follows: 74-  
29 8741. (a) The executive director of the Kansas lottery shall negotiate a  
30 racetrack gaming facility management contract to place electronic gaming  
31 machines at one parimutuel licensee location in each gaming zone except  
32 the southwest Kansas gaming zone. *The racetrack management contract*  
33 *may also provide for the racetrack gaming facility manager to operate and*  
34 *manage sports wagering as provided in subsection (d).*

35 (b) To be eligible to enter into a racetrack gaming facility  
36 management contract the prospective racetrack gaming facility manager  
37 shall, at a minimum:

38 (1) Have sufficient access to financial resources to support the  
39 activities required of a racetrack gaming facility manager under the Kansas  
40 expanded lottery act; and

41 (2) be current in filing all applicable tax returns and in payment of all  
42 taxes, interest and penalties owed to the state of Kansas and any taxing  
43 subdivision where such prospective manager is located in the state of

1 Kansas, excluding items under formal appeal pursuant to applicable  
2 statutes.

3 (c) A racetrack gaming facility management contract shall include:

4 (1) The term of the contract;

5 (2) provisions for the Kansas racing and gaming commission to  
6 oversee all racetrack gaming facility operations, including, but not limited to:  
7 Oversight of internal controls; oversight of security of facilities;  
8 performance of background investigations, determination of qualifications  
9 and any required certification or licensing of officers, directors, board  
10 members, employees, contractors and agents of the racetrack gaming  
11 facility manager; auditing of net electronic gaming machine income and  
12 maintenance of the integrity of electronic gaming machine operations;

13 (3) provisions for the racetrack gaming facility manager to pay the  
14 costs of oversight and regulation of the racetrack gaming facility manager  
15 under this act and such manager's racetrack gaming facility operations by  
16 the Kansas racing and gaming commission; and

17 (4) enforceable provisions: (A) Prohibiting the state, until July 1,  
18 2032, from: (i) Entering into management contracts for more than ~~three~~  
19 *four* lottery gaming facilities or similar gaming facilities, ~~one to be located~~  
20 *in the northeast Kansas gaming zone, one to be located in the south central*  
21 *Kansas gaming zone, one located in the southwest Kansas gaming zone*  
22 *and one to be located in the southeast Kansas gaming zone;* (ii)  
23 designating additional areas of the state where operation of lottery gaming  
24 facilities or similar gaming facilities would be authorized; or (iii)  
25 operating an aggregate of more than 2,800 electronic gaming machines at  
26 all parimutuel licensee locations; and (B) requiring the state to repay to the  
27 racetrack gaming facility manager an amount equal to the privilege fee  
28 paid by such racetrack gaming facility manager, plus interest on such  
29 amount, compounded annually at the rate of 10%, if the state violates the  
30 prohibition provision described in (A).

31 (d) (1) *Any management contract approved by the commission under*  
32 *K.S.A. 74-8742, and amendments thereto, may include provisions for*  
33 *operating and managing sports wagering by the racetrack gaming facility*  
34 *manager in person at the racetrack gaming facility and over the internet*  
35 *via an interactive sports wagering platform.*

36 (2) *If a management contract includes such provisions, then such*  
37 *contract shall include the following provisions:*

38 (A) *The racetrack gaming facility may offer tier one or tier two sports*  
39 *wagers, or both; and*

40 (B) (i) *The state shall receive 20% of the sports wagering revenues*  
41 *received from wagers placed with the racetrack gaming facility through an*  
42 *interactive sports wagering platform; and*

43 (ii) *the state shall receive 14% of the sports wagering revenues*

1 *received from wagers placed in person at the racetrack gaming facility.*

2 ~~(d)~~(e) Racetrack gaming facility management contracts authorized by  
3 this section may include provisions relating to:

4 (1) Accounting procedures to determine net electronic gaming  
5 machine income, unclaimed prizes and credits;

6 (2) minimum requirements for a racetrack gaming facility manager to  
7 provide qualified oversight, security and supervision of electronic gaming  
8 machines including the use of qualified personnel with experience in  
9 applicable technology;

10 (3) eligibility requirements for employees, contractors or agents of a  
11 racetrack gaming facility manager who will have responsibility for or  
12 involvement with electronic gaming machines or for the handling of cash  
13 or tokens;

14 (4) background investigations to be performed by the Kansas racing  
15 and gaming commission;

16 (5) credentialing or certification requirements of any employee,  
17 contractor or agent as provided by the Kansas expanded lottery act or rules  
18 and regulations adopted pursuant thereto;

19 (6) provision for termination of the management contract by either  
20 party for cause; and

21 (7) any other provision deemed necessary by the parties, including  
22 such other terms and restrictions as necessary to conduct racetrack gaming  
23 facility operations in a legal and fair manner.

24 ~~(e)~~(f) A person who is the manager of a lottery gaming facility in a  
25 gaming zone shall not be eligible to be the manager of the racetrack  
26 gaming facility in the same zone.

27 ~~(f)~~(g) A racetrack gaming facility management contract shall not  
28 constitute property, nor shall it be subject to attachment, garnishment or  
29 execution, nor shall it be alienable or transferable, except upon approval  
30 by the executive director, nor shall it be subject to being encumbered or  
31 hypothecated.

32 (h) *If a racetrack gaming facility manager agrees to operate and*  
33 *manage sports wagering, the Kansas lottery shall be the licensee and*  
34 *owner of all software programs used in conducting sports wagering, and*  
35 *the racetrack gaming facility manager, on behalf of the state, shall*  
36 *purchase or lease for the Kansas lottery any equipment or other property*  
37 *necessary for operating and managing sports wagering. All sports*  
38 *wagering shall be subject to the ultimate control of the Kansas lottery in*  
39 *accordance with the Kansas expanded lottery act.*

40 Sec. 29. K.S.A. 74-8743 is hereby amended to read as follows: 74-  
41 8743. (a) The board of county commissioners of each county where there  
42 is ~~a~~ *an existing or former* parimutuel licensee location *may, at any time* by  
43 resolution, *submit to the qualified voters of the county a proposition to*

1 *permit the placement of electronic gaming machines in the county as*  
 2 *provided in this section, or, upon the presentation of a valid petition signed*  
 3 *by not fewer than 5,000 qualified voters of the county, shall submit such*  
 4 *proposition to the qualified voters of the county—~~a proposition to permit the~~*  
 5 ~~*placement of electronic gaming machines in the county as provided in this*~~  
 6 ~~*section.*~~ The proposition shall be submitted *or resubmitted* to the voters ~~at~~  
 7 ~~*a of the county at any primary, general election or special election called*~~  
 8 ~~*by the board of county commissioners for that purpose—and. Such election*~~  
 9 ~~*shall be held not more than 180 150 days after the effective date of this act*~~  
 10 ~~*adoption of a resolution by the board of county commissioners or the*~~  
 11 ~~*receipt of a valid petition for submission of such a proposition.*~~

12 (b) Upon the adoption of a resolution *or the receipt of a valid petition*  
 13 *calling for an election pursuant to this section in Sedgwick county, the*  
 14 *county election officer shall cause the following proposition to be placed*  
 15 *on the ballot at the election called for that purpose: "Shall the Kansas*  
 16 ~~*Lottery be authorized to place electronic gaming machines in \_\_\_\_\_*~~  
 17 ~~*county?"*~~ *as a question in substantial compliance with the following:*  
 18 *"Shall the operation of electronic gaming machines by the Kansas lottery*  
 19 *be authorized at the former parimutuel licensee location in Sedgwick*  
 20 *county, commonly known as Wichita greyhound park?"*

21 (c) If a majority of the votes cast and counted at *any* such election is  
 22 in favor of approving the placement of electronic gaming machines in the  
 23 county, the Kansas lottery ~~may~~ *shall* place and operate electronic gaming  
 24 machines at a parimutuel licensee location in the county, subject to the  
 25 provisions of this act. If a majority of the votes cast and counted ~~at an~~ *any*  
 26 ~~*such election—under this section*~~ is against permitting placement of  
 27 electronic gaming machines in the county, the Kansas lottery shall not  
 28 place or operate electronic gaming machines at a parimutuel licensee  
 29 location in the county, *unless and until approved by a majority of votes*  
 30 *cast in a subsequent election brought and conducted in accordance with*  
 31 *this section.* The county election officer shall transmit a copy of the  
 32 certification of the results of the election to the executive director.

33 (d) The election provided for by this section shall be conducted, and  
 34 the votes counted and canvassed, in the manner provided by law for  
 35 question submitted elections of the county.

36 (e) (1) ~~The lottery commission may waive the~~ *There shall be no*  
 37 ~~requirement that for an election to be held pursuant to this section if the~~  
 38 ~~lottery commission determines that after December 31, 2004, and before~~  
 39 ~~the effective date of this act~~ *prior to July 1, 2021, the county has held an*  
 40 *election of qualified voters pursuant to the county's home rule authority:*  
 41 ~~(1)(A)~~ *At which the ballot question was in substantial general compliance*  
 42 *with the requirements of this section in effect at the time of such election;*  
 43 ~~(2) which~~ *(B) that was administered by the county election officer in a*



1 manner consistent with the requirements of state election law; and ~~(3)~~(C)  
2 at which a majority of the votes cast and counted was in favor of the  
3 proposition.

4 (2) *Wyandotte and Crawford counties are hereby deemed to have*  
5 *satisfied the requirements of this subsection, and no subsequent election*  
6 *shall be required prior to the placement of electronic gaming machines in*  
7 *such counties.*

8 (f) The question of the placement of electronic gaming machines in a  
9 county may be submitted ~~at the same election as the question of operation~~  
10 ~~of a lottery gaming facility in the county under K.S.A. 74-8737, and~~  
11 ~~amendments thereto~~ *to the qualified voters of the county in accordance*  
12 *with the provisions of this section at any time, except if such a proposition*  
13 *has been approved by a majority of the qualified voters of such county,*  
14 *then the question shall not be submitted at any subsequent election.*

15 Sec. 30. K.S.A. 74-8751 is hereby amended to read as follows: 74-  
16 8751. (a) The Kansas racing and gaming commission, through rules and  
17 regulations, shall establish:

18 ~~(a)(1)~~ (1) A certification requirement, and enforcement procedure, for  
19 officers, directors, key employees and persons directly or indirectly  
20 owning a ~~0.5%~~ 5% or more interest in a lottery gaming facility manager or  
21 racetrack gaming facility manager. Such certification requirement shall  
22 include compliance with such security, fitness and background  
23 investigations and standards as the executive director of the Kansas racing  
24 and gaming commission deems necessary to determine whether such  
25 person's reputation, habits or associations pose a threat to the public  
26 interest of the state or to the reputation of or effective regulation and  
27 control of the lottery gaming facility or racetrack gaming facility. ~~Any~~  
28 ~~person convicted of any felony, a crime involving gambling or a crime of~~  
29 ~~moral turpitude prior to applying for a certificate hereunder or at any time~~  
30 ~~thereafter shall be deemed unfit. The Kansas racing and gaming~~  
31 ~~commission shall conduct the security, fitness and background checks~~  
32 ~~required pursuant to this subsection. Certification pursuant to this~~  
33 ~~subsection shall not be assignable or transferable;~~

34 (b)(2) a certification requirement, and enforcement procedure, for  
35 those persons, including electronic gaming machine manufacturers,  
36 technology providers and computer system providers, who propose to  
37 contract with a lottery gaming facility manager, a racetrack gaming facility  
38 manager or the state for the provision of goods or services related to a  
39 lottery gaming facility or racetrack gaming facility, including management  
40 services. Such certification requirements shall include compliance with  
41 such security, fitness and background investigations and standards of  
42 officers, directors, key gaming employees and persons directly or  
43 indirectly owning a ~~0.5%~~ 5% or more interest in such entity as the

1 executive director of the Kansas racing and gaming commission deems  
 2 necessary to determine whether such person's reputation, habits and  
 3 associations pose a threat to the public interest of the state or to the  
 4 reputation of or effective regulation and control of the lottery gaming  
 5 facility or racetrack gaming facility. ~~Any person convicted of any felony, a~~  
 6 ~~crime involving gambling or a crime of moral turpitude prior to applying~~  
 7 ~~for a certificate hereunder or at any time thereafter shall be deemed unfit.~~  
 8 If the executive director of the racing and gaming commission determines  
 9 the certification standards of another state are comprehensive, thorough  
 10 and provide similar adequate safeguards, the executive director may  
 11 certify an applicant already certified in such state without the necessity of  
 12 a full application and background check. ~~The Kansas racing and gaming~~  
 13 ~~commission shall conduct the security, fitness and background checks~~  
 14 ~~required pursuant to this subsection. Certification pursuant to this~~  
 15 ~~subsection shall not be assignable or transferable;~~

16 *(3) a certification requirement and enforcement procedure for: (A)*  
 17 *Employees of a lottery gaming facility manager or racetrack gaming*  
 18 *facility manager who are directly involved in the operation or*  
 19 *management of sports wagering conducted by such manager; and (B)*  
 20 *those persons who propose to contract with a lottery gaming facility*  
 21 *manager or a racetrack gaming facility manager for the provision of*  
 22 *goods or services related to sports wagering, including any interactive*  
 23 *sports wagering platform requested by a lottery gaming facility manager*  
 24 *or racetrack gaming facility manager under section 3, and amendments*  
 25 *thereto. Such certification requirement shall include compliance with such*  
 26 *security, fitness and background investigations and standards as the*  
 27 *executive director of the Kansas racing and gaming commission deems*  
 28 *necessary to determine whether such person's reputation, habits or*  
 29 *associations pose a threat to the public interest of the state or to the*  
 30 *reputation of or effective regulation and control of sports wagering*  
 31 *conducted by the lottery gaming facility or racetrack gaming facility. Such*  
 32 *certification shall be valid for one year from the date of issuance;*

33 ~~(e)(4)~~ provisions for revocation of a certification required by  
 34 subsection (a) ~~or (b)(1) or (a)(2)~~ upon a finding that the certificate holder,  
 35 an officer or director thereof or a person directly or indirectly owning a  
 36 ~~0.5%~~ 5% or more interest therein: ~~(1)(A)~~ Has knowingly provided false or  
 37 misleading material information to the Kansas lottery or its employees; or  
 38 ~~(2)(B)~~ has been convicted of a felony, gambling related offense or any  
 39 crime of moral turpitude; ~~and~~

40 ~~(d)(5)~~ provisions for suspension, revocation or nonrenewal of a  
 41 certification required by subsection (a) ~~or (b)(1) or (a)(2)~~ upon a finding  
 42 that the certificate holder, an officer or director thereof or a person directly  
 43 or indirectly owning a ~~0.5%~~ 5% or more interest therein: ~~(1)(A)~~ Has failed

1 to notify the Kansas lottery about a material change in ownership of the  
2 certificate holder, or any change in the directors or officers thereof; ~~(2)(B)~~  
3 is delinquent in remitting money owed to the Kansas lottery; ~~(3)(C)~~ has  
4 violated any provision of any contract between the Kansas lottery and the  
5 certificate holder; or ~~(4)(D)~~ has violated any provision of the Kansas  
6 expanded lottery act or any rule and regulation adopted hereunder; and

7 *(6) provisions for suspension, revocation or nonrenewal of a*  
8 *certification required by subsection (a)(3) upon a finding that the*  
9 *certificate holder has: (A) Knowingly provided false or misleading*  
10 *material information to the Kansas lottery, the Kansas racing and gaming*  
11 *commission or to the employees of either entity; (B) been convicted of a*  
12 *felony, gambling-related offense or any crime of moral turpitude; (C)*  
13 *violated any provision of any contract between the Kansas lottery and the*  
14 *certificate holder; or (D) violated any provision of the Kansas expanded*  
15 *lottery act or any rule and regulation adopted hereunder.*

16 *(b) The Kansas racing and gaming commission shall conduct the*  
17 *security, fitness and background checks required pursuant to this section.*  
18 *Any person convicted of any felony, a crime involving gambling or a crime*  
19 *of moral turpitude prior to applying for a certificate hereunder or at any*  
20 *time thereafter shall be deemed unfit.*

21 *(c) A certification issued pursuant to this section shall not be*  
22 *assignable or transferable.*

23 Sec. 31. K.S.A. 74-8752 is hereby amended to read as follows: 74-  
24 8752. (a) The executive director of the Kansas lottery and the executive  
25 director of the Kansas racing and gaming commission, or their designees,  
26 may observe and inspect all electronic gaming machines, lottery facility  
27 games, *sports wagering operations*, lottery gaming facilities, racetrack  
28 gaming facilities and all related equipment and facilities operated by a  
29 lottery gaming facility manager or racetrack gaming facility manager.

30 (b) In addition to any other powers granted pursuant to this act, the  
31 executive director of the racing and gaming commission shall have the  
32 power to:

33 (1) Examine, or cause to be examined by any agent or representative  
34 designated by such executive director, any books, papers, records or  
35 memoranda of any lottery gaming facility manager or racetrack gaming  
36 facility manager, or of any business involved in electronic gaming  
37 machines—~~or~~, *lottery facility games or sports wagering operations*  
38 authorized pursuant to the Kansas expanded lottery act, for the purpose of  
39 ascertaining compliance with any provision of the Kansas lottery act, the  
40 Kansas expanded lottery act, or any rules and regulations adopted  
41 thereunder;

42 (2) investigate alleged violations of the Kansas expanded lottery act  
43 and alleged violations of any rules and regulations, orders and final

1 decisions of the Kansas lottery commission, the executive director of the  
2 Kansas lottery, the Kansas racing and gaming commission or the executive  
3 director of the Kansas racing and gaming commission;

4 (3) request a court to issue subpoenas to compel access to or for the  
5 production of any books, papers, records or memoranda in the custody or  
6 control of any lottery gaming facility manager or racetrack gaming facility  
7 manager related to the management of the lottery gaming facility or  
8 racetrack gaming facility, or to compel the appearance of any lottery  
9 gaming facility manager or racetrack gaming facility manager for the  
10 purpose of ascertaining compliance with the provisions of the Kansas  
11 lottery act and the Kansas expanded lottery act or rules and regulations  
12 adopted thereunder; *and*

13 ~~(4) inspect and approve, prior to publication or distribution, all~~  
14 ~~advertising by a lottery gaming facility manager or racetrack gaming~~  
15 ~~facility manager which includes any reference to the Kansas lottery; and~~

16 ~~(5) take any other action as may be reasonable or appropriate to~~  
17 ~~enforce the provisions of the Kansas expanded lottery act and any rules~~  
18 ~~and regulations, orders and final decisions of the executive director of the~~  
19 ~~Kansas lottery, the Kansas lottery commission, the executive director of the~~  
20 ~~Kansas racing commission or the Kansas racing and gaming~~  
21 ~~commission.~~

22 (c) Appropriate security measures shall be required in any and all  
23 areas where electronic gaming machines, *sports wagering* and other lottery  
24 facility games authorized pursuant to the Kansas expanded lottery act are  
25 located or operated. The executive director of the Kansas racing and  
26 gaming commission shall approve all such security measures.

27 (d) The executive director of the Kansas racing and gaming  
28 commission shall require an annual audit of the operations of each lottery  
29 gaming facility and ancillary lottery gaming facility operations and each  
30 racetrack gaming facility as determined by the commission. Such audit  
31 shall be conducted by the Kansas racing and gaming commission or a  
32 licensed accounting firm approved by the executive director of the Kansas  
33 racing and gaming commission and shall be conducted at the expense of  
34 the lottery gaming facility manager or racetrack facility manager.

35 (e) None of the information disclosed pursuant to subsection (b) or  
36 (d) shall be subject to disclosure under the Kansas open records act,  
37 K.S.A. 45-216 et seq., and amendments thereto.

38 Sec. 32. K.S.A. 74-8757 is hereby amended to read as follows: 74-  
39 8757. (a) A person less than 21 years of age shall not be permitted in an  
40 area where electronic gaming machines or lottery facility games are being  
41 conducted, except for a person at least 18 years of age who is an employee  
42 of the lottery gaming facility manager or the racetrack gaming facility  
43 manager. No employee under age 21 shall perform any function involved

1 in gaming by the patrons.

2 (b) No person under age 21 shall play or make a wager on an  
3 electronic gaming machine game or a lottery facility game.

4 (c) *No person under age 21 shall directly or indirectly make a wager  
5 on any sporting event, or otherwise be permitted to engage in sports  
6 wagering.*

7 Sec. 33. K.S.A. 74-8760 is hereby amended to read as follows: 74-  
8 8760. (a) Except in accordance with rules and regulations of the Kansas  
9 racing and gaming commission or by written authority from the executive  
10 director of the Kansas racing and gaming commission in performing  
11 installation, maintenance, inspection and repair services, it is a class A  
12 nonperson misdemeanor for the following to place a wager on or play an  
13 electronic gaming machine game or a lottery facility game at a lottery  
14 gaming facility in this state: The executive director of the Kansas lottery, a  
15 member of the Kansas lottery commission or any employee or agent of the  
16 Kansas lottery; the executive director, a member or any employee or agent  
17 of the Kansas racing and gaming commission; or the lottery gaming  
18 facility manager or any employee of the lottery gaming facility manager.

19 (b) Except in accordance with rules and regulations of the Kansas  
20 racing and gaming commission or by written authority from the executive  
21 director of the Kansas racing and gaming commission in performing  
22 installation, maintenance, inspection and repair services, it is a class A  
23 nonperson misdemeanor for the following to place a wager on or play an  
24 electronic gaming machine at a racetrack gaming facility in this state: (1)  
25 The executive director of the Kansas lottery, a member of the Kansas  
26 lottery commission or any employee or agent of the Kansas lottery; (2) the  
27 executive director, a member or any employee or agent of the Kansas  
28 racing and gaming commission; or (3) the racetrack gaming facility  
29 manager or any employee of the racetrack gaming facility manager.

30 (c) *Except in accordance with rules and regulations of the Kansas  
31 racing and gaming commission, or by written authority from the executive  
32 director of the Kansas racing and gaming commission, in performing  
33 installation, maintenance, inspection and repair services, it is a class A  
34 nonperson misdemeanor for the following to place a sports wager with a  
35 sports wagering retailer, a lottery gaming facility or a racetrack gaming  
36 facility: (1) The executive director of the Kansas lottery, a member of the  
37 Kansas lottery commission or any employee or agent of the Kansas  
38 lottery; (2) the executive director, a member or any employee or agent of  
39 the Kansas racing and gaming commission; (3) a sports wagering  
40 manager, or any director, officer, owner or employee of such sports  
41 wagering manager, or any relative living in the same household as such  
42 persons; (4) an interactive sports wagering platform, or any director,  
43 officer, owner or employee of such platform, or any relative living in the*

1 *same household as such persons; (5) any director, officer or employee of a*  
2 *sports governing body; (6) any owner, officer, athlete, coach or other*  
3 *employee of a team; or (7) any director, officer or employee of a player*  
4 *union or referee union.*

5 *(d) It is a severity level 8, nonperson felony for any person knowingly*  
6 *to place a sports wager: (1) With access to nonpublic confidential*  
7 *information held by the sports wagering manager; (2) as an agent or*  
8 *proxy for other persons; (3) using funds derived from illegal activity; (4)*  
9 *to conceal money derived from illegal activity; (5) through the use of other*  
10 *individuals to place wagers as part of any wagering scheme to circumvent*  
11 *any provision of federal or state law; or (6) using false identification to*  
12 *facilitate the placement of the wager or the collection of any prize in*  
13 *violation of federal or state law.*

14 ~~(e)~~(e) It is a severity level 8, nonperson felony for any person playing  
15 or using any electronic gaming machine in Kansas knowingly to:

16 (1) Use other than a lawful coin or legal tender of the United States of  
17 America, or to use coin not of the same denomination as the coin intended  
18 to be used in an electronic gaming machine, except that in the playing of  
19 any electronic gaming machine or similar gaming device, it shall be lawful  
20 for any person to use gaming billets, tokens or similar objects therein  
21 which are approved by the Kansas racing and gaming commission;

22 (2) possess or use, while on premises where electronic gaming  
23 machines are authorized pursuant to the Kansas expanded lottery act, any  
24 cheating or thieving device, including, but not limited to, tools, wires,  
25 drills, coins attached to strings or wires or electronic or magnetic devices  
26 to facilitate removing from any electronic gaming machine any money or  
27 contents thereof, except that a duly authorized agent or employee of the  
28 Kansas racing and gaming commission, lottery gaming facility manager or  
29 racetrack gaming facility manager may possess and use any of the  
30 foregoing only in furtherance of the agent's or employee's employment at  
31 the lottery gaming facility or racetrack gaming facility; or

32 (3) possess or use while on the premises of a lottery gaming facility  
33 or racetrack gaming facility, or any location where electronic gaming  
34 machines are authorized pursuant to this act, any key or device designed  
35 for the purpose of or suitable for opening or entering any electronic  
36 gaming machine or similar gaming device or drop box.

37 ~~(d)~~(f) Any duly authorized agent or employee of the Kansas racing  
38 and gaming commission, a lottery gaming facility manager or a racetrack  
39 gaming facility manager may possess and use any of the devices described  
40 in ~~subsections (e)(3) and (e)(4)~~ subsection (e)(3) in furtherance of  
41 inspection or testing as provided in the Kansas expanded lottery act or in  
42 furtherance of such person's employment at any location where any  
43 electronic gaming machine or similar gaming device or drop box is

1 authorized pursuant to the Kansas expanded lottery act.

2 Sec. 34. K.S.A. 74-8761 is hereby amended to read as follows: 74-  
3 8761. (a) It shall be a severity level 9, nonperson felony for any person to  
4 place in operation or continue to have in place any gray machine for use  
5 by members of the public at any location in this state.

6 (b) *It shall be the duty of the attorney general and the Kansas racing  
7 and gaming commission to enforce the provisions of this section, together  
8 with any rules and regulations adopted pursuant thereto. The attorney  
9 general and the Kansas racing and gaming commission shall have  
10 original jurisdiction to investigate and prosecute violations of this section.*

11 Sec. 35. K.S.A. 75-6202 is hereby amended to read as follows: 75-  
12 6202. As used in article 62 of chapter 75 of the Kansas Statutes Annotated,  
13 and amendments thereto:

14 (a) "Debtor" means any person who:

15 (1) Owes a debt to the state of Kansas or any state agency or any  
16 municipality;

17 (2) owes support to an individual, or an agency of another state, who  
18 is receiving assistance in collecting that support under K.S.A. 39-756 or  
19 K.S.A. 2020 Supp. 20-378, and amendments thereto, or under part D of  
20 title IV of the federal social security act, 42 U.S.C. § 651 et seq., as  
21 amended; or

22 (3) owes a debt to a foreign state agency.

23 (b) "Debt" means:

24 (1) Any liquidated sum due and owing to the state of Kansas, or any  
25 state agency, municipality or foreign state agency—~~which~~ *that* has accrued  
26 through contract, subrogation, tort, operation of law, or any other legal  
27 theory regardless of whether there is an outstanding judgment for that sum.  
28 A debt shall not include special assessments except when the owner of the  
29 property assessed petitioned for the improvement and any successor in  
30 interest of such owner of property;

31 (2) any amount of support due and owing an individual, or an agency  
32 of another state, who is receiving assistance in collecting that support  
33 under K.S.A. 39-756 or K.S.A. 2020 Supp. 20-378, and amendments  
34 thereto, or under part D of title IV of the federal social security act, 42  
35 U.S.C. § 651 et seq., as amended, ~~which~~ *that* amount shall be considered a  
36 debt due and owing the district court trustee or the Kansas department for  
37 children and families for the purposes of this act; or

38 (3) any assessment of court costs, fines, fees, moneys expended by  
39 the state in providing counsel and other defense services to indigent  
40 defendants or other charges—~~which~~ *that* a district court judgment has  
41 ordered to be paid to the court and ~~which~~ *that* remain unpaid in whole or in  
42 part, and includes any interest or penalties on such unpaid amounts as  
43 provided for in the judgment or by law. Such amount also includes the cost

1 of collection when the collection services of a contracting agent are  
2 utilized.

3 (c) "Refund" means any amount of income tax refund due to any  
4 person as a result of an overpayment of tax, and for this purpose, a refund  
5 due to a husband and wife resulting from a joint return shall be considered  
6 to be separately owned by each individual in the proportion of each such  
7 spouse's contribution to income, as the term "contribution to income" is  
8 defined by rules and regulations of the secretary of revenue.

9 (d) "Net proceeds collected" means gross proceeds collected through  
10 final setoff against a debtor's earnings, refund or other payment due from  
11 the state or any state agency minus any collection assistance fee charged  
12 by the director of accounts and reports of the department of administration.

13 (e) "State agency" means any state office, officer, department, board,  
14 commission, institution, bureau, agency or authority or any division or unit  
15 thereof and any judicial district of this state or the clerk or clerks thereof.  
16 "State agency" also shall include any: (1) District court utilizing collection  
17 services pursuant to K.S.A. 75-719, and amendments thereto, to collect  
18 debts owed to such court; and (2) contracting agent, as defined in K.S.A.  
19 75-719, and amendments thereto, with which a district court contracts to  
20 collect debts owed to such court. Such contracting agent may directly  
21 establish a debt setoff account with the director for the sole purpose of  
22 collecting debts owed to courts.

23 (f) "Person" means an individual, proprietorship, partnership, limited  
24 partnership, association, trust, estate, business trust, corporation, other  
25 entity or a governmental agency, unit or subdivision.

26 (g) "Director" means the director of accounts and reports of the  
27 department of administration.

28 (h) "Municipality" means any municipality as defined by K.S.A. 75-  
29 1117, and amendments thereto, or any community mental health center  
30 organized pursuant to the provisions of K.S.A. 19-4001 et seq., and  
31 amendments thereto, and licensed pursuant to K.S.A. 2020 Supp. 39-2001  
32 et seq., and amendments thereto, or any mental health clinic organized  
33 pursuant to the provisions of K.S.A. 65-211 et seq., and amendments  
34 thereto, and licensed pursuant to K.S.A. 2020 Supp. 39-2001 et seq., and  
35 amendments thereto.

36 (i) "Payor agency" means any state agency ~~which~~ *that* holds money  
37 for, or owes money to, a debtor.

38 (j) "Foreign state or foreign state agency" means the states of  
39 Colorado, Missouri, Nebraska or Oklahoma or any agency of such states  
40 ~~which~~ *that* has entered into a reciprocal agreement pursuant to K.S.A. 75-  
41 6215, and amendments thereto.

42 (k) "Facility owner licensee" ~~shall have the same meaning as the term~~  
43 *is means the same as* defined in K.S.A. 74-8802, and amendments thereto.



1 (l) "Racetrack gaming facility manager" ~~shall have the same meaning~~  
2 ~~as that term is means the same as~~ defined in K.S.A. 74-8702, and  
3 amendments thereto.

4 (m) "Lottery gaming facility manager" ~~shall have the same meaning~~  
5 ~~as that term is means the same as~~ defined in K.S.A. 74-8702, and  
6 amendments thereto.

7 (n) "Prize" ~~shall have the same meaning as that term is means the~~  
8 ~~same as~~ defined in K.S.A. 74-8702, and amendments thereto, and any  
9 winnings from parimutuel wagering as provided by the Kansas parimutuel  
10 racing act, K.S.A. 74-8801 et seq., and amendments thereto.

11 (o) "*Sports wagering retailer*" *means the same as defined in K.S.A.*  
12 *74-8702, and amendments thereto.*

13 Sec. 36. K.S.A. 75-6204 is hereby amended to read as follows: 75-  
14 6204. (a) Subject to the limitations provided in this act, if a debtor fails to  
15 pay a debt or fails to pay to the state of Kansas or any state agency, foreign  
16 state agency, municipality or the federal department of the treasury an  
17 amount owed, the director may setoff such amount and a reasonable  
18 collection assistance fee determined in accordance with K.S.A. 75-6210,  
19 and amendments thereto, against any money held for, or any money owed  
20 to, such debtor by the state, any state agency or lottery gaming facility  
21 manager, racetrack gaming facility manager-~~or~~, facility owner licensee *or*  
22 *sports wagering retailer*.

23 (b) The director may enter into an agreement with a municipality for  
24 participation in the setoff program for the purpose of assisting in the  
25 collection of a debt. The director shall include in any such agreement a  
26 provision requiring the municipality to certify that the municipality has  
27 made at least three attempts to collect a debt prior to submitting such debt  
28 to setoff pursuant to this act.

29 (c) The director shall enter into an agreement with a lottery gaming  
30 facility manager, racetrack gaming facility manager-~~or~~, facility owner  
31 licensee *or sports wagering retailer* for participation in the setoff program  
32 for the purpose of assisting in the collection of a debt. The director shall  
33 include in any such agreement a provision agreeing to defend, indemnify  
34 and hold harmless a lottery gaming facility manager, racetrack gaming  
35 facility manager-~~or~~, facility owner licensee *or sports wagering retailer*  
36 with regard to all claims, demands, suits, actions, damages, judgments,  
37 costs, charges and expenses, including attorney fees, that may be brought  
38 or asserted against a lottery gaming facility manager, racetrack gaming  
39 facility manager-~~or~~, facility owner licensee *or sports wagering retailer* and  
40 that arise from the performance of an agreement to facilitate the collection  
41 of debts by a lottery gaming facility manager, racetrack gaming facility  
42 manager-~~or~~, facility owner licensee *or sports wagering retailer*.

43 (d) (1) Except as provided in ~~subsection (e)(2)~~ *paragraph (2)*, the

1 director shall add the cost of collection and the debt for a total amount  
2 subject to setoff against a debtor.

3 (2) Any debts due and owing to an individual, the state of Kansas or  
4 an agency of another state that are being enforced by the Kansas  
5 department for children and families under part D of title IV of the federal  
6 social security act, 42 U.S.C. § 651 et seq., as amended, shall not have the  
7 cost of collection added to the debt owed and subject to setoff. Such cost  
8 of collection shall be paid by the Kansas department for children and  
9 families.

10 Sec. 37. K.S.A. 75-6217 is hereby amended to read as follows: 75-  
11 6217. (a) Prior to any lottery gaming facility manager, racetrack gaming  
12 facility manager~~—or~~, facility owner licensee *or sports wagering retailer*  
13 paying on behalf of the state any moneys requiring the completion of an  
14 internal revenue service form W-2G, the lottery gaming facility manager,  
15 racetrack gaming facility manager~~—or~~, facility owner licensee *or sports*  
16 *wagering retailer* shall cause the person winning the prize to be matched  
17 against the state debtor files maintained by the director of accounts and  
18 reports as prescribed under K.S.A. 75-6201 et seq., and amendments  
19 thereto. If such person is listed in the state debtor files, the prize shall be  
20 withheld by the lottery gaming facility manager, racetrack gaming facility  
21 manager~~—or~~, facility owner licensee *or sports wagering retailer* to the  
22 extent of such person's debt as set forth in the state debtor files.

23 (b) The lottery gaming facility manager, racetrack gaming facility  
24 manager~~—or~~, facility owner licensee *or sports wagering retailer* shall not be  
25 subject to any civil, criminal or administrative liability for any actions  
26 taken pursuant to this section, unless such actions are intentional,  
27 malicious or wanton by such lottery gaming facility manager, racetrack  
28 gaming facility manager~~—or~~, facility owner licensee *or sports wagering*  
29 *retailer*; or employees or agents thereof. The state shall indemnify the  
30 lottery gaming facility manager, racetrack gaming facility manager~~—or~~,  
31 facility owner licensee *or sports wagering retailer* for any and all  
32 expenses, losses, damages and attorney fees that arise directly or indirectly  
33 from the performance of activities related to this section. For the purposes  
34 of the fair debt collection practices act, and any other federal or state law,  
35 the lottery gaming facility manager, racetrack gaming facility manager~~—or~~,  
36 facility owner licensee *or sports wagering retailer* shall have all of the  
37 protections of the state under the Kansas tort claims act, K.S.A. 75-6101 et  
38 seq., and amendments thereto. The sole remedy at law for persons who  
39 claim prizes were wrongfully withheld pursuant to this section shall be to  
40 submit an appeal to the department of administration pursuant to K.S.A.  
41 75-6201 et seq., and amendments thereto.

42 (c) Moneys withheld, based on the state debtor files, shall be remitted  
43 to the state treasurer in accordance with K.S.A. 75-4215, and amendments

1 thereto. The state treasurer shall deposit the entire amount in the state  
2 treasury and credit it to the department of administration's setoff clearing  
3 fund.

4 (d) Nothing in this section shall apply to Native American tribal  
5 gaming facilities.

6 (e) This section shall be *a* part of and supplemental to the state debt  
7 setoff program.

8 Sec. 38. K.S.A. 79-4806 is hereby amended to read as follows: 79-  
9 4806. On July 1 of each year or as soon thereafter as sufficient moneys are  
10 available, ~~\$80,000~~ \$100,000 credited to the state gaming revenues fund  
11 shall be transferred and credited to the problem gambling *and addictions*  
12 grant fund established by K.S.A. 79-4805, and amendments thereto.

13 Sec. 39. K.S.A. 46-2301, 74-8702, 74-8710, 74-8711, 74-8716, 74-  
14 8718, 74-8733, 74-8734, 74-8741, 74-8743, 74-8751, 74-8752, 74-8757,  
15 74-8760, 74-8761, 75-6202, 75-6204, 75-6217 and 79-4806 and K.S.A.  
16 2020 Supp. 21-6403 and 21-6507 are hereby repealed.

17 Sec. 40. This act shall take effect and be in force from and after its  
18 publication in the statute book.