

{As Further Amended by House Committee of the Whole}

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Session of 2021

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 Sedgewick 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 {creating the~~
10 ~~sports wagering receipts fund, the white collar crime fund, the~~
11 ~~privilege fee repayment fund and the facility manager licensee~~
12 ~~repayment fund; authorizing parimutuel licensees to operate~~
13 ~~historical horse race machines; amending K.S.A. 46-2301, 74-8702,~~
14 ~~74-8710, 74-8711, 74-8716, 74-8733, 74-8734, 74-8751, 74-8752, 74-~~
15 ~~8757, 74-8760, 74- 8761, 74-8802, 74-8804, 74-8814, 74-8823, 74-~~
16 ~~8836, 79-4805 and 79-4806 and K.S.A. 2021 Supp. 21-6403 and 21-~~
17 ~~6507}; and repealing the existing sections.~~
18

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

20 ~~New Section 1. (a) Sports wagering shall only be conducted in this~~
21 ~~state in accordance with the provisions of the Kansas lottery act and the~~
22 ~~Kansas expanded lottery act.~~

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

24 ~~(1) Sports wagering retailers that have contracted with the Kansas~~
25 ~~lottery pursuant to section 2, and amendments thereto, to conduct sports~~
26 ~~wagering on behalf of the Kansas lottery;~~

27 ~~(2) one or more lottery gaming facility managers or racetrack gaming~~
28 ~~facility managers that have contracted with the Kansas lottery in~~
29 ~~accordance with the Kansas expanded lottery act to operate and manage~~
30 ~~sports wagering on behalf of the Kansas lottery, including, but not limited~~
31 ~~to, sports wagering over the internet through websites and mobile device~~
32 ~~applications through a licensed interactive sports wagering platform~~
33 ~~approved by the Kansas lottery and the use of any such platform at the~~
34 ~~primary facility of a professional sports team pursuant to a marketing~~

1 ~~agreement entered into between the lottery gaming facility manager or~~
2 ~~racetrack gaming facility manager and the professional sports team in~~
3 ~~accordance with section 4, and amendments thereto; and~~

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

9 ~~New Sec. 2. (a) The executive director may select persons as sports~~
10 ~~wagering retailers that the executive director deems are best able to serve~~
11 ~~the public convenience and promote sports wagering in accordance with~~
12 ~~marketing plans developed by the Kansas lottery. In the selection of sports~~
13 ~~wagering retailers, the executive director shall consider factors such as~~
14 ~~financial responsibility, security of the applicant's place of business or~~
15 ~~activity, accessibility of the applicant's place of business or activity,~~
16 ~~integrity, reputation, volume of expected wagers and such other factors as~~
17 ~~the executive director may deem appropriate. The aggregate number of~~
18 ~~sports wagering retailers shall not exceed 1,200. A sports wagering retailer~~
19 ~~shall offer only tier one sports wagers.~~

20 ~~(b) The executive director may charge an application fee to persons~~
21 ~~applying to become sports wagering retailers.~~

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

25 ~~(d) No sports wagering retailer contract awarded under this section~~
26 ~~shall be transferable or assignable.~~

27 ~~(e) The sports wagering retailer shall conduct sports wagering only as~~
28 ~~approved by the Kansas lottery and in accordance with the provisions of~~
29 ~~the Kansas expanded lottery act.~~

30 ~~(f) To be selected as a sports wagering retailer, a natural person acting~~
31 ~~as a sole proprietor shall:~~

32 ~~(1) Be at least 21 years of age;~~

33 ~~(2) have sufficient financial resources to support the activities~~
34 ~~required to conduct sports wagering;~~

35 ~~(3) be current in payment of all taxes, interest and penalties owed to~~
36 ~~any taxing subdivision where the sports wagering retailer will conduct~~
37 ~~sports wagering;~~

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

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

42 ~~(g) No natural person shall be selected as a sports wagering retailer~~
43 ~~who:~~

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

4 ~~(2) has been convicted of any crime involving illegal gambling~~
5 ~~activity, fraud, dishonesty or deceit, or any financial crime in this or any~~
6 ~~other jurisdiction;~~

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

9 ~~(4) is a vendor or an employee or agent of any vendor doing business~~
10 ~~with the Kansas lottery;~~

11 ~~(5) resides in the same household of an employee of the Kansas~~
12 ~~lottery or of a member of the commission; or~~

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

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

19 ~~(i) For a corporation to be selected as a sports wagering retailer, the~~
20 ~~corporation must meet the requirements of subsections (f)(2) through (f)~~
21 ~~(5), and each officer or director and each stockholder who owns 5% or~~
22 ~~more of the stock of such corporation must meet the requirements of~~
23 ~~subsections (f)(3), (f)(4) and (g)(1) through (g)(6).~~

24 ~~(j) For an unincorporated association to be selected as a sports~~
25 ~~wagering retailer, the association must meet the requirements of~~
26 ~~subsections (f)(2) through (f)(5), and each officer or director of such~~
27 ~~association must meet the requirements of subsections (f)(1), (f)(3), (f)(4)~~
28 ~~and (g)(1) through (g)(6).~~

29 ~~(k) The executive director may terminate the contract of any sports~~
30 ~~wagering retailer that fails to meet any of the applicable qualifying~~
31 ~~standards for selection as a sports wagering retailer provided in this section~~
32 ~~or on the grounds for termination provided in the contract pursuant to rules~~
33 ~~and regulations adopted by the commission.~~

34 ~~(l) If a sports wagering retailer's rental payments for the business~~
35 ~~premises are contractually computed, in whole or in part, on the basis of a~~
36 ~~percentage of retail sales, and such computation of retail sales is not~~
37 ~~explicitly defined to include sports wagering revenues under the Kansas~~
38 ~~expanded lottery act, the compensation received by the sports wagering~~
39 ~~retailer from conducting sports wagering on behalf of the Kansas lottery~~
40 ~~shall be considered the amount of the retail sale for purposes of computing~~
41 ~~the rental payment.~~

42 ~~New Sec. 3. (a) The executive director may select an interactive~~
43 ~~sports wagering platform that the executive director deems is best able to~~

1 ~~serve the public convenience and promote sports wagering in accordance~~
2 ~~with marketing plans developed by the Kansas lottery. The interactive~~
3 ~~sports wagering platform selected by the executive director shall offer tier~~
4 ~~one and tier two sports wagers and shall be made available to any lottery~~
5 ~~gaming facility manager and racetrack gaming facility manager that has~~
6 ~~entered into a management contract for the operation and management of~~
7 ~~sports wagering under the Kansas expanded lottery act. Sports wagering~~
8 ~~conducted through the interactive sports wagering platform shall be~~
9 ~~offered only as approved by the Kansas lottery and in accordance with the~~
10 ~~provisions of the Kansas expanded lottery act.~~

11 ~~(b) A lottery gaming facility manager or racetrack gaming facility~~
12 ~~manager may apply to the Kansas lottery for approval of one additional~~
13 ~~graphical user interface specific to such lottery gaming facility manager or~~
14 ~~racetrack gaming facility manager to be used to access the interactive~~
15 ~~sports wagering platform provided by the Kansas lottery.~~

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

31 ~~New Sec. 4. (a) A professional sports team may enter into a~~
32 ~~marketing agreement with the Kansas lottery, a lottery gaming facility~~
33 ~~manager or a racetrack gaming facility manager for the purpose of~~
34 ~~marketing sports wagering at the primary facility of such professional~~
35 ~~sports team. All sports wagering shall be operated and managed by the~~
36 ~~Kansas lottery, the lottery gaming facility manager or the racetrack gaming~~
37 ~~facility manager. No owner, director, officer, employee or agent of the~~
38 ~~professional sports team shall have any duties directly related to the~~
39 ~~operation or management of sports wagering except as expressly provided~~
40 ~~in the marketing agreement.~~

41 ~~(b) (1) A marketing agreement shall provide that the professional~~
42 ~~sports team shall promote and advertise sports wagering on behalf of the~~
43 ~~other contracting party at the primary facility of the professional sports~~

1 ~~team. Promotion and advertising may include, but shall not be limited to:~~

2 ~~(A) Advertising through signage and other media, including~~
3 ~~electronic media;~~

4 ~~(B) allowing devices, such as kiosks, to be located within the primary~~
5 ~~facility of the professional sports team to allow patrons to engage in sports~~
6 ~~wagering; and~~

7 ~~(C) providing access to mobile device applications that allow patrons~~
8 ~~to access the interactive sports wagering platforms utilized by the~~
9 ~~contracting party operating and managing sports wagering at the primary~~
10 ~~facility.~~

11 ~~(2) A marketing agreement shall expressly prohibit the professional~~
12 ~~sports team and any owner, director, officer, employee or agent of such~~
13 ~~professional sports team from taking any bets, paying out any prizes or~~
14 ~~otherwise having any control or access to the interactive sports wagering~~
15 ~~platform, or any other system used by the Kansas lottery, the lottery~~
16 ~~gaming facility manager or the racetrack gaming facility manager to~~
17 ~~operate and manage sports wagering.~~

18 ~~(e) Any lottery gaming facility manager or racetrack gaming facility~~
19 ~~manager seeking to enter into a marketing agreement pursuant to this~~
20 ~~section shall submit the marketing agreement to the Kansas lottery for~~
21 ~~approval. No such marketing agreement shall become effective until it is~~
22 ~~approved by the executive director of the Kansas lottery. If the marketing~~
23 ~~agreement satisfies all requirements of the Kansas lottery act and the~~
24 ~~Kansas expanded lottery act, then it shall be approved. If the agreement is~~
25 ~~not approved, the executive director shall notify the parties to the~~
26 ~~agreement that approval has been denied and the reasons for such denial.~~

27 ~~New Sec. 5. The executive director shall adopt rules and regulations~~
28 ~~regarding the advertisement for sports wagering. Such rules and~~
29 ~~regulations shall be adopted on or before January 1, 2022, and shall~~
30 ~~include, but not be limited to:~~

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

35 ~~(b) disclosure of the identity of the sports wagering manager in all~~
36 ~~such advertisements;~~

37 ~~(c) provision of the toll-free number for information and referral~~
38 ~~services for compulsive and problem gambling; and~~

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

40 ~~New Sec. 6. A sports governing body may notify the Kansas lottery~~
41 ~~that the sports governing body desires to restrict, limit or exclude wagering~~
42 ~~on one or more sporting events overseen by such sports governing body by~~
43 ~~providing notice in such form and manner as prescribed by the executive~~

~~1 director. Upon receiving such notice, the executive director shall review
2 the request in good faith, seek input from sports wagering managers on
3 such a request and, if deemed appropriate, the commission shall adopt
4 rules and regulations to restrict sports wagering on such sporting events. If
5 the executive director denies a request submitted pursuant to this section,
6 the executive director shall notify the sports governing body of such
7 denial. Any sports governing body whose request is denied may appeal the
8 decision of the executive director in accordance with the Kansas
9 administrative procedure act. Offering or taking wagers contrary to any
10 published restrictions on a sporting event is a violation of the Kansas
11 expanded lottery act. In the event that a request submitted pursuant to this
12 section is submitted in response to an emergency situation, the executive
13 director may temporarily prohibit sports wagering on the sporting event in
14 question until there is an opportunity to review the request and adopt rules
15 and regulations in accordance with this section.~~

~~16 New Sec. 7. (a) Sports wagering managers shall use reasonable
17 methods to:~~

~~18 (1) Prohibit the manager, and any director, officer, owner and
19 employee of the manager, and any relative living in the same household as
20 such persons, from placing wagers with the manager;~~

~~21 (2) prohibit the interactive sports wagering platform, and any director,
22 officer, owner and employee of the platform, and any relative living in the
23 same household as such persons, from placing wagers with the manager;~~

~~24 (3) prohibit athletes, coaches, referees, team owners, employees of a
25 sports governing body or its member teams, and player and referee union
26 personnel from placing wagers on any sporting event overseen by such
27 sports governing body. In determining which persons are excluded from
28 placing wagers under this paragraph, sports wagering managers shall use
29 publicly available information and any list of such persons that the sports
30 governing body may provide to the Kansas lottery and the Kansas racing
31 and gaming commission;~~

~~32 (4) prohibit any person with access to nonpublic confidential
33 information held by the manager from placing wagers with the manager;~~

~~34 (5) prohibit persons from placing wagers as agents or proxies for
35 other persons;~~

~~36 (6) prohibit any person convicted of any felony or misdemeanor
37 offense involving sports wagering, including, but not limited to, the use of
38 funds derived from illegal activity to make wagers, placing wagers to
39 conceal money derived from illegal activity, the use of other individuals to
40 place wagers as part of any wagering scheme to circumvent any provision
41 of federal or state law, and the use of false identification to facilitate the
42 placement of any wager or the collection of any prize in violation of
43 federal or state law, from placing wagers; and~~

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

6 ~~(b) Sports wagering managers shall cooperate with any investigations~~
7 ~~conducted by the Kansas lottery, the Kansas racing and gaming~~
8 ~~commission, sports governing bodies or law enforcement agencies,~~
9 ~~including, but not limited to, providing or facilitating the provision of~~
10 ~~account-level betting information and audio or video files relating to~~
11 ~~persons placing wagers.~~

12 ~~(c) (1) Sports wagering managers shall immediately report to the~~
13 ~~Kansas lottery and the Kansas racing and gaming commission any~~
14 ~~information relating to:~~

15 ~~(A) Criminal or disciplinary proceedings commenced against the~~
16 ~~sports wagering manager in connection with such manager's operations in~~
17 ~~any jurisdiction in which such sports wagering manager operates;~~

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

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

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

25 ~~(E) suspicious or illegal wagering activities, including the use of:~~
26 ~~Funds derived from illegal activity; wagers to conceal or launder funds~~
27 ~~derived from illegal activity; agents to place wagers; and false~~
28 ~~identification when placing wagers.~~

29 ~~(2) Sports wagering managers shall immediately report information~~
30 ~~relating to the conduct described in subparagraphs (B) through (D) to the~~
31 ~~relevant sports governing body.~~

32 ~~(d) Information provided by a sports governing body to a sports~~
33 ~~wagering manager shall be confidential and not subject to the open records~~
34 ~~act, K.S.A. 45-215 et seq., and amendments thereto, and the sports~~
35 ~~wagering manager shall not disclose such information or any portion~~
36 ~~thereof, unless disclosure is required by this act, the Kansas racing and~~
37 ~~gaming commission, state or federal law or court order. The provisions of~~
38 ~~this subsection shall expire on July 1, 2026, unless the legislature acts to~~
39 ~~reenact such provision. The provisions of this subsection shall be reviewed~~
40 ~~by the legislature prior to July 1, 2026.~~

41 ~~(e) Sports wagering managers may use data for determining the result~~
42 ~~of tier one sports wagers from any source such manager deems~~
43 ~~appropriate. Sports wagering managers shall use only official league data~~

1 ~~for determining the result of tier two sports wagers, provided that official~~
2 ~~league data is readily available for sports wagering managers to access or~~
3 ~~purchase on commercially reasonable terms.~~

4 ~~New Sec. 8. (a) (1) Sports wagering managers shall maintain records~~
5 ~~of:~~

6 ~~(A) All wagers placed, including personally identifiable information~~
7 ~~of the person placing the wager;~~

8 ~~(B) the amount and type of wager;~~

9 ~~(C) the time the wager was placed;~~

10 ~~(D) the location of the wager, including the IP address, if applicable;~~

11 ~~(E) the outcome of the wager;~~

12 ~~(F) any records of abnormal wagering activity; and~~

13 ~~(G) video camera recordings, in the case of in-person wagers.~~

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

18 ~~(b) If a sports governing body has notified the Kansas racing and~~
19 ~~gaming commission that real-time information sharing for wagers placed~~
20 ~~on such sports governing body's sporting events is necessary and desirable,~~
21 ~~sports wagering managers shall share in real time the information required~~
22 ~~to be retained pursuant to subsection (a), except video camera recordings,~~
23 ~~with the sports governing body, or such sports governing body's designee,~~
24 ~~with respect to wagers on such sports governing body's sporting events.~~
25 ~~Any information provided pursuant to this subsection shall not contain any~~
26 ~~personally identifiable information.~~

27 ~~(c) The Kansas lottery and the Kansas racing and gaming commission~~
28 ~~shall cooperate with a sports governing body and sports wagering~~
29 ~~managers to ensure the timely, efficient and accurate sharing of~~
30 ~~information.~~

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

33 ~~New Sec. 9. The Kansas racing and gaming commission and any~~
34 ~~sports wagering manager shall only disclose personal information of~~
35 ~~individuals placing wagers to a sports governing body if such sports~~
36 ~~governing body has entered into a data-sharing agreement with the Kansas~~
37 ~~lottery. Such agreement shall specify when and to what extent the personal~~
38 ~~information of individuals placing wagers may be disclosed by the Kansas~~
39 ~~racing and gaming commission or a sports wagering manager. Any~~
40 ~~disclosure of such information shall be in accordance with any such data-~~
41 ~~sharing agreement.~~

42 ~~New Sec. 10. The state or a sports governing body shall have a cause~~
43 ~~of action against any person who knowingly engages in, facilitates or~~

~~1 conceals conduct that intends to improperly influence a betting outcome of
2 a sporting event for purposes of financial gain, in connection with betting
3 or wagering on a sporting event. The entity filing any such action may
4 seek damages or other equitable relief. The provisions of this section shall
5 not be construed as a limitation on or bar against any other claims the state
6 or a sports governing body may bring against such person, or any other
7 claim the state or a sports governing body may bring for injuries or
8 damages arising out of the operation of sports wagering.~~

~~9 New Sec. 11. Upon request by an individual, a sports wagering
10 manager shall restrict such individual from placing sports wagers with the
11 manager and shall take reasonable measures to prevent such individual
12 from placing sports wagers. The sports wagering manager shall submit the
13 restricted individual's name and pertinent information to the Kansas racing
14 and gaming commission for the sole purpose of having such information
15 disseminated to all other sports wagering managers. Any sports wagering
16 manager that receives such individual's information from the Kansas
17 racing and gaming commission shall restrict such individual from placing
18 sports wagers.~~

~~19 New Sec. 12. (a) There is hereby established in the state treasury the
20 sports wagering receipts fund. Separate accounts shall be maintained in
21 such fund for receipt of moneys from sports wagering conducted by the
22 Kansas lottery, sports wagering retailers, each lottery gaming facility
23 manager and each racetrack gaming facility manager. All expenditures
24 from the fund shall be made in accordance with appropriation acts upon
25 warrants of the director of accounts and reports issued pursuant to
26 vouchers approved by the executive director, or the executive director's
27 designee, for the purposes set forth in this act.~~

~~28 (b) All revenues from sports wagering conducted by the Kansas
29 lottery, sports wagering retailers, lottery gaming facility managers and
30 racetrack gaming facility managers shall be paid weekly and electronically
31 to the executive director, or as soon as reasonably possible based on the
32 sporting event and the wager placed, but in no event prior to the
33 completion and settling of all bets for the sporting events for which wagers
34 were placed. The executive director shall remit all moneys received
35 therefrom to the state treasurer in accordance with the provisions of K.S.A.
36 75-4215, and amendments thereto. Upon receipt of each such remittance,
37 the state treasurer shall deposit the entire amount in the state treasury and
38 credit such remittance to the respective account in the sports wagering
39 receipts fund maintained for the Kansas lottery, sports wagering retailers,
40 the lottery gaming facility manager or the racetrack gaming facility
41 manager.~~

~~42 (c) (1) The executive director shall certify monthly to the director of
43 accounts and reports the percentages or amounts to be transferred from~~

1 ~~each account maintained in the sports wagering receipts fund to the lottery~~
2 ~~operating fund in accordance with the provisions of K.S.A. 74-8711, and~~
3 ~~amendments thereto, as provided by the sports wagering retailer contract,~~
4 ~~lottery gaming facility management contract or racetrack gaming facility~~
5 ~~management contract. Upon receipt of the certification, the director of~~
6 ~~accounts and reports shall transfer amounts from each such account in~~
7 ~~accordance with the certification of the executive director.~~

8 ~~(2) Once each month, the executive director shall cause amounts from~~
9 ~~each such account to be paid to the sports wagering retailers, lottery~~
10 ~~gaming facility managers and racetrack gaming facility managers in~~
11 ~~accordance with each entity's respective contract with the Kansas lottery.~~

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

16 ~~(1) Criminal offenses involving or facilitated by:~~

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

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

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

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

23 ~~(E) any other unlawful activity involving or facilitated by the placing~~
24 ~~of wagers; or~~

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

26 ~~(2) any financial or economic crime.~~

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

31 ~~(c) The attorney general may certify to the director of accounts and~~
32 ~~reports amounts to be transferred from the white collar crime fund to any~~
33 ~~special revenue fund or funds of the Kansas bureau of investigation as~~
34 ~~deemed appropriate by the attorney general to carry out the purposes of the~~
35 ~~white collar crime fund. Upon receipt of any such certification, the director~~
36 ~~of accounts and reports shall transfer amounts from the white collar crime~~
37 ~~fund to the special revenue fund or funds of the Kansas bureau of~~
38 ~~investigation in accordance with the certification of the attorney general.~~

39 ~~New Sec. 14. (a) Notwithstanding the provisions of K.S.A. 74-8733,~~
40 ~~and amendments thereto, the attorney general may file an action in quo~~
41 ~~warranto in the supreme court within 90 days after July 1, 2021, on the~~
42 ~~question of the authority of a public official to act in accordance with the~~
43 ~~provisions of section 1 or 2, and amendments thereto. Such action may~~

1 ~~only be filed by the attorney general and shall only be filed in the supreme~~
2 ~~court.~~

3 ~~(b) No action against the state of Kansas for specific performance,~~
4 ~~anticipatory breach or breach of contract, the basis of which is that a~~
5 ~~contract between the Kansas lottery and a sports wagering retailer to offer~~
6 ~~sports wagering pursuant to section 1, and amendments thereto, violates~~
7 ~~the provisions of K.S.A. 74-8734(h)(19) or 74-8741(e)(4), and~~
8 ~~amendments thereto, or that such contract creates a material breach of a~~
9 ~~lottery gaming facility management contract, shall be deemed to have~~
10 ~~accrued until such date as the Kansas lottery enters into a contract with a~~
11 ~~sports wagering retailer to offer sports wagering, or such date a final order~~
12 ~~is issued in any action brought by the attorney general pursuant to~~
13 ~~subsection (a), whichever occurs later. Any such action shall be~~
14 ~~commenced in the district court of Shawnee county within 60 days from~~
15 ~~the date the cause of action accrued.~~

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

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

23 ~~New Sec. 15. (a) Prior to the execution of any racetrack gaming~~
24 ~~facility management contract for the management of a racetrack gaming~~
25 ~~facility, the executive director shall provide written notice to any lottery~~
26 ~~gaming facility manager managing a lottery gaming facility located in the~~
27 ~~same gaming zone as such proposed racetrack gaming facility. Such notice~~
28 ~~shall state the executive director's intent to enter into such contract and the~~
29 ~~parties to the proposed contract.~~

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

1 ~~which shall have original jurisdiction for determination of any claims~~
2 ~~made and damages related thereto.~~

3 ~~(e) (1) No claim for equitable relief, including injunctive relief, may~~
4 ~~be brought in any action filed pursuant to this section.~~

5 ~~(2) No claim may be brought in any action filed pursuant to this~~
6 ~~section except by the lottery gaming facility manager for the lottery~~
7 ~~gaming facility located in the same gaming zone as the proposed racetrack~~
8 ~~gaming facility.~~

9 ~~(3) No claim arising from the election authorized under K.S.A. 74-~~
10 ~~8743, and amendments thereto, may be brought in any action filed~~
11 ~~pursuant to this section except by the lottery gaming facility manager for~~
12 ~~the lottery gaming facility located in the south central Kansas gaming~~
13 ~~zone.~~

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

18 ~~(e) (1) If no action is filed pursuant to subsection (b), the executive~~
19 ~~director may execute the proposed racetrack gaming facility management~~
20 ~~contract.~~

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

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

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

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

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

39 ~~(c) Any federally recognized Indian tribe described in K.S.A. 74-~~
40 ~~9802(f), and amendments thereto, or any corporation, limited liability~~
41 ~~company or other business entity that is wholly owned by such federally~~
42 ~~recognized Indian tribe, shall be permitted to contract with the Kansas~~
43 ~~lottery to conduct sports wagering via an interactive sports wagering~~

1 ~~platform under the same terms and conditions as other sports wagering~~
2 ~~managers pursuant to the Kansas expanded lottery act.~~

3 ~~New Sec. 17.— (a) Misuse of nonpublic sports information is placing or~~
4 ~~causing to be placed, a bet or wager on a sports contest on the basis of~~
5 ~~material nonpublic information relating to such bet or wager.~~

6 ~~(b) Misuse of nonpublic sports information is a severity level 5,~~
7 ~~nonperson felony.~~

8 ~~(c) As used in this section:~~

9 ~~(1) "On the basis of material nonpublic information" means the~~
10 ~~person placing the bet or wager, or causing such bet or wager to be placed,~~
11 ~~was aware of the material nonpublic information relating to such bet or~~
12 ~~wager when the person placed the bet or wager, or caused such bet or~~
13 ~~wager to be placed; and~~

14 ~~(2) "sports contest" means the same as defined in K.S.A. 2020 Supp.~~
15 ~~21-6507, and amendments thereto.~~

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

18 ~~Sec. 18.— K.S.A. 2020 Supp. 21-6403 is hereby amended to read as~~
19 ~~follows: 21-6403. As used in K.S.A. 2020 Supp. 21-6403 through 21-~~
20 ~~6409, and amendments thereto:~~

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

24 ~~(1) Bona fide business transactions which are valid under the law of~~
25 ~~contracts including, but not limited to, contracts for the purchase or sale at~~
26 ~~a future date of securities or other commodities, and agreements to~~
27 ~~compensation for loss caused by the happening of the chance including,~~
28 ~~but not limited to, contracts of indemnity or guaranty and life or health and~~
29 ~~accident insurance;~~

30 ~~(2) offers of purses, prizes or premiums to the actual contestants in~~
31 ~~any bona fide contest for the determination of skill, speed, strength or~~
32 ~~endurance or to the bona fide owners of animals or vehicles entered in~~
33 ~~such a contest;~~

34 ~~(3) a lottery as defined in this section;~~

35 ~~(4) any bingo game by or for participants managed, operated or~~
36 ~~conducted in accordance with the laws of the state of Kansas by an~~
37 ~~organization licensed by the state of Kansas to manage, operate or conduct~~
38 ~~games of bingo;~~

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

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

42 ~~(7) tribal gaming;~~

43 ~~(8) charitable raffles as defined by K.S.A. 75-5173, and amendments~~

1 ~~thereto; or~~

2 ~~(9) a fantasy sports league as defined in this section; or~~

3 ~~(10) sports wagering, as defined in K.S.A. 74-8702, and amendments~~

4 ~~thereto;~~

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

8 ~~(1) A lottery operated by the state pursuant to the Kansas lottery act;~~

9 ~~or~~

10 ~~(2) tribal gaming;~~

11 ~~(c) "consideration" means anything which is a commercial or~~
12 ~~financial advantage to the promoter or a disadvantage to any participant.~~
13 ~~Mere registration without purchase of goods or services; personal~~
14 ~~attendance at places or events, without payment of an admission price or~~
15 ~~fee; listening to or watching radio and television programs; answering the~~
16 ~~telephone or making a telephone call and acts of like nature are not~~
17 ~~consideration. "Consideration" shall not include sums of money paid by or~~
18 ~~for;~~

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

30 ~~(2) participants in any lottery operated by the state pursuant to the~~
31 ~~Kansas lottery act;~~

32 ~~(3) participants in any system of parimutuel wagering managed,~~
33 ~~operated and conducted in accordance with the Kansas parimutuel racing~~
34 ~~act; or~~

35 ~~(4) a person to participate in tribal gaming;~~

36 ~~(d) "fantasy sports league" means any fantasy or simulation sports~~
37 ~~game or contest in which no fantasy or simulation sports team is based on~~
38 ~~the current membership of an actual team that is a member of an amateur~~
39 ~~or professional sports organization and that meets the following~~
40 ~~conditions:~~

41 ~~(1) All prizes and awards offered to winning participants are~~
42 ~~established and made known to the participants in advance of the game or~~
43 ~~contest and their value is not determined by the number of participants or~~

1 ~~the amount of any fees paid by those participants;~~

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

6 ~~(3) no winning outcome is based:~~

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

9 ~~(B) solely on any single performance of an individual athlete in any~~
10 ~~single real-world sporting event.~~

11 ~~(c) (1) "gambling device" means any:~~

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

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

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

19 ~~(B) other machine, mechanical device, electronic device or other~~
20 ~~contrivance including, but not limited to, roulette wheels and similar~~
21 ~~devices, which *that* are equipped with or designed to accommodate the~~
22 ~~addition of a mechanism that enables accumulated credits to be removed,~~
23 ~~is equipped with or designed to accommodate a mechanism to record the~~
24 ~~number of credits removed or is otherwise designed, manufactured or~~
25 ~~altered primarily for use in connection with gambling, and:~~

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

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

30 ~~(C) subassembly or essential part intended to be used in connection~~
31 ~~with any such machine, mechanical device, electronic device or other~~
32 ~~contrivance, but which *that* is not attached to any such machine,~~
33 ~~mechanical device, electronic device or other contrivance as a constituent~~
34 ~~part; or~~

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

38 ~~The fact that the prize is not automatically paid by the device does not~~
39 ~~affect its character as a gambling device.~~

40 ~~(2) "Gambling device" shall not include:~~

41 ~~(A) Any machine, mechanical device, electronic device or other~~
42 ~~contrivance used or for use by a licensee of the Kansas racing *and gaming*~~
43 ~~commission as authorized by law and rules and regulations adopted by the~~

1 ~~commission or by the Kansas lottery or Kansas lottery retailers as~~
2 ~~authorized by law and rules and regulations adopted by the Kansas lottery~~
3 ~~commission;~~

4 ~~(B) any machine, mechanical device, electronic device or other~~
5 ~~contrivance, such as a coin-operated bowling alley, shuffleboard, marble~~
6 ~~machine, a so-called pinball machine, or mechanical gun, which *that* is not~~
7 ~~designed and manufactured primarily for use in connection with gambling,~~
8 ~~and;~~

9 ~~(i) Which *That* when operated does not deliver, as a result of chance,~~
10 ~~any money; or~~

11 ~~(ii) by the operation of which a person may not become entitled to~~
12 ~~receive, as the result of the application of an element of chance, any~~
13 ~~money;~~

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

17 ~~(D) any machine, mechanical device, electronic device or other~~
18 ~~contrivance used in tribal gaming;~~

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

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

29 ~~(h) "tribal gaming commission" means the same as in K.S.A. 74-~~
30 ~~9802, and amendments thereto.~~

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

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

36 ~~(2) conferring or offering or agreeing to confer, any benefit upon a~~
37 ~~sports official with intent to influence such official to perform such~~
38 ~~official's duties improperly;~~

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

43 ~~(4) accepting, agreeing to accept or soliciting by a sports official any~~

1 ~~benefit from another person upon an understanding that such official will~~
2 ~~perform such official's duties improperly.~~

3 ~~(b) Sports bribery as defined in:~~

4 ~~(1) Subsection (a)(1) or (a)(2) is a severity level 9, nonperson felony;~~
5 ~~and~~

6 ~~(2) subsection (a)(3) or (a)(4) is a class A nonperson misdemeanor;~~
7 ~~and~~

8 ~~(3) subsection (a)(1) through (a)(4), if committed with the intent to~~
9 ~~influence a betting outcome of a sports contest in order to obtain financial~~
10 ~~gain, in connection with betting or wagering on a sports contest, is a~~
11 ~~severity level 5, nonperson felony.~~

12 ~~(e) As used in this section and K.S.A. 2020 Supp. 21-6508, and~~
13 ~~amendments thereto:~~

14 ~~(1) "Sports contest" means any professional or amateur sports or~~
15 ~~athletic game or contest viewed by the public;~~

16 ~~(2) "sports participant" means any person who participates or expects~~
17 ~~to participate in a sports contest as a player, contestant or member of a~~
18 ~~team, or as a coach, manager, trainer or other person directly associated~~
19 ~~with a player, contestant or team; and~~

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

23 ~~Sec. 20. K.S.A. 46-2301 is hereby amended to read as follows: 46-~~
24 ~~2301. As used in this act K.S.A. 46-2301 through 46-2304, and~~
25 ~~amendments thereto, and section 16, and amendments thereto:~~

26 ~~(a) "Class III gaming" has the meaning provided by the Indian~~
27 ~~gaming regulatory act (25 U.S.C. 2701 et seq.);~~

28 ~~(b) "Gaming compact" means a tribal-state compact regarding class~~
29 ~~III gaming as provided by section 11 of the Indian gaming regulatory act~~
30 ~~(25 U.S.C. 2710);~~

31 ~~(c) "Committee" or "joint committee" means the joint committee on~~
32 ~~state-tribal relations;~~

33 ~~Sec. 21. K.S.A. 74-8702 is hereby amended to read as follows: 74-~~
34 ~~8702. As used in the Kansas lottery act, unless the context otherwise~~
35 ~~requires:~~

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

41 ~~(b) "Commission" means the Kansas lottery commission.~~

42 ~~(c) "Electronic gaming machine" means any electronic,~~
43 ~~electromechanical, video or computerized device, contrivance or machine~~

1 ~~authorized by the Kansas lottery which *that*, upon insertion of cash,~~
2 ~~tokens, electronic cards or any consideration, is available to play, operate~~
3 ~~or simulate the play of a game authorized by the Kansas lottery pursuant to~~
4 ~~the Kansas expanded lottery act, including, but not limited to, bingo,~~
5 ~~poker, blackjack, keno and slot machines, and which *that* may deliver or~~
6 ~~entitle the player operating the machine to receive cash, tokens,~~
7 ~~merchandise or credits that may be redeemed for cash. Electronic gaming~~
8 ~~machines may use bill validators and may be single-position reel-type,~~
9 ~~single or multi-game video and single-position multi-game video~~
10 ~~electronic game, including, but not limited to, poker, blackjack and slot~~
11 ~~machines. Electronic gaming machines shall be directly linked to a central~~
12 ~~computer at a location determined by the executive director for purposes~~
13 ~~of security, monitoring and auditing.~~

14 ~~(d) "Executive director" means the executive director of the Kansas~~
15 ~~lottery.~~

16 ~~(e) "Gaming equipment" means any electric, electronic, computerized~~
17 ~~or electromechanical machine, mechanism, supply or device or any other~~
18 ~~equipment, which *that* is: (1) Unique to the Kansas lottery and used~~
19 ~~pursuant to the Kansas lottery act; and (2) integral to the operation of an~~
20 ~~electronic gaming machine or lottery facility game; and (3) affects the~~
21 ~~results of an electronic gaming machine or lottery facility game by~~
22 ~~determining win or loss.~~

23 ~~(f) "Gaming zone" means: (1) The northeast Kansas gaming zone,~~
24 ~~which consists of Wyandotte county; (2) the southeast Kansas gaming~~
25 ~~zone, which consists of Crawford and Cherokee counties; (3) the south-~~
26 ~~central Kansas gaming zone, which consists of Sedgwick and Sumner~~
27 ~~counties; and (4) the southwest Kansas gaming zone, which consists of~~
28 ~~Ford county.~~

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

35 ~~(h) "*Interactive sports wagering platform*" means sports wagering~~
36 ~~made available over the internet, including through websites and mobile~~
37 ~~device applications, that accepts wagers or bets and pays prizes to~~
38 ~~persons physically located within the geographical boundaries of the state~~
39 ~~of Kansas by and through the Kansas lottery, a lottery gaming facility~~
40 ~~manager or a racetrack gaming facility manager.~~

41 ~~(h)(i) (1) "Instant bingo vending machine" means a machine or~~
42 ~~electronic device that is purchased or leased by a licensee, as defined by~~
43 ~~K.S.A. 75-5173, and amendments thereto, from a distributor who has been~~

1 ~~issued a distributor registration certificate pursuant to K.S.A. 75-5184, and~~
2 ~~amendments thereto, or leased from the Kansas lottery in fulfillment of the~~
3 ~~Kansas lottery's obligations under an agreement between the Kansas~~
4 ~~lottery and a licensee entered into pursuant to K.S.A. 75-5189, and~~
5 ~~amendments thereto, and the sole purpose of which is to:~~

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

8 ~~(B) allow purchasers to manually check the winning status of the~~
9 ~~instant bingo ticket.~~

10 ~~(2) "Instant bingo vending machine" shall not:~~

11 ~~(A) Provide a visual or audio representation of a bingo card or an~~
12 ~~electronic gaming machine;~~

13 ~~(B) visually or functionally have the same characteristics of an~~
14 ~~electronic instant bingo game or an electronic gaming machine;~~

15 ~~(C) automatically determine or display the winning status of any~~
16 ~~dispensed instant bingo ticket;~~

17 ~~(D) extend or arrange credit for the purchase of an instant bingo~~
18 ~~ticket;~~

19 ~~(E) dispense any winnings;~~

20 ~~(F) dispense any prize;~~

21 ~~(G) dispense any evidence of a prize other than an instant bingo~~
22 ~~ticket;~~

23 ~~(H) provide free instant bingo tickets or any other item that can be~~
24 ~~redeemed for cash; or~~

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

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

29 ~~No~~~~Not~~ ~~more than two instant bingo vending machines may be located~~
30 ~~on the premises of each licensee location.~~

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

33 ~~(j)(k) "Lottery" or "state lottery" means the lottery or lotteries~~
34 ~~operated pursuant to this act.~~

35 ~~(k)(l) "Lottery facility games" means any electronic gaming machines~~
36 ~~and any other games which *that*, as of January 1, 2007, are authorized to~~
37 ~~be conducted or operated at a tribal gaming facility, as defined in K.S.A.~~
38 ~~74-9802, and amendments thereto, located within the boundaries of this~~
39 ~~state. *The term "lottery facility games" does not include sports wagering.*~~

40 ~~(l)(m) "Lottery gaming enterprise" means an entertainment enterprise~~
41 ~~which *that* includes a lottery gaming facility authorized pursuant to the~~
42 ~~Kansas expanded lottery act and ancillary lottery gaming facility~~
43 ~~operations that have a coordinated business or marketing strategy. A lottery~~

1 ~~gaming enterprise shall be designed to attract to its lottery gaming facility~~
2 ~~consumers who reside outside the immediate area of such enterprise.~~

3 ~~(m)(n) "Lottery gaming facility" means that portion of a building~~
4 ~~used for the purposes of operating, managing and maintaining lottery~~
5 ~~facility games.~~

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

9 ~~(o)(p) "Lottery gaming facility management contract" means a~~
10 ~~contract, subcontract or collateral agreement between the state and a~~
11 ~~lottery gaming facility manager for the management of a lottery gaming~~
12 ~~facility, the business of which is owned and operated by the Kansas lottery,~~
13 ~~negotiated and signed by the executive director on behalf of the state.~~

14 ~~(p)(q) "Lottery gaming facility manager" means a corporation,~~
15 ~~limited liability company, resident Kansas American Indian tribe or other~~
16 ~~business entity authorized to construct and manage, or manage alone,~~
17 ~~pursuant to a lottery gaming facility management contract with the Kansas~~
18 ~~lottery, and on behalf of the state, a lottery gaming enterprise and lottery~~
19 ~~gaming facility.~~

20 ~~(q)(r) "Lottery gaming facility revenues" means the total revenues~~
21 ~~from lottery facility games at a lottery gaming facility after all related~~
22 ~~prizes are paid. The term "lottery gaming facility revenues" does not~~
23 ~~include sports wagering revenues.~~

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

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

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

35 ~~(2) "Lottery machine" shall not mean:~~

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

38 ~~(B) any nonprescription drug machine authorized under K.S.A. 65-~~
39 ~~650, and amendments thereto;~~

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

42 ~~(D) any machine excluded from the definition of gambling devices~~
43 ~~under K.S.A. 21-4302(d), prior to its repeal, or K.S.A. 2020 Supp. 21-~~

1 ~~6403, and amendments thereto;~~

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

4 ~~(F) any lottery ticket vending machine; or~~

5 ~~(G) any instant bingo vending machine;~~

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

8 ~~(t)(tu) (1) "Lottery ticket vending machine" means a machine or~~
9 ~~similar electronic device owned or leased by the Kansas lottery, the sole~~
10 ~~purposes of which are to:~~

11 ~~(A) Dispense a printed physical ticket, such as a lottery ticket, a~~
12 ~~sports wagering ticket, a keno ticket, a pull tab ticket or a coupon, the~~
13 ~~coupon of which must be redeemed through something other than a lottery~~
14 ~~ticket vending machine, after a purchaser inserts cash or other form of~~
15 ~~consideration into the machine;~~

16 ~~(B) allow purchasers to manually check the winning status of a~~
17 ~~Kansas lottery ticket; and~~

18 ~~(C) display advertising, promotions and other information pertaining~~
19 ~~to the Kansas lottery;~~

20 ~~(2) "Lottery ticket vending machine" shall not:~~

21 ~~(A) Provide a visual or audio representation of an electronic gaming~~
22 ~~machine;~~

23 ~~(B) visually or functionally have the same characteristics of an~~
24 ~~electronic gaming machine;~~

25 ~~(C) automatically determine or display the winning status of any~~
26 ~~dispensed ticket;~~

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

28 ~~(E) dispense any winnings;~~

29 ~~(F) dispense any prize;~~

30 ~~(G) dispense any evidence of a prize other than the lottery ticket,~~
31 ~~sports wagering ticket, keno ticket, pull tab ticket or any free Kansas~~
32 ~~lottery ticket received as a result of the purchase of another Kansas lottery~~
33 ~~ticket;~~

34 ~~(H) provide free games or any other item that can be redeemed for~~
35 ~~cash; or~~

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

37 ~~No~~~~Not~~ more than two lottery ticket vending machines may be located
38 ~~at each Kansas lottery retailer selling location;~~

39 ~~Lottery ticket vending machines may only dispense the printed physical~~
40 ~~lottery ticket, sports wagering ticket, keno ticket or pull tab ticket,~~
41 ~~including any free Kansas lottery ticket received as a result of the purchase~~
42 ~~of another Kansas lottery ticket, and change from a purchase to the~~
43 ~~purchaser. Any winnings from a lottery ticket vending machine shall be~~

1 ~~redeemed only for cash or check by a lottery retailer or sports wagering~~
2 ~~retailer or by cash, check or other prize from the office of the Kansas~~
3 ~~lottery.~~

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

10 ~~(2) "Major procurement" shall not mean any product, service or other~~
11 ~~matter covered by or addressed in the Kansas expanded lottery act or a~~
12 ~~lottery gaming facility management contract or racetrack gaming facility~~
13 ~~management contract executed pursuant to the Kansas expanded lottery~~
14 ~~act.~~

15 ~~(w) "Marketing agreement" means an agreement entered into~~
16 ~~between a professional sports team and the Kansas lottery, a lottery~~
17 ~~gaming facility manager or a racetrack gaming facility manager for the~~
18 ~~purposes described in section 4, and amendments thereto.~~

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

22 ~~(v)(y) "Net electronic gaming machine income" means all cash or~~
23 ~~other consideration utilized to play an electronic gaming machine operated~~
24 ~~at a racetrack gaming facility, less all cash or other consideration paid out~~
25 ~~to winning players as prizes.~~

26 ~~(z) "Official league data" means statistics, results, outcomes and~~
27 ~~other data relating to a sporting event that have been obtained from the~~
28 ~~relevant sports governing body, or an entity expressly authorized by the~~
29 ~~sports governing body to provide such information to sports wagering~~
30 ~~managers.~~

31 ~~(w)(aa) "Organization licensee" has the meaning provided by K.S.A.~~
32 ~~74-8802, and amendments thereto.~~

33 ~~(x)(bb) "Parimutuel licensee" means a facility owner licensee or~~
34 ~~facility manager licensee under the Kansas parimutuel racing act.~~

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

40 ~~(z)(dd) "Person" means any natural person, association, limited~~
41 ~~liability company, corporation or partnership.~~

42 ~~(ee) "Primary facility" means the stadium or arena where a~~
43 ~~professional sports team hosts competitive games in accordance with such~~

1 ~~team's league rules.~~

2 ~~(aa)(ff) "Prize" means any prize paid directly by the Kansas lottery~~
3 ~~pursuant to the Kansas lottery act or the Kansas expanded lottery act or~~
4 ~~any rules and regulations adopted pursuant to either act.~~

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

8 ~~(bb)(hh) "Progressive electronic game" means a game played on an~~
9 ~~electronic gaming machine for which the payoff increases uniformly as the~~
10 ~~game is played and for which the jackpot, determined by application of a~~
11 ~~formula to the income of independent, local or interlinked electronic~~
12 ~~gaming machines, may be won.~~

13 ~~(cc)(ii) "Racetrack gaming facility" means that portion of a~~
14 ~~parimutuel licensee location where electronic gaming machines are~~
15 ~~operated, managed and maintained.~~

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

21 ~~(ee)(kk) "Racetrack gaming facility manager" means a parimutuel~~
22 ~~licensee specifically certified by the Kansas lottery to become a certified~~
23 ~~racetrack gaming facility manager and offer electronic gaming machines~~
24 ~~for play at the racetrack gaming facility.~~

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

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

32 ~~(nn) "Sports governing body" means the organization that prescribes~~
33 ~~the final rules and enforces codes of conduct with respect to a sporting~~
34 ~~event and the participants in such event.~~

35 ~~(oo) (1) "Sporting event" means any professional or collegiate sport~~
36 ~~or athletic event, motor race event or any other special event authorized~~
37 ~~by the commission that has not occurred at the time wagers are placed on~~
38 ~~such event.~~

39 ~~(2) The term "sporting event" does not include:~~

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

43 ~~(B) {any greyhound race; or~~

1 ~~(C) }any sporting or athletic event where a majority of the~~
2 ~~participants are less than 18 years of age.~~

3 ~~(pp) (1) "Sports wagering" means placing a wager or bet on one or~~
4 ~~more sporting events, or any portion thereof, or on the individual~~
5 ~~performance statistics of athletes participating in a sporting event, or~~
6 ~~combination of sporting events, by any system or method of wagering at or~~
7 ~~through the Kansas lottery, a sports wagering retailer, a lottery gaming~~
8 ~~facility or a racetrack gaming facility.~~

9 ~~(2) The term "sports wagering" shall not include:~~

10 ~~(A) Parimutuel wagering, as defined in K.S.A. 74-8802, and~~
11 ~~amendments thereto; or~~

12 ~~(B) fantasy sports leagues, as defined in K.S.A. 2020 Supp. 21-6403;~~
13 ~~and amendments thereto.~~

14 ~~(qq) "Sports wagering manager" means the Kansas lottery, any~~
15 ~~sports wagering retailer that has entered into a sports wagering retailer~~
16 ~~contract or any lottery gaming facility manager or racetrack gaming~~
17 ~~facility manager that has entered into an approved management contract~~
18 ~~that provides for operating and managing sports wagering.~~

19 ~~(rr) "Sports wagering retailer" means any person with whom the~~
20 ~~Kansas lottery has contracted to conduct sports wagering on behalf of the~~
21 ~~Kansas lottery pursuant to section 2, and amendments thereto.~~

22 ~~(ss) "Sports wagering revenues" means wagering revenue generated~~
23 ~~from sports wagering that is an amount equal to the total wagers less any~~
24 ~~voided wagers and any amounts paid as prizes.~~

25 ~~(hh)(tt) "Ticket" means any tangible evidence issued by the Kansas~~
26 ~~lottery to prove participation in a lottery game, including a sports wager,~~
27 ~~other than a lottery facility game.~~

28 ~~(uu) "Tier one sports wager" means a sports wager that is~~
29 ~~determined solely by the final score or final outcome of the sporting event~~
30 ~~and is placed before the sporting event has begun.~~

31 ~~(vv) "Tier two sports wager" means a sports wager that is not a tier~~
32 ~~one sports wager.~~

33 ~~(ii)(ww) "Token" means a representative of value, of metal or other~~
34 ~~material, which that is not legal tender, redeemable for cash only by the~~
35 ~~issuing lottery gaming facility manager or racetrack gaming facility~~
36 ~~manager and which that is issued and sold by a lottery gaming facility~~
37 ~~manager or racetrack gaming facility manager for the sole purpose of~~
38 ~~playing an electronic gaming machine or lottery facility game.~~

39 ~~(jj)(xx) "Vendor" means any person who has entered into a major~~
40 ~~procurement contract with the Kansas lottery.~~

41 ~~(kk)(yy) "Video lottery machine" means any electronic video game~~
42 ~~machine that, upon insertion of cash, is available to play or simulate the~~
43 ~~play of a video game authorized by the commission, including, but not~~

1 ~~limited to, bingo, poker, black jack and keno, and which uses a video~~
2 ~~display and microprocessors and in which, by chance, the player may~~
3 ~~receive free games or credits that can be redeemed for cash.~~

4 ~~(zz) "Wager" or "bet" means a bargain in which the parties agree~~
5 ~~that, dependent upon chance, one stands to win or lose something of value~~
6 ~~specified in the agreement.~~

7 ~~Sec. 22. K.S.A. 74-8710 is hereby amended to read as follows: 74-~~
8 ~~8710. (a) The commission, upon the recommendation of the executive~~
9 ~~director, shall adopt rules and regulations governing the establishment and~~
10 ~~operation of a state lottery, sales of lottery tickets and, the operation of~~
11 ~~lottery gaming facilities and racetrack gaming facilities and the operation~~
12 ~~of sports wagering as necessary to carry out the purposes of the Kansas~~
13 ~~lottery act and the Kansas expanded lottery act. Temporary rules and~~
14 ~~regulations may be adopted by the commission without being subject to~~
15 ~~the provisions and requirements of K.S.A. 77-415 through 77-438, and~~
16 ~~amendments thereto, but shall be subject to approval by the attorney~~
17 ~~general as to legality and shall be filed with the secretary of state and~~
18 ~~published in the Kansas register. Temporary and permanent rules and~~
19 ~~regulations may include, but shall not be limited to:~~

20 ~~(1) Subject to the provisions of subsection (c), the types of lottery~~
21 ~~games to be conducted, including, but not limited to, instant lottery, on-~~
22 ~~line online, traditional games, lottery facility games and electronic gaming~~
23 ~~machine games but not including games on video lottery machines or~~
24 ~~lottery machines. The lottery may sell traditional lottery tickets and~~
25 ~~conduct 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 ~~(A) Allow a player to choose the denomination of a ticket during~~
30 ~~game play;~~

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

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

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

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

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

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

42 ~~(2) The manner of selecting the winning tickets or shares, except that,~~
43 ~~if a lottery game utilizes a drawing of winning numbers, a drawing among~~

1 ~~entries or a drawing among finalists, such drawings shall always be open~~
2 ~~to the public and shall be recorded on both video and audio tape.~~

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

5 ~~(4) The frequency of the drawings or selections of winning tickets or~~
6 ~~shares.~~

7 ~~(5) The type or types of locations at which tickets or shares may be~~
8 ~~sold.~~

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

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

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

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

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

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

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

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

34 ~~(14) The types of electronic gaming machines, lottery facility games~~
35 ~~and electronic gaming machine games to be operated pursuant to the~~
36 ~~Kansas expanded lottery act.~~

37 ~~(15) Rules and regulations to implement, administer and enforce the~~
38 ~~provisions of sections 1 through 12, and amendments thereto. Such rules;~~
39 ~~and regulations shall include, but not be limited to: (A) Sports wagering;~~
40 ~~conducted by the Kansas lottery, including contracts for sports wagering;~~
41 ~~conducted by sports wagering retailers; (B) management contracts for~~
42 ~~sports wagering conducted by lottery gaming facility managers and~~
43 ~~racetrack gaming facility managers; (C) provisions for the confidentiality;~~

1 ~~of information submitted by an interactive sports wagering platform and~~
2 ~~sports wagering managers; and (D) provisions ensuring the integrity of~~
3 ~~sports wagering conducted in this state.~~

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

9 ~~(c) The lottery shall adopt rules and regulations concerning the game~~
10 ~~of keno. Such rules and regulations shall require that the amount of time~~
11 ~~which elapses between the start of games shall not be less than four~~
12 ~~minutes.~~

13 ~~Sec. 23. K.S.A. 74-8711 is hereby amended to read as follows: 74-~~
14 ~~8711. (a) There is hereby established in the state treasury the lottery~~
15 ~~operating fund.~~

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

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

29 ~~(1) The payment of expenses of the lottery, which shall include all~~
30 ~~costs incurred in the operation and administration of the Kansas lottery; all~~
31 ~~costs resulting from contracts entered into for the purchase or lease of~~
32 ~~goods and services needed for operation of the lottery, including but not~~
33 ~~limited to supplies, materials, tickets, independent studies and surveys,~~
34 ~~data transmission, advertising, printing, promotion, incentives, public~~
35 ~~relations, communications and distribution of tickets and shares; and~~
36 ~~reimbursement of costs of facilities and services provided by other state~~
37 ~~agencies;~~

38 ~~(2) the payment of compensation to lottery retailers;~~

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

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

43 ~~(5) transfers to the community crisis stabilization centers fund and~~

1 ~~clubhouse model program fund of the Kansas department for aging and~~
2 ~~disability services pursuant to subsection (c);~~

3 ~~(6) transfers to the white collar crime fund of the attorney general;~~
4 ~~pursuant to subsection (f);~~

5 ~~(6)(7) transfers to the state gaming revenues fund pursuant to~~
6 ~~subsection (d) and as otherwise provided by law; and~~

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

8 ~~(d) The director of accounts and reports shall transfer moneys in the~~
9 ~~lottery operating fund to the state gaming revenues fund created by K.S.A.~~
10 ~~79-4801, and amendments thereto, on or before the 15th day of each month~~
11 ~~in an amount certified monthly by the executive director and determined as~~
12 ~~follows, whichever is greater:~~

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

16 ~~(2) except for pull-tab lottery tickets and shares, an amount equal to~~
17 ~~not less than 30% of total monthly revenues from the sales of lottery~~
18 ~~tickets and shares less estimated returned tickets. In the case of pull-tab~~
19 ~~lottery tickets and shares, an amount equal to not less than 20% of the total~~
20 ~~monthly revenues from the sales of pull-tab lottery tickets and shares less~~
21 ~~estimated returned tickets.~~

22 ~~(e) (1) Subject to the limitations set forth in paragraph (2),~~
23 ~~commencing in fiscal year 2020, on or before the 10th day of each month,~~
24 ~~the director of the lottery shall certify to the director of accounts and~~
25 ~~reports all net profits from the sale of lottery tickets and shares via lottery~~
26 ~~ticket vending machines. Of such certified amount, the director of~~
27 ~~accounts and reports shall transfer 75% from the lottery operating fund to~~
28 ~~the community crisis stabilization centers fund of the Kansas department~~
29 ~~for aging and disability services and 25% from the lottery operating fund~~
30 ~~to the clubhouse model program fund of the Kansas department for aging~~
31 ~~and disability services.~~

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

35 ~~(f) On July 1, 2022, and each July 1 thereafter, or as soon thereafter,~~
36 ~~as moneys are available, the first \$750,000 credited to the lottery-~~
37 ~~operating fund from sports wagering revenues deposited in the lottery-~~
38 ~~operating fund shall be transferred by the director of accounts and reports~~
39 ~~from the lottery operating fund to the white collar crime fund of the~~
40 ~~attorney general established in section 13, and amendments thereto.~~

41 ~~Sec. 24. K.S.A. 74-8716 is hereby amended to read as follows: 74-~~
42 ~~8716. (a) It is unlawful for the executive director, a member of the~~
43 ~~commission or any employee of the Kansas lottery, or any person residing~~

1 in the household thereof to:

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

6 ~~(2) accept or agree to accept any economic opportunity, gift, loan,~~
7 ~~gratuity, special discount, favor or service, or hospitality other than food~~
8 ~~and beverages, having an aggregate value of \$20 or more in any calendar~~
9 ~~year from a person knowing that such person: (A) Contracts or seeks to~~
10 ~~contract with the state to supply gaming equipment, materials, tickets or~~
11 ~~consulting services for use in the lottery; or (B) is a lottery retailer or an~~
12 ~~applicant for lottery retailer.~~

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

22 ~~(e) It shall be unlawful for any person to serve as executive director, a~~
23 ~~member of the commission or an employee of the Kansas lottery while or~~
24 ~~within five years after holding, either directly or indirectly, a financial~~
25 ~~interest or being employed by or a consultant to any of the following:~~

26 ~~(1) Any lottery gaming facility manager, subcontractor or agent of a~~
27 ~~lottery gaming facility manager, manufacturer or vendor of electronic~~
28 ~~gaming machines, an interactive sports wagering platform or central~~
29 ~~computer system provider, or any business which that sells goods or~~
30 ~~services to a lottery gaming facility manager; or~~

31 ~~(2) any licensee pursuant to the Kansas parimutuel racing act, other~~
32 ~~than the Kansas lottery or a person holding a license on behalf of the~~
33 ~~Kansas lottery, or any business which that sells goods or services to a~~
34 ~~parimutuel licensee.~~

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

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

43 ~~(f) It shall be unlawful for the executive director, a member of the~~

~~1 commission or an employee of the Kansas lottery to accept any
2 compensation, gift, loan, entertainment, favor or service from any lottery
3 gaming facility manager, subcontractor or agent of a lottery gaming
4 facility manager, manufacturer or vendor of electronic gaming machines;
5 an interactive sports wagering platform or central computer system
6 provider.~~

~~7 (g) It shall be unlawful for the executive director, a member of the
8 commission or an employee of the Kansas lottery to accept any
9 compensation, gift, loan, entertainment, favor or service from any licensee
10 pursuant to the Kansas parimutuel racing act, except such suitable facilities
11 and services within a racetrack facility operated by an organization
12 licensee as may be required to facilitate the performance of the executive
13 director's, member's or employee's official duties.~~

~~14 (h) Violation of this section is a class A misdemeanor.~~

~~15 (i) If the executive director, a member of the commission or an
16 employee of the Kansas lottery, or any person residing in the household
17 thereof, is convicted of an act described by this section, such executive
18 director, member or employee shall be removed from office or
19 employment with the Kansas lottery.~~

~~20 (j) In addition to the provisions of this section, all other provisions of
21 law relating to conflicts of interest of state employees shall apply to the
22 members of the commission and employees of the Kansas lottery.~~

~~23 Sec. 25. K.S.A. 74-8718 is hereby amended to read as follows: 74-
24 8718. (a) It is unlawful:~~

~~25 (1) To sell a lottery ticket or share at a price other than that fixed by
26 rules and regulations adopted pursuant to this act;~~

~~27 (2) for any person other than the Kansas lottery or a lottery retailer
28 authorized by the Kansas lottery to sell or resell any lottery ticket or share;~~

~~29 (3) to sell a lottery ticket or share to any person, knowing such person
30 to be under 18 years of age; or~~

~~31 (4) to sell a lottery ticket at retail by electronic mail, the internet or
32 telephone.~~

~~33 (b) The lottery may sell traditional lottery tickets and conduct
34 traditional lottery ticket games over the internet or digital cellular
35 network, including through a lottery website and mobile device
36 application. No traditional lottery ticket or traditional lottery ticket game
37 sold or conducted under this section shall:~~

~~38 (1) Allow a player to choose the denomination of a ticket during
39 game play;~~

~~40 (2) offer a ticket or game at a price less than any traditional lottery
41 ticket offered at retail;~~

~~42 (3) operate or appear to operate with the dress, theme or
43 mechanisms of an electronic gaming machine;~~

1 ~~(4) extend or arrange credit for the purchase of a ticket;~~

2 ~~(5) allow for the redemption for payment of a lottery ticket other than~~
3 ~~at a lottery retail location or with the Kansas lottery;~~

4 ~~(6) allow a player to use an automatic play feature for consecutive~~
5 ~~instant games; or~~

6 ~~(7) allow a player to use a reveal all feature that functions over a~~
7 ~~period of less than three seconds;~~

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

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

12 ~~Sec. 26. K.S.A. 74-8733 is hereby amended to read as follows: 74-~~
13 ~~8733. (a) K.S.A. 74-8733 through 74-8773, and amendments thereto, and~~
14 ~~sections 1 through 15, and amendments thereto, shall be known and may~~
15 ~~be cited as the Kansas expanded lottery act. The Kansas expanded lottery~~
16 ~~act shall be a part of and supplemental to the Kansas lottery act.~~

17 ~~(b) If any provision of this act or the application thereof to any person~~
18 ~~or circumstance is held invalid, the invalidity shall not affect any other~~
19 ~~provision or application of the act which can be given effect without the~~
20 ~~invalid provision or application.~~

21 ~~(c) Any action challenging the constitutionality of or arising out of~~
22 ~~any provision of this act, any lottery gaming facility management contract~~
23 ~~or any racetrack gaming facility management contract entered into~~
24 ~~pursuant to this act shall be brought in the district court of Shawnee~~
25 ~~county.~~

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

29 ~~(b) Not more than 30 days after the effective date of this act the~~
30 ~~lottery commission shall adopt and publish in the Kansas register the~~
31 ~~procedure for receiving, considering and approving, proposed lottery~~
32 ~~gaming facility management contracts. Such procedure shall include~~
33 ~~provisions for review of competitive proposals within a gaming zone and~~
34 ~~the date by which proposed lottery gaming facility management contracts~~
35 ~~must be received by the lottery commission if they are to receive~~
36 ~~consideration.~~

37 ~~(c) The lottery commission shall adopt standards to promote the~~
38 ~~integrity of the gaming and finances of lottery gaming facilities, which~~
39 ~~shall apply to all management contracts, shall meet or exceed industry~~
40 ~~standards for monitoring and controlling the gaming and finances of~~
41 ~~gaming facilities and shall give the executive director sufficient authority~~
42 ~~to monitor and control the gaming operation and to ensure its integrity and~~
43 ~~security.~~

1 ~~(d) The Kansas lottery commission may approve management~~
2 ~~contracts with one or more prospective lottery gaming facility managers to~~
3 ~~manage, or construct and manage, on behalf of the state of Kansas and~~
4 ~~subject to the operational control of the Kansas lottery, a lottery gaming~~
5 ~~facility or lottery gaming enterprise at specified destination locations~~
6 ~~within the northeast, south central, southwest and southeast Kansas~~
7 ~~gaming zones where the commission determines the operation of such~~
8 ~~facility would promote tourism and economic development. The~~
9 ~~commission shall approve or disapprove a proposed management contract~~
10 ~~within 90 days after the deadline for receipt of proposals established~~
11 ~~pursuant to subsection (b).~~

12 ~~(e) In determining whether to approve a management contract with a~~
13 ~~prospective lottery gaming facility manager to manage a lottery gaming~~
14 ~~facility or lottery gaming enterprise pursuant to this section, the~~
15 ~~commission shall take into consideration the following factors: The size of~~
16 ~~the proposed facility; the geographic area in which such facility is to be~~
17 ~~located; the proposed facility's location as a tourist and entertainment~~
18 ~~destination; the estimated number of tourists that would be attracted by the~~
19 ~~proposed facility; the number and type of lottery facility games to be~~
20 ~~operated at the proposed facility; and agreements related to ancillary~~
21 ~~lottery gaming facility operations.~~

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

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

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

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

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

9 ~~(h) Any management contract approved by the commission under this~~
10 ~~section shall:~~

11 ~~(1) Have a maximum initial term of 15 years from the date of opening~~
12 ~~of the lottery gaming facility. At the end of the initial term, the contract~~
13 ~~may be renewed by mutual consent of the state and the lottery gaming~~
14 ~~facility manager;~~

15 ~~(2) specify the total amount to be paid to the lottery gaming facility~~
16 ~~manager pursuant to the contract;~~

17 ~~(3) establish a mechanism to facilitate payment of lottery gaming~~
18 ~~facility expenses, payment of the lottery gaming facility manager's share of~~
19 ~~the lottery gaming facility revenues and distribution of the state's share of~~
20 ~~the lottery gaming facility revenues;~~

21 ~~(4) include a provision for the lottery gaming facility manager to pay~~
22 ~~the costs of oversight and regulation of the lottery gaming facility manager~~
23 ~~and the operations of the lottery gaming facility by the Kansas racing and~~
24 ~~gaming commission;~~

25 ~~(5) establish the types of lottery facility games to be installed in such~~
26 ~~facility;~~

27 ~~(6) provide for the prospective lottery gaming facility manager, upon~~
28 ~~approval of the proposed lottery gaming facility management contract, to~~
29 ~~pay to the state treasurer a privilege fee of \$25,000,000 for the privilege of~~
30 ~~being selected as a lottery gaming facility manager of a lottery gaming~~
31 ~~facility in the northeast or south central Kansas gaming zone and~~
32 ~~\$5,500,000 for the privilege of being selected as a lottery gaming facility~~
33 ~~manager of a lottery gaming facility in the southeast or southwest Kansas~~
34 ~~gaming zone. Such fee shall be deposited in the state treasury and credited~~
35 ~~to the lottery gaming facility manager fund, which *that* is hereby created in~~
36 ~~the state treasury;~~

37 ~~(7) incorporate terms and conditions for the ancillary lottery gaming~~
38 ~~facility operations;~~

39 ~~(8) designate as key employees, subject to approval of the executive~~
40 ~~director, any employees or contractors providing services or functions~~
41 ~~which are related to lottery facility games authorized by a management~~
42 ~~contract;~~

43 ~~(9) include financing commitments for construction;~~

1 ~~(10) include a resolution of endorsement from the city governing~~
2 ~~body, if the proposed facility is within the corporate limits of a city, or~~
3 ~~from the county commission, if the proposed facility is located in the~~
4 ~~unincorporated area of the county;~~

5 ~~(11) include a requirement that any parimutuel licensee developing a~~
6 ~~lottery gaming facility pursuant to this act comply with all orders and rules~~
7 ~~and regulations of the Kansas racing and gaming commission with regard~~
8 ~~to the conduct of live racing, including the same minimum days of racing~~
9 ~~as specified in K.S.A. 74-8746, and amendments thereto, for operation of~~
10 ~~electronic gaming machines at racetrack gaming facilities;~~

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

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

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

30 ~~(15) (A) if the lottery gaming facility is located in the northeast or~~
31 ~~southwest Kansas gaming zone and is not located within a city, include a~~
32 ~~provision for payment of an amount equal to 3% of the lottery gaming~~
33 ~~facility revenues to the county in which the lottery gaming facility is~~
34 ~~located; or (B) if the lottery gaming facility is located in the northeast or~~
35 ~~southwest Kansas gaming zone and is located within a city, include~~
36 ~~provision for payment of an amount equal to 1.5% of the lottery gaming~~
37 ~~facility revenues to the city in which the lottery gaming facility is located~~
38 ~~and an amount equal to 1.5% of such revenues to the county in which such~~
39 ~~facility is located;~~

40 ~~(16) (A) if the lottery gaming facility is located in the southeast or~~
41 ~~south central Kansas gaming zone and is not located within a city, include~~
42 ~~a provision for payment of an amount equal to 2% of the lottery gaming~~
43 ~~facility revenues to the county in which the lottery gaming facility is~~

1 ~~located and an amount equal to 1% of such revenues to the other county in~~
2 ~~such zone; or (B) if the lottery gaming facility is located in the southeast or~~
3 ~~south central Kansas gaming zone and is located within a city, provide for~~
4 ~~payment of an amount equal to 1% of the lottery gaming facility revenues~~
5 ~~to the city in which the lottery gaming facility is located, an amount equal~~
6 ~~to 1% of such revenues to the county in which such facility is located and~~
7 ~~an amount equal to 1% of such revenues to the other county in such zone;~~

8 ~~(17) allow the lottery gaming facility manager to manage the lottery~~
9 ~~gaming facility in a manner consistent with this act and applicable law, but~~
10 ~~shall place full, complete and ultimate ownership and operational control~~
11 ~~of the gaming operation of the lottery gaming facility with the Kansas~~
12 ~~lottery. The Kansas lottery shall not delegate and shall explicitly retain the~~
13 ~~power to overrule any action of the lottery gaming facility manager~~
14 ~~affecting the gaming operation without prior notice. The Kansas lottery~~
15 ~~shall retain full control over all decisions concerning lottery gaming~~
16 ~~facility games and sports wagering;~~

17 ~~(18) include provisions for the Kansas racing and gaming~~
18 ~~commission to oversee all lottery gaming facility operations, including, but~~
19 ~~not limited to: Oversight of internal controls; oversight of security of~~
20 ~~facilities; performance of background investigations, determination of~~
21 ~~qualifications and credentialing of employees, contractors and agents of~~
22 ~~the lottery gaming facility manager and of ancillary lottery gaming facility~~
23 ~~operations, as determined by the Kansas racing and gaming commission;~~
24 ~~auditing of lottery gaming facility revenues and sports wagering revenues;~~
25 ~~enforcement of all state laws and maintenance of the integrity of gaming~~
26 ~~operations; and~~

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

41 ~~(i) (1) Any management contract approved by the commission under~~
42 ~~this section may include provisions for operating and managing sports~~
43 ~~wagering by the lottery gaming facility manager in person at the lottery;~~

1 ~~gaming facility and over the internet via one or more interactive sports~~
2 ~~wagering platforms.~~

3 ~~(2) If a management contract includes such provisions, then such~~
4 ~~contract shall include the following provisions:~~

5 ~~(A) The lottery gaming facility may offer tier one or tier two sports~~
6 ~~wagers, or both; and~~

7 ~~(B) (i) The state shall receive 20% of the sports wagering revenues~~
8 ~~received from wagers placed with the lottery gaming facility through an~~
9 ~~interactive sports wagering platform; and~~

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

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

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

17 ~~(k)(l) A person who is the manager of the racetrack gaming facility in~~
18 ~~a gaming zone shall not be eligible to be the manager of the lottery gaming~~
19 ~~facility in the same zone.~~

20 ~~(l)(m) Management contracts authorized by this section may include~~
21 ~~provisions relating to:~~

22 ~~(1) Accounting procedures to determine the lottery gaming facility~~
23 ~~revenues, unclaimed prizes and credits;~~

24 ~~(2) minimum requirements for a lottery gaming facility manager to~~
25 ~~provide qualified oversight, security and supervision of the lottery facility~~
26 ~~games including the use of qualified personnel with experience in~~
27 ~~applicable technology;~~

28 ~~(3) eligibility requirements for employees, contractors or agents of a~~
29 ~~lottery gaming facility manager who will have responsibility for or~~
30 ~~involvement with actual gaming activities or for the handling of cash or~~
31 ~~tokens;~~

32 ~~(4) background investigations to be performed by the Kansas racing~~
33 ~~and gaming commission;~~

34 ~~(5) credentialing requirements for any employee, contractor or agent~~
35 ~~of the lottery gaming facility manager or of any ancillary lottery gaming~~
36 ~~facility operation as provided by the Kansas expanded lottery act or rules~~
37 ~~and regulations adopted pursuant thereto;~~

38 ~~(6) provision for termination of the management contract by either~~
39 ~~party for cause; and~~

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

43 ~~(m)(n) A management contract shall not constitute property, nor shall~~

~~1 it be subject to attachment, garnishment or execution, nor shall it be
2 alienable or transferable, except upon approval by the executive director,
3 nor shall it be subject to being encumbered or hypothecated. The trustee of
4 any insolvent or bankrupt lottery gaming facility manager may continue to
5 operate pursuant to the management contract under order of the
6 appropriate court for no longer than one year after the bankruptcy or
7 insolvency of such manager.~~

~~8 (n)(o) (1) The Kansas lottery shall be the licensee and owner of all
9 software programs used at a lottery gaming facility for any lottery facility
10 game.~~

~~11 (2) A lottery gaming facility manager, on behalf of the state, shall
12 purchase or lease for the Kansas lottery all lottery facility games. All
13 lottery facility games shall be subject to the ultimate control of the Kansas
14 lottery in accordance with this act.~~

~~15 (3) If a lottery gaming facility manager agrees to operate and
16 manage sports wagering, the Kansas lottery shall be the licensee and
17 owner of all software programs used in conducting sports wagering, and
18 the lottery gaming facility manager, on behalf of the state, shall purchase
19 or lease for the Kansas lottery any equipment or other property necessary
20 for operating and managing sports wagering. All sports wagering shall be
21 subject to the ultimate control of the Kansas lottery in accordance with the
22 Kansas expanded lottery act.~~

~~23 (o)(p) A lottery gaming facility shall comply with any planning and
24 zoning regulations of the city or county in which it is to be located. The
25 executive director shall not contract with any prospective lottery gaming
26 facility manager for the operation and management of such lottery gaming
27 facility unless such manager first receives any necessary approval under
28 planning and zoning requirements of the city or county in which it is to be
29 located.~~

~~30 (p)(q) Prior to expiration of the term of a lottery gaming facility
31 management contract, the lottery commission may negotiate a new lottery
32 gaming facility management contract with the lottery gaming facility
33 manager if the new contract is substantially the same as the existing
34 contract. Otherwise, the lottery gaming facility review board shall be
35 reconstituted and a new lottery gaming facility management contract shall
36 be negotiated and approved in the manner provided by this act.~~

~~37 Sec. 28. K.S.A. 74-8741 is hereby amended to read as follows: 74-
38 8741. (a) The executive director of the Kansas lottery shall negotiate a
39 racetrack gaming facility management contract to place electronic gaming
40 machines at one parimutuel licensee location in each gaming zone except
41 the southwest Kansas gaming zone. The racetrack management contract
42 may also provide for the racetrack gaming facility manager to operate and
43 manage sports wagering as provided in subsection (d).~~

1 ~~(b) To be eligible to enter into a racetrack gaming facility~~
2 ~~management contract the prospective racetrack gaming facility manager~~
3 ~~shall, at a minimum:~~

4 ~~(1) Have sufficient access to financial resources to support the~~
5 ~~activities required of a racetrack gaming facility manager under the Kansas~~
6 ~~expanded lottery act; and~~

7 ~~(2) be current in filing all applicable tax returns and in payment of all~~
8 ~~taxes, interest and penalties owed to the state of Kansas and any taxing~~
9 ~~subdivision where such prospective manager is located in the state of~~
10 ~~Kansas, excluding items under formal appeal pursuant to applicable~~
11 ~~statutes;~~

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

13 ~~(1) The term of the contract;~~

14 ~~(2) provisions for the Kansas racing and gaming commission to~~
15 ~~oversee all racetrack gaming facility operations, including, but not limited~~
16 ~~to: Oversight of internal controls; oversight of security of facilities;~~
17 ~~performance of background investigations, determination of qualifications~~
18 ~~and any required certification or licensing of officers, directors, board~~
19 ~~members, employees, contractors and agents of the racetrack gaming~~
20 ~~facility manager; auditing of net electronic gaming machine income and~~
21 ~~maintenance of the integrity of electronic gaming machine operations;~~

22 ~~(3) provisions for the racetrack gaming facility manager to pay the~~
23 ~~costs of oversight and regulation of the racetrack gaming facility manager~~
24 ~~under this act and such manager's racetrack gaming facility operations by~~
25 ~~the Kansas racing and gaming commission; and~~

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

40 ~~(d) (1) Any management contract approved by the commission under~~
41 ~~K.S.A. 74-8742, and amendments thereto, may include provisions for~~
42 ~~operating and managing sports wagering by the racetrack gaming facility~~
43 ~~manager in person at the racetrack gaming facility and over the internet;~~

1 ~~via an interactive sports wagering platform.~~

2 ~~(2) If a management contract includes such provisions, then such~~
3 ~~contract shall include the following provisions:~~

4 ~~(A) The racetrack gaming facility may offer tier one or tier two sports~~
5 ~~wagers, or both; and~~

6 ~~(B) (i) The state shall receive 20% of the sports wagering revenues~~
7 ~~received from wagers placed with the racetrack gaming facility through an~~
8 ~~interactive sports wagering platform; and~~

9 ~~(ii) the state shall receive 14% of the sports wagering revenues~~
10 ~~received from wagers placed in person at the racetrack gaming facility.~~

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

13 ~~(1) Accounting procedures to determine net electronic gaming~~
14 ~~machine income, unclaimed prizes and credits;~~

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

19 ~~(3) eligibility requirements for employees, contractors or agents of a~~
20 ~~racetrack gaming facility manager who will have responsibility for or~~
21 ~~involvement with electronic gaming machines 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 or certification requirements of any employee,~~
26 ~~contractor or agent as provided by the Kansas expanded lottery act or rules~~
27 ~~and regulations adopted pursuant thereto;~~

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

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

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

36 ~~(f)(g) A racetrack gaming facility management contract shall not~~
37 ~~constitute property, nor shall it be subject to attachment, garnishment or~~
38 ~~execution, nor shall it be alienable or transferable, except upon approval~~
39 ~~by the executive director, nor shall it be subject to being encumbered or~~
40 ~~hypothecated.~~

41 ~~(h) If a racetrack gaming facility manager agrees to operate and~~
42 ~~manage sports wagering, the Kansas lottery shall be the licensee and~~
43 ~~owner of all software programs used in conducting sports wagering; and:~~

1 ~~the racetrack gaming facility manager, on behalf of the state, shall~~
2 ~~purchase or lease for the Kansas lottery any equipment or other property~~
3 ~~necessary for operating and managing sports wagering. All sports~~
4 ~~wagering shall be subject to the ultimate control of the Kansas lottery in~~
5 ~~accordance with the Kansas expanded lottery act.~~

6 ~~Sec. 29. K.S.A. 74-8743 is hereby amended to read as follows: 74-~~
7 ~~8743. (a) The board of county commissioners of each county where there~~
8 ~~is a an existing or former parimutuel licensee location may, at any time by~~
9 ~~resolution, submit to the qualified voters of the county a proposition to~~
10 ~~permit the placement of electronic gaming machines in the county as~~
11 ~~provided in this section, or, upon the presentation of a valid petition signed~~
12 ~~by not fewer than 5,000 qualified voters of the county, shall submit such~~
13 ~~proposition to the qualified voters of the county a proposition to permit the~~
14 ~~placement of electronic gaming machines in the county as provided in this~~
15 ~~section. The proposition shall be submitted or resubmitted to the voters at~~
16 ~~a of the county at any primary, general election or special election called~~
17 ~~by the board of county commissioners for that purpose and. Such election~~
18 ~~shall be held not more than 180 150 days after the effective date of this act~~
19 ~~adoption of a resolution by the board of county commissioners or the~~
20 ~~receipt of a valid petition for submission of such a proposition.~~

21 ~~(b) Upon the adoption of a resolution or the receipt of a valid petition~~
22 ~~calling for an election pursuant to this section in Sedgwick county, the~~
23 ~~county election officer shall cause the following proposition to be placed~~
24 ~~on the ballot at the election called for that purpose: "Shall the Kansas~~
25 ~~Lottery be authorized to place electronic gaming machines in _____~~
26 ~~county?" as a question in substantial compliance with the following:-~~
27 ~~"Shall the operation of electronic gaming machines by the Kansas lottery~~
28 ~~be authorized at the former parimutuel licensee location in Sedgwick~~
29 ~~county, commonly known as Wichita greyhound park?"~~

30 ~~(c) If a majority of the votes cast and counted at any such election is~~
31 ~~in favor of approving the placement of electronic gaming machines in the~~
32 ~~county, the Kansas lottery may shall place and operate electronic gaming~~
33 ~~machines at a parimutuel licensee location in the county, subject to the~~
34 ~~provisions of this act. If a majority of the votes cast and counted at an any~~
35 ~~such election under this section is against permitting placement of~~
36 ~~electronic gaming machines in the county, the Kansas lottery shall not~~
37 ~~place or operate electronic gaming machines at a parimutuel licensee~~
38 ~~location in the county, unless and until approved by a majority of votes~~
39 ~~cast in a subsequent election brought and conducted in accordance with~~
40 ~~this section. The county election officer shall transmit a copy of the~~
41 ~~certification of the results of the election to the executive director.~~

42 ~~(d) The election provided for by this section shall be conducted, and~~
43 ~~the votes counted and canvassed, in the manner provided by law for~~

1 question submitted elections of the county.

2 ~~(e) (1) The lottery commission may waive the *There shall be no*~~
3 ~~requirement that *for an election to be held pursuant to this section if the*~~
4 ~~lottery commission determines that after December 31, 2004, and before~~
5 ~~the effective date of this act *prior to July 1, 2021*, the county has held an~~
6 ~~election of qualified voters pursuant to the county's home rule authority:~~
7 ~~(1)(A) At which the ballot question was in substantial *general* complianee~~
8 ~~with the requirements of this section *in effect at the time of such election*;~~
9 ~~(2) which *(B) that* was administered by the county election officer in a~~
10 ~~manner consistent with the requirements of state election law; and (3)(C)~~
11 ~~at which a majority of the votes cast and counted was in favor of the~~
12 ~~proposition.~~

13 ~~(2) *Wyandotte and Crawford counties are hereby deemed to have*~~
14 ~~*satisfied the requirements of this subsection, and no subsequent election*~~
15 ~~*shall be required prior to the placement of electronic gaming machines in*~~
16 ~~*such counties.*~~

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

24 ~~Sec. 30. K.S.A. 74-8751 is hereby amended to read as follows: 74-~~
25 ~~8751. (a) The Kansas racing and gaming commission, through rules and~~
26 ~~regulations, shall establish:~~

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

43 ~~(b)(2) a certification requirement, and enforcement procedure, for~~

1 ~~those persons, including electronic gaming machine manufacturers,~~
2 ~~technology providers and computer system providers, who propose to~~
3 ~~contract with a lottery gaming facility manager, a racetrack gaming facility~~
4 ~~manager or the state for the provision of goods or services related to a~~
5 ~~lottery gaming facility or racetrack gaming facility, including management~~
6 ~~services. Such certification requirements shall include compliance with~~
7 ~~such security, fitness and background investigations and standards of~~
8 ~~officers, directors, key gaming employees and persons directly or~~
9 ~~indirectly owning a 0.5% 5% or more interest in such entity as the~~
10 ~~executive director of the Kansas racing and gaming commission deems~~
11 ~~necessary to determine whether such person's reputation, habits and~~
12 ~~associations pose a threat to the public interest of the state or to the~~
13 ~~reputation of or effective regulation and control of the lottery gaming~~
14 ~~facility or racetrack gaming facility. Any person convicted of any felony, a~~
15 ~~crime involving gambling or a crime of moral turpitude prior to applying~~
16 ~~for a certificate hereunder or at any time thereafter shall be deemed unfit.~~
17 ~~If the executive director of the racing and gaming commission determines~~
18 ~~the certification standards of another state are comprehensive, thorough~~
19 ~~and provide similar adequate safeguards, the executive director may~~
20 ~~certify an applicant already certified in such state without the necessity of~~
21 ~~a full application and background check. The Kansas racing and gaming~~
22 ~~commission shall conduct the security, fitness and background checks~~
23 ~~required pursuant to this subsection. Certification pursuant to this~~
24 ~~subsection shall not be assignable or transferable;~~

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

42 ~~(e)(4) provisions for revocation of a certification required by~~
43 ~~subsection (a) or (b)(1) or (a)(2) upon a finding that the certificate holder,~~

1 ~~an officer or director thereof or a person directly or indirectly owning a~~
 2 ~~0.5% 5% or more interest therein: (1)(A) Has knowingly provided false or~~
 3 ~~misleading material information to the Kansas lottery or its employees; or~~
 4 ~~(2)(B) has been convicted of a felony, gambling related offense or any~~
 5 ~~crime of moral turpitude; and~~

6 ~~(d)(5) provisions for suspension, revocation or nonrenewal of a~~
 7 ~~certification required by subsection (a) or (b)(1) or (a)(2) upon a finding~~
 8 ~~that the certificate holder, an officer or director thereof or a person directly~~
 9 ~~or indirectly owning a 0.5% 5% or more interest therein: (1)(A) Has failed~~
 10 ~~to notify the Kansas lottery about a material change in ownership of the~~
 11 ~~certificate holder, or any change in the directors or officers thereof; (2)(B)~~
 12 ~~is delinquent in remitting money owed to the Kansas lottery; (3)(C) has~~
 13 ~~violated any provision of any contract between the Kansas lottery and the~~
 14 ~~certificate holder; or (4)(D) has violated any provision of the Kansas~~
 15 ~~expanded lottery act or any rule and regulation adopted hereunder; and~~

16 ~~(6) provisions for suspension, revocation or nonrenewal of a~~
 17 ~~certification required by subsection (a)(3) upon a finding that the~~
 18 ~~certificate holder has: (A) Knowingly provided false or misleading~~
 19 ~~material information to the Kansas lottery, the Kansas racing and gaming~~
 20 ~~commission or to the employees of either entity; (B) been convicted of a~~
 21 ~~felony, gambling-related offense or any crime of moral turpitude; (C)~~
 22 ~~violated any provision of any contract between the Kansas lottery and the~~
 23 ~~certificate holder; or (D) violated any provision of the Kansas expanded~~
 24 ~~lottery act or any rule and regulation adopted hereunder.~~

25 ~~(b) The Kansas racing and gaming commission shall conduct the~~
 26 ~~security, fitness and background checks required pursuant to this section.:~~
 27 ~~Any person convicted of any felony, a crime involving gambling or a crime~~
 28 ~~of moral turpitude prior to applying for a certificate hereunder or at any~~
 29 ~~time thereafter shall be deemed unfit.~~

30 ~~(c) A certification issued pursuant to this section shall not be~~
 31 ~~assignable or transferable.~~

32 ~~Sec. 31. K.S.A. 74-8752 is hereby amended to read as follows: 74-~~
 33 ~~8752. (a) The executive director of the Kansas lottery and the executive~~
 34 ~~director of the Kansas racing and gaming commission, or their designees,~~
 35 ~~may observe and inspect all electronic gaming machines, lottery facility~~
 36 ~~games, sports wagering operations, lottery gaming facilities, racetrack~~
 37 ~~gaming facilities and all related equipment and facilities operated by a~~
 38 ~~lottery gaming facility manager or racetrack gaming facility manager.~~

39 ~~(b) In addition to any other powers granted pursuant to this act, the~~
 40 ~~executive director of the racing and gaming commission shall have the~~
 41 ~~power to:~~

42 ~~(1) Examine, or cause to be examined by any agent or representative~~
 43 ~~designated by such executive director, any books, papers, records or~~

1 ~~memoranda of any lottery gaming facility manager or racetrack gaming~~
2 ~~facility manager, or of any business involved in electronic gaming~~
3 ~~machines or lottery facility games or sports wagering operations~~
4 ~~authorized pursuant to the Kansas expanded lottery act, for the purpose of~~
5 ~~ascertaining compliance with any provision of the Kansas lottery act, the~~
6 ~~Kansas expanded lottery act, or any rules and regulations adopted~~
7 ~~thereunder;~~

8 ~~(2) investigate alleged violations of the Kansas expanded lottery act~~
9 ~~and alleged violations of any rules and regulations, orders and final~~
10 ~~decisions of the Kansas lottery commission, the executive director of the~~
11 ~~Kansas lottery, the Kansas racing and gaming commission or the executive~~
12 ~~director of the Kansas racing and gaming commission;~~

13 ~~(3) request a court to issue subpoenas to compel access to or for the~~
14 ~~production of any books, papers, records or memoranda in the custody or~~
15 ~~control of any lottery gaming facility manager or racetrack gaming facility~~
16 ~~manager related to the management of the lottery gaming facility or~~
17 ~~racetrack gaming facility, or to compel the appearance of any lottery~~
18 ~~gaming facility manager or racetrack gaming facility manager for the~~
19 ~~purpose of ascertaining compliance with the provisions of the Kansas~~
20 ~~lottery act and the Kansas expanded lottery act or rules and regulations~~
21 ~~adopted thereunder; and~~

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

25 ~~(5) take any other action as may be reasonable or appropriate to~~
26 ~~enforce the provisions of the Kansas expanded lottery act and any rules~~
27 ~~and regulations, orders and final decisions of the executive director of the~~
28 ~~Kansas lottery, the Kansas lottery commission, the executive director of~~
29 ~~the Kansas racing commission or the Kansas racing and gaming~~
30 ~~commission;~~

31 ~~(e) Appropriate security measures shall be required in any and all~~
32 ~~areas where electronic gaming machines, sports wagering and other lottery~~
33 ~~facility games authorized pursuant to the Kansas expanded lottery act are~~
34 ~~located or operated. The executive director of the Kansas racing and~~
35 ~~gaming commission shall approve all such security measures.~~

36 ~~(d) The executive director of the Kansas racing and gaming~~
37 ~~commission shall require an annual audit of the operations of each lottery~~
38 ~~gaming facility and ancillary lottery gaming facility operations and each~~
39 ~~racetrack gaming facility as determined by the commission. Such audit~~
40 ~~shall be conducted by the Kansas racing and gaming commission or a~~
41 ~~licensed accounting firm approved by the executive director of the Kansas~~
42 ~~racing and gaming commission and shall be conducted at the expense of~~
43 ~~the lottery gaming facility manager or racetrack facility manager.~~

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

4 ~~Sec. 32. K.S.A. 74-8757 is hereby amended to read as follows: 74-~~
5 ~~8757. (a) A person less than 21 years of age shall not be permitted in an~~
6 ~~area where electronic gaming machines or lottery facility games are being~~
7 ~~conducted, except for a person at least 18 years of age who is an employee~~
8 ~~of the lottery gaming facility manager or the racetrack gaming facility~~
9 ~~manager. No employee under age 21 shall perform any function involved~~
10 ~~in gaming by the patrons.~~

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

13 ~~(c) No person under age 21 shall directly or indirectly make a wager~~
14 ~~on any sporting event, or otherwise be permitted to engage in sports~~
15 ~~wagering.~~

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

28 ~~(b) Except in accordance with rules and regulations of the Kansas~~
29 ~~racing and gaming commission or by written authority from the executive~~
30 ~~director of the Kansas racing and gaming commission in performing~~
31 ~~installation, maintenance, inspection and repair services, it is a class A~~
32 ~~nonperson misdemeanor for the following to place a wager on or play an~~
33 ~~electronic gaming machine at a racetrack gaming facility in this state: (1)~~
34 ~~The executive director of the Kansas lottery, a member of the Kansas~~
35 ~~lottery commission or any employee or agent of the Kansas lottery; (2) the~~
36 ~~executive director, a member or any employee or agent of the Kansas~~
37 ~~racing and gaming commission; or (3) the racetrack gaming facility~~
38 ~~manager or any employee of the racetrack gaming facility manager.~~

39 ~~(c) Except in accordance with rules and regulations of the Kansas~~
40 ~~racing and gaming commission, or by written authority from the executive~~
41 ~~director of the Kansas racing and gaming commission, in performing~~
42 ~~installation, maintenance, inspection and repair services, it is a class A~~
43 ~~nonperson misdemeanor for the following to place a sports wager with a:~~

1 ~~sports wagering retailer, a lottery gaming facility or a racetrack gaming~~
 2 ~~facility: (1) The executive director of the Kansas lottery, a member of the~~
 3 ~~Kansas lottery commission or any employee or agent of the Kansas~~
 4 ~~lottery; (2) the executive director, a member or any employee or agent of~~
 5 ~~the Kansas racing and gaming commission; (3) a sports wagering~~
 6 ~~manager, or any director, officer, owner or employee of such sports~~
 7 ~~wagering manager, or any relative living in the same household as such~~
 8 ~~persons; (4) an interactive sports wagering platform, or any director,~~
 9 ~~officer, owner or employee of such platform, or any relative living in the~~
 10 ~~same household as such persons; (5) any director, officer or employee of a~~
 11 ~~sports governing body; (6) any owner, officer, athlete, coach or other~~
 12 ~~employee of a team; or (7) any director, officer or employee of a player~~
 13 ~~union or referee union.~~

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

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

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

31 ~~(2) possess or use, while on premises where electronic gaming~~
 32 ~~machines are authorized pursuant to the Kansas expanded lottery act, any~~
 33 ~~cheating or thieving device, including, but not limited to, tools, wires,~~
 34 ~~drills, coins attached to strings or wires or electronic or magnetic devices~~
 35 ~~to facilitate removing from any electronic gaming machine any money or~~
 36 ~~contents thereof, except that a duly authorized agent or employee of the~~
 37 ~~Kansas racing and gaming commission, lottery gaming facility manager or~~
 38 ~~racetrack gaming facility manager may possess and use any of the~~
 39 ~~foregoing only in furtherance of the agent's or employee's employment at~~
 40 ~~the lottery gaming facility or racetrack gaming facility; or~~

41 ~~(3) possess or use while on the premises of a lottery gaming facility~~
 42 ~~or racetrack gaming facility, or any location where electronic gaming~~
 43 ~~machines are authorized pursuant to this act, any key or device designed~~

1 ~~for the purpose of or suitable for opening or entering any electronic~~
2 ~~gaming machine or similar gaming device or drop box.~~

3 ~~(d)(f) Any duly authorized agent or employee of the Kansas racing~~
4 ~~and gaming commission, a lottery gaming facility manager or a racetrack~~
5 ~~gaming facility manager may possess and use any of the devices described~~
6 ~~in subsections (e)(3) and (e)(4) subsection (e)(3) in furtherance of~~
7 ~~inspection or testing as provided in the Kansas expanded lottery act or in~~
8 ~~furtherance of such person's employment at any location where any~~
9 ~~electronic gaming machine or similar gaming device or drop box is~~
10 ~~authorized pursuant to the Kansas expanded lottery act.~~

11 ~~Sec. 34. K.S.A. 74-8761 is hereby amended to read as follows: 74-~~
12 ~~8761. (a) It shall be a severity level 9, nonperson felony for any person to~~
13 ~~place in operation or continue to have in place any gray machine for use~~
14 ~~by members of the public at any location in this state.~~

15 ~~(b) It shall be the duty of the attorney general and the Kansas racing~~
16 ~~and gaming commission to enforce the provisions of this section, together~~
17 ~~with any rules and regulations adopted pursuant thereto. The attorney~~
18 ~~general and the Kansas racing and gaming commission shall have~~
19 ~~original jurisdiction to investigate and prosecute violations of this section.~~

20 ~~Sec. 35. K.S.A. 75-6202 is hereby amended to read as follows: 75-~~
21 ~~6202. As used in article 62 of chapter 75 of the Kansas Statutes Annotated,~~
22 ~~and amendments thereto:~~

23 ~~(a) "Debtor" means any person who:~~

24 ~~(1) Owes a debt to the state of Kansas or any state agency or any~~
25 ~~municipality;~~

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

31 ~~(3) owes a debt to a foreign state agency.~~

32 ~~(b) "Debt" means:~~

33 ~~(1) Any liquidated sum due and owing to the state of Kansas, or any~~
34 ~~state agency, municipality or foreign state agency which that has accrued~~
35 ~~through contract, subrogation, tort, operation of law, or any other legal~~
36 ~~theory regardless of whether there is an outstanding judgment for that sum.~~
37 ~~A debt shall not include special assessments except when the owner of the~~
38 ~~property assessed petitioned for the improvement and any successor in~~
39 ~~interest of such owner of property;~~

40 ~~(2) any amount of support due and owing an individual, or an agency~~
41 ~~of another state, who is receiving assistance in collecting that support~~
42 ~~under K.S.A. 39-756 or K.S.A. 2020 Supp. 20-378, and amendments~~
43 ~~thereto, or under part D of title IV of the federal social security act, 42-~~

1 ~~U.S.C. § 651 et seq., as amended, which *that* amount shall be considered a~~
2 ~~debt due and owing the district court trustee or the Kansas department for~~
3 ~~children and families for the purposes of this act; or~~

4 ~~(3) any assessment of court costs, fines, fees, moneys expended by~~
5 ~~the state in providing counsel and other defense services to indigent~~
6 ~~defendants or other charges which *that* a district court judgment has~~
7 ~~ordered to be paid to the court and which *that* remain unpaid in whole or in~~
8 ~~part, and includes any interest or penalties on such unpaid amounts as~~
9 ~~provided for in the judgment or by law. Such amount also includes the cost~~
10 ~~of collection when the collection services of a contracting agent are~~
11 ~~utilized.~~

12 ~~(e) "Refund" means any amount of income tax refund due to any~~
13 ~~person as a result of an overpayment of tax, and for this purpose, a refund~~
14 ~~due to a husband and wife resulting from a joint return shall be considered~~
15 ~~to be separately owned by each individual in the proportion of each such~~
16 ~~spouse's contribution to income, as the term "contribution to income" is~~
17 ~~defined by rules and regulations of the secretary of revenue.~~

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

22 ~~(e) "State agency" means any state office, officer, department, board,~~
23 ~~commission, institution, bureau, agency or authority or any division or unit~~
24 ~~thereof and any judicial district of this state or the clerk or clerks thereof.~~
25 ~~"State agency" also shall include any: (1) District court utilizing collection~~
26 ~~services pursuant to K.S.A. 75-719, and amendments thereto, to collect~~
27 ~~debts owed to such court; and (2) contracting agent, as defined in K.S.A.~~
28 ~~75-719, and amendments thereto, with which a district court contracts to~~
29 ~~collect debts owed to such court. Such contracting agent may directly~~
30 ~~establish a debt setoff account with the director for the sole purpose of~~
31 ~~collecting debts owed to courts.~~

32 ~~(f) "Person" means an individual, proprietorship, partnership, limited~~
33 ~~partnership, association, trust, estate, business trust, corporation, other~~
34 ~~entity or a governmental agency, unit or subdivision.~~

35 ~~(g) "Director" means the director of accounts and reports of the~~
36 ~~department of administration.~~

37 ~~(h) "Municipality" means any municipality as defined by K.S.A. 75-~~
38 ~~1117, and amendments thereto, or any community mental health center~~
39 ~~organized pursuant to the provisions of K.S.A. 19-4001 et seq., and~~
40 ~~amendments thereto, and licensed pursuant to K.S.A. 2020 Supp. 39-2001~~
41 ~~et seq., and amendments thereto, or any mental health clinic organized~~
42 ~~pursuant to the provisions of K.S.A. 65-211 et seq., and amendments~~
43 ~~thereto, and licensed pursuant to K.S.A. 2020 Supp. 39-2001 et seq., and~~

1 amendments thereto:

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

4 ~~(j) "Foreign state or foreign state agency" means the states of~~
5 ~~Colorado, Missouri, Nebraska or Oklahoma or any agency of such states~~
6 ~~which *that* has entered into a reciprocal agreement pursuant to K.S.A. 75-~~
7 ~~6215, and amendments thereto.~~

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

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

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

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

20 ~~(o) "Sports wagering retailer" means the same as defined in K.S.A.~~
21 ~~74-8702, and amendments thereto.~~

22 ~~Sec. 36. K.S.A. 75-6204 is hereby amended to read as follows: 75-~~
23 ~~6204. (a) Subject to the limitations provided in this act, if a debtor fails to~~
24 ~~pay a debt or fails to pay to the state of Kansas or any state agency, foreign~~
25 ~~state agency, municipality or the federal department of the treasury an~~
26 ~~amount owed, the director may setoff such amount and a reasonable~~
27 ~~collection assistance fee determined in accordance with K.S.A. 75-6210,~~
28 ~~and amendments thereto, against any money held for, or any money owed~~
29 ~~to, such debtor by the state, any state agency or lottery gaming facility~~
30 ~~manager, racetrack gaming facility manager or, facility owner licensee or~~
31 ~~sports wagering retailer.~~

32 ~~(b) The director may enter into an agreement with a municipality for~~
33 ~~participation in the setoff program for the purpose of assisting in the~~
34 ~~collection of a debt. The director shall include in any such agreement a~~
35 ~~provision requiring the municipality to certify that the municipality has~~
36 ~~made at least three attempts to collect a debt prior to submitting such debt~~
37 ~~to setoff pursuant to this act.~~

38 ~~(c) The director shall enter into an agreement with a lottery gaming~~
39 ~~facility manager, racetrack gaming facility manager or, facility owner~~
40 ~~licensee or sports wagering retailer for participation in the setoff program~~
41 ~~for the purpose of assisting in the collection of a debt. The director shall~~
42 ~~include in any such agreement a provision agreeing to defend, indemnify~~
43 ~~and hold harmless a lottery gaming facility manager, racetrack gaming~~

1 ~~facility manager or, facility owner licensee or sports wagering retailer~~
2 ~~with regard to all claims, demands, suits, actions, damages, judgments,~~
3 ~~costs, charges and expenses, including attorney fees, that may be brought~~
4 ~~or asserted against a lottery gaming facility manager, racetrack gaming~~
5 ~~facility manager or, facility owner licensee or sports wagering retailer and~~
6 ~~that arise from the performance of an agreement to facilitate the collection~~
7 ~~of debts by a lottery gaming facility manager, racetrack gaming facility~~
8 ~~manager or, facility owner licensee or sports wagering retailer.~~

9 ~~(d) (1) Except as provided in subsection (c)(2) paragraph (2), the~~
10 ~~director shall add the cost of collection and the debt for a total amount~~
11 ~~subject to setoff against a debtor.~~

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

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

32 ~~(b) The lottery gaming facility manager, racetrack gaming facility~~
33 ~~manager or, facility owner licensee or sports wagering retailer shall not be~~
34 ~~subject to any civil, criminal or administrative liability for any actions~~
35 ~~taken pursuant to this section, unless such actions are intentional,~~
36 ~~malicious or wanton by such lottery gaming facility manager, racetrack~~
37 ~~gaming facility manager or, facility owner licensee or sports wagering~~
38 ~~retailer, or employees or agents thereof. The state shall indemnify the~~
39 ~~lottery gaming facility manager, racetrack gaming facility manager or,~~
40 ~~facility owner licensee or sports wagering retailer for any and all~~
41 ~~expenses, losses, damages and attorney fees that arise directly or indirectly~~
42 ~~from the performance of activities related to this section. For the purposes~~
43 ~~of the fair debt collection practices act, and any other federal or state law,~~

1 ~~the lottery gaming facility manager, racetrack gaming facility manager or,~~
2 ~~facility owner licensee or sports wagering retailer shall have all of the~~
3 ~~protections of the state under the Kansas tort claims act, K.S.A. 75-6101 et~~
4 ~~seq., and amendments thereto. The sole remedy at law for persons who~~
5 ~~claim prizes were wrongfully withheld pursuant to this section shall be to~~
6 ~~submit an appeal to the department of administration pursuant to K.S.A.~~
7 ~~75-6201 et seq., and amendments thereto.~~

8 ~~(c) Moneys withheld, based on the state debtor files, shall be remitted~~
9 ~~to the state treasurer in accordance with K.S.A. 75-4215, and amendments~~
10 ~~thereto. The state treasurer shall deposit the entire amount in the state~~
11 ~~treasury and credit it to the department of administration's setoff clearing~~
12 ~~fund.~~

13 ~~(d) Nothing in this section shall apply to Native American tribal~~
14 ~~gaming facilities.~~

15 ~~(e) This section shall be a part of and supplemental to the state debt~~
16 ~~setoff program.~~

17 ~~Sec. 38. K.S.A. 79-4806 is hereby amended to read as follows: 79-~~
18 ~~4806. On July 1 of each year or as soon thereafter as sufficient moneys are~~
19 ~~available, \$80,000 \$100,000 credited to the state gaming revenues fund~~
20 ~~shall be transferred and credited to the problem gambling and addictions~~
21 ~~grant fund established by K.S.A. 79-4805, and amendments thereto.~~

22 ~~Sec. 39. K.S.A. 46-2301, 74-8702, 74-8710, 74-8711, 74-8716, 74-~~
23 ~~8718, 74-8733, 74-8734, 74-8741, 74-8743, 74-8751, 74-8752, 74-8757,~~
24 ~~74-8760, 74-8761, 75-6202, 75-6204, 75-6217 and 79-4806 and K.S.A.~~
25 ~~2020 Supp. 21-6403 and 21-6507 are hereby repealed.~~

26 **{New Section 1. (a) Sports wagering shall only be conducted in**
27 **this state in accordance with the provisions of the Kansas lottery act**
28 **and the Kansas expanded lottery act.**

29 **(b) The Kansas lottery may offer sports wagering through one or**
30 **more lottery gaming facility managers that have contracted with the**
31 **Kansas lottery in accordance with the Kansas expanded lottery act to**
32 **operate and manage sports wagering on behalf of the Kansas lottery,**
33 **including, but not limited to, sports wagering over the internet**
34 **through websites and mobile device applications, through interactive**
35 **sports wagering platforms approved by the Kansas lottery and the use**
36 **of any such platform at the primary facility of a professional sports**
37 **team or other marketing entity pursuant to a marketing agreement**
38 **entered into between the lottery gaming facility manager and the**
39 **professional sports team or other marketing entity in accordance with**
40 **section 4, and amendments thereto.**

41 **New Sec. 2. (a) Each lottery gaming facility manager shall be**
42 **limited to three interactive sports wagering platforms that shall be**
43 **approved by the executive director. Any interactive sports wagering**

1 platform approved by the executive director shall serve the public
2 convenience and promote sports wagering in accordance with
3 marketing plans developed by the Kansas lottery to offer sports
4 wagers. Any lottery gaming facility manager may enter into a contract
5 on behalf of the Kansas lottery with an approved interactive sports
6 wagering platform. Any such contract shall be approved by the
7 Kansas lottery. A lottery gaming facility manager shall only accept
8 wagers placed through an interactive sports wagering platform from
9 individuals who are physically located within the state of Kansas at
10 the time of submitting the wager. Sports wagering conducted through
11 the interactive sports wagering platform shall be offered only as
12 approved by the Kansas lottery and in accordance with the provisions
13 of the Kansas expanded lottery act.

14 (b) Requests for approval of an interactive sports wagering
15 platform submitted to the Kansas lottery shall be in such form and
16 manner as prescribed by the executive director. The lottery gaming
17 facility manager requesting approval shall provide such information
18 regarding the interactive sports wagering platform and the manager's
19 intended use of such platform as the executive director deems
20 necessary. All background investigation requirements required by the
21 Kansas racing and gaming commission pursuant to the Kansas
22 expanded lottery act shall be completed before the executive director
23 shall consider approval and usage of any interactive sports wagering
24 platform. The executive director shall not unreasonably withhold
25 approval of an interactive sports wagering platform that a lottery
26 gaming facility manager requests to be approved for conducting
27 sports wagering. Lottery gaming facility managers shall not be
28 required to use the same interactive sports wagering platforms.

29 (c) A lottery gaming facility manager may apply to the Kansas
30 lottery for approval of one additional graphical user interface specific
31 to a professional sports team that has a marketing agreement with
32 such lottery gaming facility manager to be used to access an
33 interactive sports wagering platform approved by the Kansas lottery.

34 (d) No lottery gaming facility manager shall provide a line of
35 credit to any person engaged in sports wagering.

36 (e) A lottery gaming facility manager shall include information
37 and tools to assist players in making responsible decisions and shall
38 provide, at a minimum:

39 (1) Prominently displayed tools to set limits on the amount of
40 time and money a person spends on any interactive sport wagering
41 platform;

42 (2) prominently displayed information regarding compulsive
43 gambling and ways to seek treatment and support if a person has a

1 **problem; and**

2 **(3) a person the ability to exclude the use of certain electronic**
3 **payment methods if desired by the person.**

4 **New Sec. 3. (a) No person shall provide goods, services, software**
5 **or any other components necessary for the determination of the odds**
6 **or the outcomes of any wager on a sporting event, directly or**
7 **indirectly, to a lottery gaming facility manager, including data feeds**
8 **and odds services, unless such person holds a license issued pursuant**
9 **to this section.**

10 **(b) (1) Upon receipt of a complete application and payment of the**
11 **required license fee, the commission may issue a sports wagering**
12 **supplier license to a person who satisfies the requirements of this**
13 **section and any rules and regulations adopted pursuant thereto.**
14 **Applications for a sports wagering supplier license shall be submitted**
15 **in such form and manner as prescribed by the commission.**

16 **(2) Such application shall include:**

17 **(A) The identity of:**

18 **(i) Each person who directly owns at least a 10% ownership**
19 **interest in the applicant;**

20 **(ii) each holding, intermediary or parent company that directly**
21 **owns at least a 15% ownership interest in the applicant; and**

22 **(iii) the chief executive officer and chief financial officer of the**
23 **applicant or the individual holding an equivalent office with respect to**
24 **the applicant, as determined by the commission; and**

25 **(B) such other information as required by the commission.**

26 **(3) The disclosure of any of the following direct or indirect**
27 **shareholders of the applicant shall be waived:**

28 **(A) Any government-created entity, including, but not limited to,**
29 **any statutorily authorized pension investment board or crown**
30 **corporation of Canada; and**

31 **(B) any investment funds or entities registered with the securities**
32 **and exchange commission, including any investment advisors or**
33 **entities under the management of an entity registered with the**
34 **securities and exchange commission.**

35 **(c) Upon request by the applicant, the commission may issue a**
36 **provisional sports wagering supplier license if the applicant has**
37 **submitted a complete application and paid the required application**
38 **fee. Such provisional license shall be for a term specified on the license**
39 **but not to exceed one year. The holder of a provisional license shall**
40 **surrender such license to the commission upon the issuance of a sports**
41 **wagering supplier license to such person.**

42 **(d) The commission shall establish the fee for the issuance and**
43 **renewal of a sports wagering supplier license and provisional sports**

1 **wagering supplier license.**

2 **(e) A sports wagering supplier license shall be valid for a period**
3 **of two years from the date issued.**

4 **(f) A sports wagering supplier license may be renewed by the**
5 **licensee prior to the expiration thereof upon application and payment**
6 **of the required renewal fee.**

7 **New Sec. 4. (a) A professional sports team or other marketing**
8 **entity may enter into a marketing agreement with a lottery gaming**
9 **facility manager for the purpose of marketing sports wagering at the**
10 **primary facility of such professional sports team or the premises of**
11 **such other marketing entity. All sports wagering shall be operated and**
12 **managed by the lottery gaming facility manager. No owner, director,**
13 **officer, employee or agent of the professional sports team or other**
14 **marketing entity shall have any duties directly related to the operation**
15 **or management of sports wagering except as expressly provided in the**
16 **marketing agreement.**

17 **(b) (1) A marketing agreement shall provide that the professional**
18 **sports team or other marketing entity shall promote and advertise**
19 **sports wagering on behalf of the contracting lottery gaming facility**
20 **manager at the primary facility of the professional sports team or the**
21 **premises of such other marketing entity. Promotion and advertising**
22 **may include, but shall not be limited to:**

23 **(A) Advertising through signage and other media, including**
24 **electronic media;**

25 **(B) allowing devices, such as kiosks, to be located within the**
26 **primary facility of the professional sports team to allow patrons to**
27 **engage in sports wagering; and**

28 **(C) providing access to mobile device applications that allow**
29 **patrons to access the interactive sports wagering platforms utilized by**
30 **the lottery gaming facility manager operating and managing sports**
31 **wagering at the primary facility or other premises.**

32 **(2) A marketing agreement shall expressly prohibit the**
33 **professional sports team or other marketing entity and any owner,**
34 **director, officer, employee or agent of such professional sports team or**
35 **other marketing entity from taking any bets, paying out any prizes or**
36 **otherwise having any control or access to the interactive sports**
37 **wagering platform or any other system used by the lottery gaming**
38 **facility manager to operate and manage sports wagering.**

39 **(3) If the primary facility or other premises specified in the**
40 **marketing agreement is located outside a gaming zone, then all sports**
41 **wagering at such facility or other premises shall be conducted through**
42 **an interactive sports wagering platform.**

43 **(c) Any lottery gaming facility manager may enter into marketing**

1 agreements with not more than 50 marketing entities. Not less than
2 20% of such agreements shall be with a nonprofit fraternal or
3 veterans organizations.

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

14 New Sec. 5. The executive director shall adopt rules and
15 regulations regarding the advertisement for sports wagering. Such
16 rules and regulations shall be adopted on or before January 1, 2023,
17 and shall include, but not be limited to:

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

22 (b) disclosure of the identity of the lottery gaming facility
23 manager in all such advertisements;

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

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

27 New Sec. 6. The Kansas lottery may restrict, limit or
28 excludewagering on one or more sporting events by providing notice
29 to all lottery gaming facility managers in such form and manner as
30 prescribed by the executive director. Offering or taking wagers that
31 are contrary to any such notice or any rules and regulations
32 promulgated by either the Kansas lottery or the Kansas racing and
33 gaming commission on a sporting event is a violation of the Kansas
34 expanded lottery act.

35 New Sec. 7. (a) Lottery gaming facility managers shall use
36 reasonable methods to:

37 (1) Prohibit such manager, and any director, officer, owner and
38 employee of the manager, and any relative living in the same
39 household as such persons, from placing wagers;

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

43 (3) prohibit athletes, coaches, referees, team owners, employees of

1 a sports governing body or its member teams, and player and referee
2 union personnel from placing wagers on any sporting event overseen
3 by such sports governing body. In determining which persons are
4 excluded from placing wagers under this paragraph, lottery gaming
5 facility managers shall use publicly available information and any list
6 of such persons that the sports governing body may provide to the
7 Kansas lottery and the Kansas racing and gaming commission;

8 (4) prohibit any person with access to nonpublic confidential
9 information held by the lottery gaming facility manager from placing
10 wagers with such manager;

11 (5) prohibit persons from placing wagers as agents or proxies for
12 other persons;

13 (6) prohibit any person convicted of any felony or misdemeanor
14 offense involving sports wagering, including, but not limited to, the
15 use of funds derived from illegal activity to make wagers, placing
16 wagers to conceal money derived from illegal activity, the use of other
17 individuals to place wagers as part of any wagering scheme to
18 circumvent any provision of federal or state law and the use of false
19 identification to facilitate the placement of any wager or the collection
20 of any prize in violation of federal or state law, from placing wagers;
21 and

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

28 (b) Lottery gaming facility managers shall cooperate with any
29 investigations conducted by the Kansas lottery, the Kansas racing and
30 gaming commission or law enforcement agencies, including, but not
31 limited to, providing or facilitating the provision of account-level
32 betting information and audio or video files relating to persons placing
33 wagers.

34 (c) Lottery gaming facility managers shall immediately report to
35 the Kansas lottery and the Kansas racing and gaming commission any
36 information relating to:

37 (1) Criminal or disciplinary proceedings commenced against such
38 manager in connection with such manager's operations in any
39 jurisdiction in which such manager operates;

40 (2) abnormal wagering activity or patterns that may indicate a
41 concern with the integrity of a sporting event in any jurisdiction in
42 which such manager operates;

43 (3) any potential breach of the relevant sports governing body's

1 internal rules and codes of conduct pertaining to sports wagering;

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

5 (5) suspicious or illegal wagering activities, including the use of:
6 Funds derived from illegal activity; wagers to conceal or launder
7 funds derived from illegal activity; agents to place wagers; and false
8 identification when placing wagers.

9 (d) Information provided by a sports governing body to a lottery
10 gaming facility manager shall be confidential and not subject to the
11 open records act, K.S.A. 45-215 et seq., and amendments thereto, and
12 the lottery gaming facility manager shall not disclose such information
13 or any portion thereof, unless disclosure is required by this act, the
14 Kansas racing and gaming commission, state or federal law or court
15 order. The provisions of this subsection shall expire on July 1, 2027,
16 unless the legislature acts to reenact such provision. The provisions of
17 this subsection shall be reviewed by the legislature prior to July 1,
18 2027.

19 (e) Lottery gaming facility managers may use data for
20 determining the result of sports wagers from any source that provides
21 certified league data approved by the executive director.

22 (f) Any interactive sports wagering platform used by a lottery
23 gaming facility manager shall allow any individual placing a sports
24 wager through such platform to elect to not have such individual's
25 personally identifiable information collected by such platform or by
26 such lottery gaming facility manager for any purpose other than
27 recording the placing of the sportswager, payment of any prize and as
28 otherwise permitted by this section. Such election by an individual
29 shall be maintained by such platform and lottery gaming facility
30 manager until such time as the individual affirmatively cancels such
31 election. No personally identifiable information of an individual who
32 makes such election shall be used by such platform or lottery gaming
33 facility manager except as permitted by this section.

34 New Sec. 8. (a) Lottery gaming facility managers shall maintain
35 records of:

36 (1) All wagers placed, including personally identifiable
37 information of the person placing the wager;

38 (2) the amount and type of wager;

39 (3) the time the wager was placed;

40 (4) the location of the wager, including the IP address, if
41 applicable;

42 (5) the outcome of the wager;

43 (6) any records of abnormal wagering activity; and

1 (7) video camera recordings, in the case of in-person wagers.

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

7 New Sec. 9. The state shall have a cause of action against any
8 person who knowingly engages in, facilitates or conceals conduct that
9 intends to improperly influence a betting outcome of a sporting event
10 for purposes of financial gain, in connection with betting or wagering
11 on a sporting event. The state may seek damages or other equitable
12 relief. The provisions of this section shall not be construed as a
13 limitation on or bar against any other claims that the state may bring
14 against such person or any other claim that the state may bring for
15 injuries or damages arising out of the operation of sports wagering.

16 New Sec. 10. (a) Upon request by an individual, a lottery gaming
17 facility manager shall restrict such individual from placing sports
18 wagers with such manager and shall take reasonable measures to
19 prevent such individual from placing sports wagers. The lottery
20 gaming facility manager shall submit the restricted individual's name
21 and pertinent information to the Kansas racing and gaming
22 commission for the sole purpose of having such information
23 disseminated to all other lottery gaming facility managers. Any lottery
24 gaming facility manager that receives such individual's information
25 from the Kansas racing and gaming commission shall restrict such
26 individual from placing sports wagers.

27 (b) Any winnings of any individual who has requested to be
28 restricted from placing sports wagering bets shall forfeit such
29 winnings, and such winnings shall be credited to the problem
30 gambling grant fund established under K.S.A. 79-4805, and
31 amendments thereto.

32 New Sec. 11. (a) There is hereby established in the state treasury
33 the sports wagering receipts fund to be administered by the executive
34 director of the Kansas lottery. Separate accounts shall be maintained
35 in such fund for receipt of moneys from sports wagering conducted by
36 each lottery gaming facility manager. All expenditures from the fund
37 shall be made in accordance with appropriation acts upon warrants of
38 the director of accounts and reports issued pursuant to vouchers
39 approved by the executive director, or the executive director's
40 designee, for the purposes set forth in this act.

41 (b) All revenues from sports wagering conducted by lottery
42 gaming facility managers shall be paid weekly and electronically to the
43 executive director, or as soon as reasonably possible based on the

1 sporting event and the wager placed, but in no event prior to the
2 completion and settling of all bets for the sporting events for which
3 wagers were placed. The executive director shall remit all moneys
4 received therefrom to the state treasurer in accordance with the
5 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt
6 of each such remittance, the state treasurer shall deposit the entire
7 amount in the state treasury and credit such remittance to the
8 respective account in the sports wagering receipts fund maintained for
9 the lottery gaming facility manager.

10 (c) (1) The executive director shall certify monthly to the director
11 of accounts and reports the percentages or amounts to be transferred
12 from each account maintained in the sports wagering receipts fund to
13 the lottery operating fund in accordance with the provisions of K.S.A.
14 74-8711, and amendments thereto, as provided by the lottery gaming
15 facility management contract. Upon receipt of the certification, the
16 director of accounts and reports shall transfer amounts from each
17 such account in accordance with the certification of the executive
18 director.

19 (2) At least once each month, the executive director shall cause
20 amounts from each such account to be paid to the lottery gaming
21 facility managers in accordance with each entity's respective contract
22 with the Kansas lottery.

23 New Sec. 12. (a) There is hereby established in the state treasury
24 the white collar crime fund to be administered by the governor. All
25 moneys credited to the white collar crime fund shall be expended only
26 for the purpose of investigating and prosecuting:

27 (1) Criminal offenses involving or facilitated by:

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

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

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

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

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

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

37 (2) any financial or economic crime involving any unauthorized
38 gambling.

39 (b) All expenditures from the fund shall be made in accordance
40 with appropriation acts upon warrants of the director of accounts and
41 reports issued pursuant to vouchers approved by the governor, or the
42 governor's designee, for the purposes set forth in this act.

43 (c) The attorney general and the executive director of the Kansas

1 racing and gaming commission annually, on or before August 1, shall
2 submit requests to the governor for the amount of such sums that they
3 consider necessary to carry out the purposes of the white collar crime
4 fund. The governor may certify to the director of accounts and reports
5 amounts to be transferred from the white collar crime fund to any
6 special revenue fund or funds of the attorney general and the Kansas
7 racing and gaming commission as deemed appropriate by the
8 governor. Upon receipt of any such certification, the director of
9 accounts and reports shall transfer amounts from the white collar
10 crime fund to the special revenue fund or funds of the attorney
11 general and the Kansas racing and gaming commission in accordance
12 with such certification.

13 New Sec. 13. Upon receipt of a request to negotiate an
14 existing gaming compact or a new gaming compact regarding sports
15 wagering from a federally recognized Indian tribe pursuant to section
16 17, and amendments thereto, the governor shall submit notice of such
17 request to the executive director. Upon receipt of such notice, the
18 executive director shall enter into an agreement with the federally
19 recognized Indian tribe that made such request for the operation and
20 management of sports wagering by such tribe or any corporation,
21 limited liability company or other business entity wholly owned by
22 such tribe on behalf of the state of Kansas. Such agreement shall
23 authorize the Kansas lottery to offer sports wagering through an
24 interactive sports wagering platform to be operated and managed by
25 such tribe or business entity. The terms and conditions of such
26 agreement shall be substantially the same as any lottery gaming
27 facility management contract with respect to the operation and
28 management of sports wagering.

29 New Sec. 14. (a) Wagering on one or more historical horse races
30 is hereby authorized and may be conducted in accordance with the
31 provisions of the Kansas parimutuel racing act.

32 (b) Parimutuel wagering on historical horse races shall only be
33 conducted by an organization licensee at a facility located in Sedgwick
34 county and only through historical horse race machines approved by
35 the commission. Such wagering shall only be permitted in a designated
36 area on the licensed premises of an organization licensee. A licensee
37 shall obtain approval from the commission for any types of wagers on
38 historical horse races prior to conducting such wagering. No historical
39 horse race machines shall be operated at any facility that conducts live
40 greyhound races or displays simulcast greyhound races.

41 (c) An organization licensee may conduct parimutuel wagering
42 on historical horse races of any horse breed regardless of the type of
43 breed that primarily races in live meets conducted or simulcast races

1 displayed by the licensee. A licensee may conduct parimutuel wagering
2 on historical horse races on any days and hours approved by the
3 commission and shall not be limited to times during which the licensee
4 is conducting a live horse race meeting or displaying simulcast races.

5 (d) All wagering on historical horse races shall be conducted as
6 follows:

7 (1) A patron may only wager on historical horse races through an
8 historical horse race machine approved by the commission;

9 (2) once a patron deposits the wagered amount in the historical
10 horse race machine, one or more historical horse races shall be chosen
11 at random;

12 (3) prior to the patron making a wager selection, the machine
13 shall not display or otherwise make any information available that
14 would allow the patron to identify a historical horse race on which
15 such patron is wagering, including the location of the race, the date on
16 which the race was run, the names of the horses in the race or the
17 names of the jockeys that rode the horses in the race;

18 (4) the machine shall make available for viewing by the patron
19 the true and accurate past performance information on a historical
20 horse race prior to such patron making a wager selection. The
21 information shall be current as of the day the historical horse race was
22 run. The information provided to the patron shall be made available
23 on the machine in data or graphical form; and

24 (5) after a patron finalizes such patron's wager selections and
25 plays such selections, the machine shall make a video replay of a
26 portion of the race or the finish of the race available for the patron to
27 view and the official results of the race. The identity of the race shall
28 only be revealed to the patron after the patron has placed and played
29 such patron's wager.

30 (e) Not more than 1,000 historical horse race machines shall be
31 placed and operated at a racetrack facility.

32 (f) No parimutuel wagering or other type of wagering on
33 historical horse races shall be conducted over the internet or a digital
34 cellular network, including through any website or mobile device
35 application.

36 (g) On or before January 1, 2023, the commission shall adopt
37 rules and regulations necessary to implement and enforce the
38 provisions of this section.

39 (h) This section shall be a part of and supplemental to the Kansas
40 parimutuel racing act.

41 New Sec. 15. (a) Prior to the operation of any historical horse
42 race machines pursuant to section 14, and amendments thereto, the
43 executive director shall provide written notice to any lottery gaming

1 facility manager managing a lottery gaming facility located in the
2 same gaming zone as a racetrack facility where such historical horse
3 race machines are to be operated. Such notice shall state the
4 commission's intent to authorize the operation of historical horse race
5 machines at such racetrack facility.

6 (b) No action against the state of Kansas or any other person or
7 party for specific performance, anticipatory breach or breach of
8 contract, the basis of which is that the authorization of historical horse
9 race machines under section 14, and amendments thereto, violates the
10 provisions of K.S.A. 74-8734(h)(19) or 74-8741(c)(4), and amendments
11 thereto, or that the authorization of historical horse race machines
12 under section 14, and amendments thereto, creates a material breach
13 of a lottery gaming facility manager's management contract with the
14 Kansas lottery, including any claim for reimbursement of privilege
15 fees and interest thereon, shall be deemed to have accrued until the
16 lottery gaming facility manager receives written notice from the
17 executive director pursuant to subsection (a). Any such action shall be
18 commenced within 60 days after receipt of such written notice and
19 shall be filed as an original action in the supreme court. The supreme
20 court shall have original jurisdiction for determination of any claims
21 made and damages related thereto.

22 (c) No claim for equitable relief, including injunctive relief, may
23 be brought in any action filed pursuant to this section. No claim may
24 be brought in any action filed pursuant to this section except by the
25 lottery gaming facility manager for the lottery gaming facility located
26 in the same gaming zone as the racetrack facility where such historical
27 horse race machines are to be operated.

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

33 (e) (1) If no action is filed pursuant to subsection (b), the
34 commission may authorize the operation of historical horse race
35 machines at the racetrack facility.

36 (2) If an action is properly filed, the commission shall not
37 authorize the operation of historical horse race machines until such
38 time as the supreme court issues a final order in such action and such
39 order does not prohibit the commission from authorizing the
40 operation of such machines.

41 (3) If the final judgment of the court orders the repayment of the
42 privilege fees, or any portion thereof, paid by the lottery gaming
43 facility manager, including any interest from the date such action

1 accrued, as specified in subsection (b), the executive director shall
2 determine the total amount due for such repayment in accordance
3 with such order and certify such repayment amount to the facility
4 manager licensee for the racetrack facility. The commission shall not
5 authorize the operation of any historical horse race machines at such
6 racetrack facility until the executive director has received such
7 certified amount. The executive director shall remit all such moneys
8 received to the state treasurer in accordance with K.S.A. 75-4215, and
9 amendments thereto. Upon receipt of such remittance, the state
10 treasurer shall deposit the entire amount in the state treasury to the
11 credit of the privilege fee repayment fund.

12 (f) If a payment is made in accordance with subsection (e)(3), the
13 commission shall pay an equal amount to the facility manager licensee
14 for the racetrack facility. Such payment shall be paid in installments
15 on a monthly basis from moneys held in the facility manager licensee
16 repayment fund. The amount of each monthly payment shall be a
17 percentage of the moneys in the state racing fund that were collected
18 by the commission from the tax levied pursuant to K.S.A. 74-8823(a)
19 (5), and amendments thereto, agreed to by the executive director and
20 the facility manager licensee, except that such percentage shall not be
21 less than 50% of the moneys in the state racing fund that were
22 collected by the commission from the tax levied pursuant to K.S.A. 74-
23 8823(a)(5), and amendments thereto. The executive director shall
24 certify the amount to be paid each month under this subsection to the
25 director of accounts and reports. Upon receipt of such certification,
26 the director of accounts and reports shall transfer such certified
27 amount from the state racing fund to the facility manager licensee
28 repayment fund. Transfers from the state racing fund under this
29 subsection shall only be made from those moneys held in the state
30 racing fund that were collected by the commission from the tax levied
31 pursuant to K.S.A. 74-8823(a)(5), and amendments thereto, on the
32 total amount wagered on historical horse races conducted by
33 historical horse race machines located at the facility manager
34 licensee's racetrack facility.

35 (g) (1) The privilege fee repayment fund is hereby created in the
36 state treasury and shall be administered by the Kansas lottery. The
37 privilege fee repayment fund shall consist of those moneys credited to
38 the privilege fee repayment fund from any payments received
39 pursuant to subsection (e). All expenditures from the privilege fee
40 repayment fund shall be for the repayment of privilege fees, including
41 accrued interest thereon, and shall be made in accordance with
42 appropriation acts upon warrants of the director of accounts and
43 reports issued pursuant to vouchers approved by the executive

1 director or the executive director's designee.

2 (2) The facility manager licensee repayment fund is hereby
3 created in the state treasury and shall be administered by the Kansas
4 racing and gaming commission. The facility manager licensee
5 repayment fund shall consist of those moneys credited to the facility
6 manager licensee repayment fund pursuant to subsection (f). All
7 expenditures from the facility manager licensee repayment fund shall
8 be for payment to the facility manager licensee pursuant to subsection
9 (f) and shall be made in accordance with appropriation acts upon
10 warrants of the director of accounts and reports issued pursuant to
11 vouchers approved by the executive director or the executive
12 director's designee.

13 (h) The provisions of this section shall be a part of and
14 supplemental to the Kansas parimutuel racing act.

15 New Sec. 16. The provisions of sections 14 and 15, and
16 amendments thereto, are hereby declared to be severable. If any part
17 or provision of sections 14 and 15, and amendments thereto, is held to
18 be void, invalid or unconstitutional, such part or provision shall not
19 affect or impair any of the remaining parts or provisions of this act,
20 and any such remaining provisions shall continue in full force and
21 effect.

22 New Sec. 17. (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
25 wagering in accordance with K.S.A. 46-2302, and amendments
26 thereto, the governor or the governor's designated representative shall
27 negotiate in good faith with such Indian tribe to enter into such
28 gaming compact.

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

33 New Sec. 18. (a) Misuse of nonpublic sports information is
34 placing or causing to be placed a bet or wager on a sports contest on
35 the basis of material nonpublic information relating to such bet or
36 wager.

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

39 (c) As used in this section:

40 (1) "On the basis of material nonpublic information" means the
41 person placing the bet or wager, or causing such bet or wager to be
42 placed, was aware of the material nonpublic information relating to
43 such bet or wager when the person placed the bet or wager, or caused

1 such bet or wager to be placed; and

2 (2) "sports contest" means the same as defined in K.S.A. 2021
3 Supp. 21-6507, and amendments thereto.

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

6 Sec. 19. K.S.A. 2021 Supp. 21-6403 is hereby amended to read as
7 follows: 21-6403. As used in K.S.A. 2021 Supp. 21-6403 through 21-
8 6409, and amendments thereto:

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

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

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

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

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

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

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

31 (7) tribal gaming;

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

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

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

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

40 (1) A lottery operated by the state pursuant to the Kansas lottery
41 act; or

42 (2) tribal gaming;

43 (c) "consideration" means anything~~which~~ *that* is a commercial or

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

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

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

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

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

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

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

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

39 (3) no winning outcome is based:

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

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

1 any 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
5 which is 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
14 removed, is equipped with or designed to accommodate a mechanism
15 to record the number of credits removed or is otherwise designed,
16 manufactured or altered primarily for use in connection with
17 gambling, and:

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

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

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

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

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

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

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

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

1 (i) ~~Which That~~ when operated does not deliver, as a result of
2 chance, any money; or

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

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

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

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

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

22 (h) "tribal gaming commission" means the same as in K.S.A. 74-
23 9802, and amendments thereto.

24 Sec. 20. K.S.A. 2021 Supp. 21-6507 is hereby amended to read as
25 follows: 21-6507. (a) Sports bribery is:

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

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

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

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

39 (5) *match-fixing, as defined in K.S.A. 74-8702, and amendments*
40 *thereto.*

41 (b) Sports bribery as defined in:

42 (1) Subsection (a)(1) or (a)(2) is a severity level 9, nonperson
43 felony; ~~and~~

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

3 (3) subsection (a)(5) is a severity level 5, nonperson felony.

4 (c) As used in this section and K.S.A. 2021 Supp. 21-6508, and
5 amendments thereto:

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

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

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

15 Sec. 21. K.S.A. 46-2301 is hereby amended to read as follows: 46-
16 2301. As used in ~~this act~~ K.S.A. 46-2301 through 46-2304, and
17 amendments thereto, and section 17, and amendments thereto:

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

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

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

25 Sec. 22. K.S.A. 74-8702 is hereby amended to read as follows: 74-
26 8702. As used in the Kansas lottery act, unless the context otherwise
27 requires:

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

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

35 (c) (1) "Electronic gaming machine" means any electronic,
36 electromechanical, video or computerized device, contrivance or
37 machine authorized by the Kansas lottery ~~which~~ that, upon insertion of
38 cash, tokens, electronic cards or any consideration, is available to play,
39 operate or simulate the play of a game authorized by the Kansas
40 lottery pursuant to the Kansas expanded lottery act, including, but not
41 limited to, bingo, poker, blackjack, keno and slot machines, and ~~which~~
42 that may deliver or entitle the player operating the machine to receive
43 cash, tokens, merchandise or credits that may be redeemed for cash.

1 Electronic gaming machines may use bill validators and may be
2 single-position reel-type, single or multi-game video and single-
3 position multi-game video electronic game, including, but not limited
4 to, poker, blackjack and slot machines. Electronic gaming machines
5 shall be directly linked to a central computer at a location determined
6 by the executive director for purposes of security, monitoring and
7 auditing.

8 (2) *"Electronic gaming machine" does not mean an historical horse*
9 *race machine, as defined in K.S.A. 74-8802, and amendments thereto.*

10 (d) **"Executive director"** means the executive director of the
11 Kansas lottery.

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

19 (f) **"Gaming zone"** means: (1) The northeast Kansas gaming
20 zone, which consists of Wyandotte county; (2) the southeast Kansas
21 gaming zone, which consists of Crawford and Cherokee counties; (3)
22 the south central Kansas gaming zone, which consists of Sedgwick and
23 Sumner counties; and (4) the southwest Kansas gaming zone, which
24 consists of Ford county.

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

32 (h) *"Interactive sports wagering platform" means sports wagering*
33 *made available over the internet, including through websites and mobile*
34 *device applications, that accepts wagers or bets and pays prizes to*
35 *persons physically located within the geographical boundaries of the state*
36 *of Kansas by and through a lottery gaming facility manager.*

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

1 pursuant to K.S.A. 75-5189, and amendments thereto, and the sole
2 purpose of which is to:

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

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

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

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

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

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

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

17 (E) dispense any winnings;

18 (F) dispense any prize;

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

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

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

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

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

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

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

34 ~~(l)~~(l) (1) "Lottery facility games" means any electronic gaming
35 machines and any other games ~~which~~ that, as of January 1, 2007, are
36 authorized to be conducted or operated at a tribal gaming facility, as
37 defined in K.S.A. 74-9802, and amendments thereto, located within the
38 boundaries of this state.

39 (2) "Lottery facility games" does not include sports wagering or
40 historical horse race machines, as defined in K.S.A. 74-8802, and
41 amendments thereto.

42 ~~(m)~~(m) "Lottery gaming enterprise" means an entertainment
43 enterprise ~~which~~ that includes a lottery gaming facility authorized

1 pursuant to the Kansas expanded lottery act and ancillary lottery
2 gaming facility operations that have a coordinated business or
3 marketing strategy. A lottery gaming enterprise shall be designed to
4 attract to its lottery gaming facility consumers who reside outside the
5 immediate area of such enterprise.

6 ~~(m)~~(n) "Lottery gaming facility" means that portion of a building
7 used for the purposes of operating, managing and maintaining lottery
8 facility games.

9 ~~(n)~~(o) "Lottery gaming facility expenses" means normal business
10 expenses, as defined in the lottery gaming facility management
11 contract, associated with the ownership and operation of a lottery
12 gaming facility.

13 ~~(o)~~(p) "Lottery gaming facility management contract" means a
14 contract, subcontract or collateral agreement between the state and a
15 lottery gaming facility manager for the management of a lottery
16 gaming facility, the business of which is owned and operated by the
17 Kansas lottery, negotiated and signed by the executive director on
18 behalf of the state.

19 ~~(p)~~(q) "Lottery gaming facility manager" means a corporation,
20 limited liability company, resident Kansas American Indian tribe or
21 other business entity authorized to construct and manage, or manage
22 alone, pursuant to a lottery gaming facility management contract with
23 the Kansas lottery, and on behalf of the state, a lottery gaming
24 enterprise and lottery gaming facility.

25 ~~(q)~~(r) "Lottery gaming facility revenues" means the total
26 revenues from lottery facility games at a lottery gaming facility after
27 all related prizes are paid. *The term "lottery gaming facility revenues"*
28 *does not include sports wagering revenues.*

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

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

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

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

43 (A) Any food vending machine defined by K.S.A. 36-501, and

1 amendments thereto;

2 (B) any nonprescription drug machine authorized under K.S.A.
3 65-650, and amendments thereto;

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

6 (D) any machine excluded from the definition of gambling devices
7 under K.S.A. 21-4302(d), prior to its repeal, or K.S.A. 2021 Supp. 21-
8 6403, and amendments thereto;

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

12 (F) any lottery ticket vending machine; or

13 (G) any instant bingo vending machine.

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

17 ~~(u)~~(u) (1) "Lottery ticket vending machine" means a machine or
18 similar electronic device owned or leased by the Kansas lottery, the
19 sole purposes of which are to:

20 (A) Dispense a printed physical ticket, such as a lottery ticket, a
21 keno ticket, a pull tab ticket or a coupon, the coupon of which must be
22 redeemed through something other than a lottery ticket vending
23 machine, after a purchaser inserts cash or other form of consideration
24 into the machine;

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

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

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

30 (A) Provide a visual or audio representation of an electronic
31 gaming machine;

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

34 (C) automatically determine or display the winning status of any
35 dispensed ticket;

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

37 (E) dispense any winnings;

38 (F) dispense any prize;

39 (G) dispense any evidence of a prize other than the lottery ticket,
40 keno ticket, pull tab ticket or any free Kansas lottery ticket received as
41 a result of the purchase of another Kansas lottery ticket;

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

1 **(I) dispense any other form of a prize to a purchaser.**
2 ~~No~~**Not more than two lottery ticket vending machines may be**
3 **located at each Kansas lottery retailer selling location.**

4 **Lottery ticket vending machines may only dispense the printed**
5 **physical lottery ticket, keno ticket or pull tab ticket, including any free**
6 **Kansas lottery ticket received as a result of the purchase of another**
7 **Kansas lottery ticket, and change from a purchase to the purchaser.**
8 **Any winnings from a lottery ticket vending machine shall be redeemed**
9 **only for cash or check by a lottery retailer or by cash, check or other**
10 **prize from the office of the Kansas lottery.**

11 ~~(v)~~**(1) "Major procurement" means any gaming product or**
12 **service, including, but not limited to, facilities, advertising and**
13 **promotional services, annuity contracts, prize payment agreements,**
14 **consulting services, equipment, tickets and other products and**
15 **services unique to the Kansas lottery, but not including materials,**
16 **supplies, equipment and services common to the ordinary operations**
17 **of state agencies.**

18 **(2) "Major procurement" shall not mean any product, service or**
19 **other matter covered by or addressed in the Kansas expanded lottery**
20 **act or a lottery gaming facility management contract or racetrack**
21 **gaming facility management contract executed pursuant to the Kansas**
22 **expanded lottery act.**

23 *(w) "Marketing agreement" means an agreement entered into*
24 *between a professional sports team or other marketing entity and a lottery*
25 *gaming facility manager for the purposes described in section 4, and*
26 *amendments thereto.*

27 *(x) "Marketing entity" means:*

28 *(1) A corporation, limited liability company, partnership or other*
29 *business entity registered to do business in this state; or*

30 *(2) a nonprofit fraternal or veterans organization.*

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

34 ~~(z)~~**(z) "Net electronic gaming machine income" means all cash or**
35 **other consideration utilized to play an electronic gaming machine**
36 **operated at a racetrack gaming facility, less all cash or other**
37 **consideration paid out to winning players as prizes.**

38 *(aa) "Nonprofit fraternal organization" means any organization*
39 *within this state that exists for the common benefit, brotherhood or other*
40 *interests of its members and is authorized by its written constitution,*
41 *charter, articles of incorporation or bylaws to engage in a fraternal, civic*
42 *or service purpose within this state and has been determined by the*
43 *executive director to be organized and operated as a bona fide fraternal*

1 organization and that has been exempted from the payment of federal
2 income taxes as provided by section 501(c)(8) or section 501(c)(10) of the
3 federal internal revenue code of 1986, as amended, or determined to be
4 organized and operated as a bona fide nonprofit fraternal organization by
5 the executive director.

6 (bb) "Nonprofit veterans' organization" means any organization
7 within this state or any branch, lodge or chapter of a national or state
8 organization within this state, the membership of which consists
9 exclusively of individuals who qualify for membership because they were
10 or are members of the armed services or forces of the United States, or an
11 auxiliary unit or society of such a nonprofit veterans' organization, the
12 membership of which consists exclusively of individuals who were or are
13 members of the armed services or forces of the United States, or are
14 cadets, or are spouses, widows or widowers of individuals who were or
15 are members of the armed services or forces of the United States, and of
16 which no part of the net earnings inures to the benefit of any private
17 shareholder or individual member of such organization, and has been
18 determined by the executive director to be organized and operated as a
19 bona fide veterans' organization and that has been exempted from the
20 payment of federal income taxes as provided by section 501(c)(4) or
21 501(c)(19) of the federal internal revenue code of 1986, as amended, or
22 determined to be organized and operated as a bona fide nonprofit
23 veterans' organization by the executive director.

24 ~~(w)(cc)~~ **"Organization licensee"** ~~has the meaning provided by~~
25 ~~means the same as defined in K.S.A. 74-8802, and amendments thereto.~~

26 ~~(x)(dd)~~ **"Parimutuel licensee"** means a facility owner licensee or
27 facility manager licensee under the Kansas parimutuel racing act.

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

34 ~~(z)(ff)~~ **"Person"** means any natural person, association, limited
35 liability company, corporation or partnership.

36 (gg) **"Primary facility"** means the stadium or arena where a
37 professional sports team hosts competitive games in accordance with such
38 team's league rules.

39 ~~(aa)(hh)~~ **"Prize"** means any prize paid directly by the Kansas
40 lottery pursuant to the Kansas lottery act or the Kansas expanded
41 lottery act or any rules and regulations adopted pursuant to either act.

42 (ii) **"Professional sports team"** means an athletic team, whose
43 primary facility is located in Kansas, that operates at the major league

1 *level in the sport of baseball, basketball, football, ice hockey or soccer.*

2 ~~(bb)~~(jj) **"Progressive electronic game"** means a game played on an
3 electronic gaming machine for which the payoff increases uniformly as
4 the game is played and for which the jackpot, determined by
5 application of a formula to the income of independent, local or
6 interlinked electronic gaming machines, may be won.

7 ~~(ee)~~(kk) **"Racetrack gaming facility"** means that portion of a
8 parimutuel licensee location where electronic gaming machines are
9 operated, managed and maintained.

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

15 ~~(ee)~~(mm) **"Racetrack gaming facility manager"** means a
16 parimutuel licensee specifically certified by the Kansas lottery to
17 become a certified racetrack gaming facility manager and offer
18 electronic gaming machines for play at the racetrack gaming facility.

19 ~~(ff)~~(nn) **"Returned ticket"** means any ticket ~~which that was~~
20 transferred to a lottery retailer, ~~which that was not sold by the lottery~~
21 retailer and ~~which that was returned to the Kansas lottery for refund~~
22 by issuance of a credit or otherwise.

23 ~~(gg)~~(oo) **"Share"** means any intangible manifestation authorized
24 by the Kansas lottery to prove participation in a lottery game, except
25 as provided by the Kansas expanded lottery act.

26 (pp) *"Sports governing body"* means the organization that prescribes
27 the final rules and enforces codes of conduct with respect to a sporting
28 event and the participants in such event.

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

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

34 (A) *Any horse race that is subject to the provisions of the Kansas*
35 *parimutuel racing act, K.S.A. 74-8801 et seq., and amendments thereto;*

36 (B) *any greyhound race; or*

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

39 (rr) (1) *"Sports wagering"* means placing a wager or bet on one or
40 more sporting events, or any portion thereof, or on the individual
41 performance statistics of athletes participating in a sporting event, or
42 combination of sporting events, by any system or method of wagering at or
43 through a lottery gaming facility, including through an interactive sports

1 *wagering platform. "Sports wagering" includes, but is not limited to,*
2 *single game wagers, teaser wagers, parlays, over-under wagers,*
3 *moneyline wagers, pools, exchange wagering, in-game wagers, in-play*
4 *wagers, proposition wagers, straight wagers and such other wagers*
5 *approved by the commission.*

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

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

9 (B) *fantasy sports leagues, as defined in K.S.A. 2021 Supp. 21-6403,*
10 *and amendments thereto.*

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

14 (tt) *"Sports wagering supplier" means a person providing goods,*
15 *services, software or any other components necessary for the*
16 *determination of the odds or the outcomes of any wager on a sporting*
17 *event, directly or indirectly, to a lottery gaming facility manager, including*
18 *data feeds and odds services, that is licensed under section 3, and*
19 *amendments thereto.*

20 ~~(hh)~~(uu) **"Ticket" means any tangible evidence issued by the**
21 **Kansas lottery to prove participation in a lottery game, including a**
22 **sports wager, other than a lottery facility game.**

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

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

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

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

42 **Sec. 23. K.S.A. 74-8710 is hereby amended to read as follows: 74-**
43 **8710. (a) The commission, upon the recommendation of the executive**

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

13 (1) Subject to the provisions of subsection (c), the types of lottery
14 games to be conducted, including, but not limited to, instant lottery,
15 ~~on-line~~ *online*, traditional games, lottery facility games and electronic
16 gaming machine games but not including games on video lottery
17 machines or lottery machines.

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

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

25 (4) The frequency of the drawings or selections of winning tickets
26 or shares.

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

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

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

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

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

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

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

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

1 **(13) Rules and regulations to implement, administer and enforce**
2 **the provisions of the Kansas expanded lottery act. Such rules and**
3 **regulations shall include, but not be limited to, rules and regulations**
4 ~~which that govern management contracts and which that are designed~~
5 **to: (A) Ensure the integrity of electronic gaming machines and, other**
6 **lottery facility games, *sports wagering* and the finances of lottery**
7 **gaming facilities and racetrack gaming facilities; and (B) alleviate**
8 **problem gambling, including a requirement that each lottery gaming**
9 **facility and each racetrack gaming facility maintain a self-exclusion**
10 **list by which individuals may exclude themselves from access to**
11 **electronic gaming machines and, other lottery facility games and *sports***
12 ***wagering*.**

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

16 *(15) Rules and regulations to implement, administer and enforce the*
17 *provisions of sections 1 through 13, and amendments thereto. Such rules*
18 *and regulations shall include, but not be limited to:*

19 *(A) Management contracts for sports wagering conducted by lottery*
20 *gaming facility managers;*

21 *(B) provisions for the confidentiality of information submitted by an*
22 *interactive sports wagering platform and lottery gaming facility*
23 *managers; and*

24 *(C) provisions ensuring the integrity of sports wagering conducted in*
25 *this state.*

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

31 **(c) The lottery shall adopt rules and regulations concerning the**
32 **game of keno. Such rules and regulations shall require that the**
33 **amount of time which elapses between the start of games shall not be**
34 **less than four minutes.**

35 **Sec. 24. K.S.A. 74-8711 is hereby amended to read as follows: 74-**
36 **8711. (a) There is hereby established in the state treasury the lottery**
37 **operating fund.**

38 **(b) Except as provided by K.S.A. 74-8724 and the Kansas**
39 **expanded lottery act, and amendments thereto, the executive director**
40 **shall remit all moneys collected from the sale of lottery tickets and**
41 **shares and any other moneys received by or on behalf of the Kansas**
42 **lottery to the state treasurer in accordance with the provisions of**
43 **K.S.A. 75-4215, and amendments thereto. Upon receipt of each such**

1 remittance, the state treasurer shall deposit the entire amount in the
2 state treasury to the credit of the lottery operating fund. Moneys
3 credited to the fund shall be expended or transferred only as provided
4 by this act. Expenditures from such fund shall be made in accordance
5 with appropriations acts upon warrants of the director of accounts
6 and reports issued pursuant to vouchers approved by the executive
7 director or by a person designated by the executive director.

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

9 (1) The payment of expenses of the lottery, which shall include all
10 costs incurred in the operation and administration of the Kansas
11 lottery; all costs resulting from contracts entered into for the purchase
12 or lease of goods and services needed for operation of the lottery,
13 including but not limited to supplies, materials, tickets, independent
14 studies and surveys, data transmission, advertising, printing,
15 promotion, incentives, public relations, communications and
16 distribution of tickets and shares; and reimbursement of costs of
17 facilities and services provided by other state agencies;

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

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

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

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

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

28 (7) *transfers to the white collar crime fund of the governor pursuant*
29 *to subsection (f);*

30 (8) *transfers to the problem gambling and addictions grant fund of*
31 *the department for aging and disability services pursuant to subsection*
32 *(g); and*

33 (9) transfers to the county reappraisal fund as prescribed by law.

34 (d) The director of accounts and reports shall transfer moneys in
35 the lottery operating fund to the state gaming revenues fund created
36 by K.S.A. 79-4801, and amendments thereto, on or before the 15th day
37 of each month in an amount certified monthly by the executive
38 director and determined as follows, whichever is greater:

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

42 (2) except for pull-tab lottery tickets and shares, an amount equal
43 to not less than 30% of total monthly revenues from the sales of

1 lottery tickets and shares less estimated returned tickets. In the case of
2 pull-tab lottery tickets and shares, an amount equal to not less than
3 20% of the total monthly revenues from the sales of pull-tab lottery
4 tickets and shares less estimated returned tickets.

5 (e) (1) Subject to the limitations set forth in paragraph (2),
6 commencing in fiscal year 2020, on or before the 10th day of each
7 month, the director of the lottery shall certify to the director of
8 accounts and reports all net profits from the sale of lottery tickets and
9 shares via lottery ticket vending machines. Of such certified amount,
10 the director of accounts and reports shall transfer 75% from the
11 lottery operating fund to the community crisis stabilization centers
12 fund of the Kansas department for aging and disability services and
13 25% from the lottery operating fund to the clubhouse model program
14 fund of the Kansas department for aging and disability services.

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

19 (f) *On July 1, 2023, and each July 1 thereafter, or as soon thereafter*
20 *as moneys are available, the first \$750,000 credited to the lottery*
21 *operating fund from sports wagering revenues deposited in the lottery*
22 *operating fund shall be transferred by the director of accounts and reports*
23 *from the lottery operating fund to the white collar crime fund established*
24 *in section 12, and amendments thereto.*

25 (g) *On July 1, 2023, and each July 1 thereafter, or as soon thereafter*
26 *as moneys are available, after the transfer required under subsection (f)*
27 *has been made, 2% of the remaining moneys 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 problem gambling and addictions*
31 *grant fund established in K.S.A. 79-4805, and amendments thereto.*

32 **Sec. 25. 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**
35 **residing 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
38 major procurement, whether such interest is as a natural person,
39 partner, member of an association, stockholder or director or officer
40 of a corporation; or

41 (2) accept or agree to accept any economic opportunity, gift, loan,
42 gratuity, special discount, favor or service, or hospitality other than
43 food and beverages, having an aggregate value of \$20 or more in any

1 calendar year from a person knowing that such person: (A) Contracts
2 or seeks to contract with the state to supply gaming equipment,
3 materials, tickets or consulting services for use in the lottery; or (B) is
4 a lottery retailer or an applicant for lottery retailer.

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

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

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

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

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

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

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

1 (g) It shall be unlawful for the executive director, a member of the
2 commission or an employee of the Kansas lottery to accept any
3 compensation, gift, loan, entertainment, favor or service from any
4 licensee pursuant to the Kansas parimutuel racing act, except such
5 suitable facilities and services within a racetrack facility operated by
6 an organization licensee as may be required to facilitate the
7 performance of the executive director's, member's or employee's
8 official duties.

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

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

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

19 Sec. 26. K.S.A. 74-8733 is hereby amended to read as follows: 74-
20 8733. (a) K.S.A. 74-8733 through 74-8773, and amendments thereto,
21 *and sections 1 through 13, and amendments thereto,* shall be known and
22 may be cited as the Kansas expanded lottery act. The Kansas
23 expanded lottery act shall be a part of and supplemental to the Kansas
24 lottery act.

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

29 (c) Any action challenging the constitutionality of or arising out
30 of any provision of this act, any lottery gaming facility management
31 contract or any racetrack gaming facility management contract
32 entered into pursuant to this act shall be brought in the district court
33 of Shawnee county.

34 Sec. 27. K.S.A. 74-8734 is hereby amended to read as follows: 74-
35 8734. (a) The Kansas lottery may operate one lottery gaming facility in
36 each gaming zone.

37 (b) Not more than 30 days after the effective date of this act the
38 lottery commission shall adopt and publish in the Kansas register the
39 procedure for receiving, considering and approving, proposed lottery
40 gaming facility management contracts. Such procedure shall include
41 provisions for review of competitive proposals within a gaming zone
42 and the date by which proposed lottery gaming facility management
43 contracts must be received by the lottery commission if they are to

1 receive consideration.

2 (c) The lottery commission shall adopt standards to promote the
3 integrity of the gaming and finances of lottery gaming facilities, which
4 shall apply to all management contracts, shall meet or exceed industry
5 standards for monitoring and controlling the gaming and finances of
6 gaming facilities and shall give the executive director sufficient
7 authority to monitor and control the gaming operation and to ensure
8 its integrity and security.

9 (d) The Kansas lottery commission may approve management
10 contracts with one or more prospective lottery gaming facility
11 managers to manage, or construct and manage, on behalf of the state
12 of Kansas and subject to the operational control of the Kansas lottery,
13 a lottery gaming facility or lottery gaming enterprise at specified
14 destination locations within the northeast, south central, southwest
15 and southeast Kansas gaming zones where the commission determines
16 the operation of such facility would promote tourism and economic
17 development. The commission shall approve or disapprove a proposed
18 management contract within 90 days after the deadline for receipt of
19 proposals established pursuant to subsection (b).

20 (e) In determining whether to approve a management contract
21 with a prospective lottery gaming facility manager to manage a lottery
22 gaming facility or lottery gaming enterprise pursuant to this section,
23 the commission shall take into consideration the following factors: The
24 size of the proposed facility; the geographic area in which such facility
25 is to be located; the proposed facility's location as a tourist and
26 entertainment destination; the estimated number of tourists that
27 would be attracted by the proposed facility; the number and type of
28 lottery facility games to be operated at the proposed facility; and
29 agreements related to ancillary lottery gaming facility operations.

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

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

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

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

13 **(2) the commission determines that the proposed development**
14 **consists of an investment in infrastructure, including ancillary lottery**
15 **gaming facility operations, of at least \$225,000,000 in the northeast**
16 **and south central Kansas gaming zones and of at least \$50,000,000 in**
17 **the southeast and southwest Kansas gaming zones. The commission, in**
18 **determining whether the minimum investment required by this**
19 **subsection is met, shall not include any amounts derived from or**
20 **financed by state or local retailers' sales tax revenues.**

21 **(h) Any management contract approved by the commission under**
22 **this section shall:**

23 **(1) Have a maximum initial term of 15 years from the date of**
24 **opening of the lottery gaming facility. At the end of the initial term,**
25 **the contract may be renewed by mutual consent of the state and the**
26 **lottery gaming facility manager;**

27 **(2) specify the total amount to be paid to the lottery gaming**
28 **facility manager pursuant to the contract;**

29 **(3) establish a mechanism to facilitate payment of lottery gaming**
30 **facility expenses, payment of the lottery gaming facility manager's**
31 **share of the lottery gaming facility revenues and distribution of the**
32 **state's share of the lottery gaming facility revenues;**

33 **(4) include a provision for the lottery gaming facility manager to**
34 **pay the costs of oversight and regulation of the lottery gaming facility**
35 **manager and the operations of the lottery gaming facility by the**
36 **Kansas racing and gaming commission;**

37 **(5) establish the types of lottery facility games to be installed in**
38 **such facility;**

39 **(6) provide for the prospective lottery gaming facility manager,**
40 **upon approval of the proposed lottery gaming facility management**
41 **contract, to pay to the state treasurer a privilege fee of \$25,000,000 for**
42 **the privilege of being selected as a lottery gaming facility manager of a**
43 **lottery gaming facility in the northeast or south central Kansas**

1 gaming zone and \$5,500,000 for the privilege of being selected as a
2 lottery gaming facility manager of a lottery gaming facility in the
3 southeast or southwest Kansas gaming zone. Such fee shall be
4 deposited in the state treasury and credited to the lottery gaming
5 facility manager fund,—~~which~~ *that* is hereby created in the state
6 treasury;

7 (7) incorporate terms and conditions for the ancillary lottery
8 gaming facility operations;

9 (8) designate as key employees, subject to approval of the
10 executive director, any employees or contractors providing services or
11 functions—~~which~~ *that* are related to lottery facility games authorized by
12 a management contract;

13 (9) include financing commitments for construction;

14 (10) include a resolution of endorsement from the city governing
15 body, if the proposed facility is within the corporate limits of a city, or
16 from the county commission, if the proposed facility is located in the
17 unincorporated area of the county;

18 (11) include a requirement that any parimutuel licensee
19 developing a lottery gaming facility pursuant to this act comply with
20 all orders and rules and regulations of the Kansas racing and gaming
21 commission with regard to the conduct of live racing, including the
22 same minimum days of racing as specified in K.S.A. 74-8746, and
23 amendments thereto, for operation of electronic gaming machines at
24 racetrack gaming facilities;

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

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

32 (14) if the prospective lottery gaming facility manager is an
33 American Indian tribe, include a provision that such tribe agrees to
34 waive its sovereign immunity with respect to any actions arising from
35 or to enforce either the Kansas expanded lottery act or any provision
36 of the lottery gaming facility management contract; any action
37 brought by an injured patron or by the state of Kansas; any action for
38 purposes of enforcing the workers compensation act or any other
39 employment or labor law; and any action to enforce laws, rules and
40 regulations and codes pertaining to health, safety and consumer
41 protection; and for any other purpose deemed necessary by the
42 executive director to protect patrons or employees and promote fair
43 competition between the tribe and others seeking a lottery gaming

1 facility management contract;

2 (15) (A) if the lottery gaming facility is located in the northeast or
3 southwest Kansas gaming zone and is not located within a city, include
4 a provision for payment of an amount equal to 3% of the lottery
5 gaming facility revenues to the county in which the lottery gaming
6 facility is located; or (B) if the lottery gaming facility is located in the
7 northeast or southwest Kansas gaming zone and is located within a
8 city, include provision for payment of an amount equal to 1.5% of the
9 lottery gaming facility revenues to the city in which the lottery gaming
10 facility is located and an amount equal to 1.5% of such revenues to the
11 county in which such facility is located;

12 (16) (A) if the lottery gaming facility is located in the southeast or
13 south central Kansas gaming zone and is not located within a city,
14 include a provision for payment of an amount equal to 2% of the
15 lottery gaming facility revenues to the county in which the lottery
16 gaming facility is located and an amount equal to 1% of such revenues
17 to the other county in such zone; or (B) if the lottery gaming facility is
18 located in the southeast or south central Kansas gaming zone and is
19 located within a city, provide for payment of an amount equal to 1%
20 of the lottery gaming facility revenues to the city in which the lottery
21 gaming facility is located, an amount equal to 1% of such revenues to
22 the county in which such facility is located and an amount equal to 1%
23 of such revenues to the other county in such zone;

24 (17) allow the lottery gaming facility manager to manage the
25 lottery gaming facility in a manner consistent with this act and
26 applicable law, but shall place full, complete and ultimate ownership
27 and operational control of the gaming operation of the lottery gaming
28 facility with the Kansas lottery. The Kansas lottery shall not delegate
29 and shall explicitly retain the power to overrule any action of the
30 lottery gaming facility manager affecting the gaming operation
31 without prior notice. The Kansas lottery shall retain full control over
32 all decisions concerning lottery gaming facility games *and sports*
33 *wagering*;

34 (18) include provisions for the Kansas racing and gaming
35 commission to oversee all lottery gaming facility operations, including,
36 but not limited to: Oversight of internal controls; oversight of security
37 of facilities; performance of background investigations, determination
38 of qualifications and credentialing of employees, contractors and
39 agents of the lottery gaming facility manager and of ancillary lottery
40 gaming facility operations, as determined by the Kansas racing and
41 gaming commission; auditing of lottery gaming facility revenues *and*
42 *sports wagering revenues*; *and* enforcement of all state laws and
43 maintenance of the integrity of gaming operations; and

1 **(19) include enforceable provisions: (A) Prohibiting the state,**
2 **until July 1, 2032, from: (i) Entering into management contracts for**
3 **more than four lottery gaming facilities or similar gaming facilities,**
4 **~~one to be located in the northeast Kansas gaming zone, one to be~~**
5 **~~located in the south central Kansas gaming zone, one to be located in~~**
6 **~~the southwest Kansas gaming zone and one to be located in the~~**
7 **southeast Kansas gaming zone; (ii) designating additional areas of the**
8 **state where operation of lottery gaming facilities or similar gaming**
9 **facilities would be authorized; or (iii) operating an aggregate of more**
10 **than 2,800 electronic gaming machines at all parimutuel licensee**
11 **locations; and (B) requiring the state to repay to the lottery gaming**
12 **facility manager an amount equal to the privilege fee paid by such**
13 **lottery gaming facility manager, plus interest on such amount,**
14 **compounded annually at the rate of 10%, if the state violates the**
15 **prohibition provision described in (A).**

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

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

23 *(A) The state shall receive 20% of the sports wagering revenues*
24 *received from wagers placed with the lottery gaming facility through an*
25 *interactive sports wagering platform; and*

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

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

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

33 **~~(l)~~ A person who is the manager of the racetrack gaming**
34 **facility in a gaming zone shall not be eligible to be the manager of the**
35 **lottery gaming facility in the same zone.**

36 **~~(m)~~ Management contracts authorized by this section may**
37 **include provisions relating to:**

38 **(1) Accounting procedures to determine the lottery gaming**
39 **facility revenues, unclaimed prizes and credits;**

40 **(2) minimum requirements for a lottery gaming facility manager**
41 **to provide qualified oversight, security and supervision of the lottery**
42 **facility games including the use of qualified personnel with experience**
43 **in applicable technology;**

1 **(3) eligibility requirements for employees, contractors or agents**
2 **of a lottery gaming facility manager who will have responsibility for or**
3 **involvement with actual gaming activities or for the handling of cash**
4 **or tokens;**

5 **(4) background investigations to be performed by the Kansas**
6 **racing and gaming commission;**

7 **(5) credentialing requirements for any employee, contractor or**
8 **agent of the lottery gaming facility manager or of any ancillary lottery**
9 **gaming facility operation as provided by the Kansas expanded lottery**
10 **act or rules and regulations adopted pursuant thereto;**

11 **(6) provision for termination of the management contract by**
12 **either party for cause; and**

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

16 ~~(m)~~(n) A management contract shall not constitute property, nor
17 shall it be subject to attachment, garnishment or execution, nor shall it
18 be alienable or transferable, except upon approval by the executive
19 director, nor shall it be subject to being encumbered or hypothecated.
20 The trustee of any insolvent or bankrupt lottery gaming facility
21 manager may continue to operate pursuant to the management
22 contract under order of the appropriate court for no longer than one
23 year after the bankruptcy or insolvency of such manager.

24 ~~(n)~~(o) (1) The Kansas lottery shall be the licensee and owner of all
25 software programs used at a lottery gaming facility for any lottery
26 facility game.

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

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

39 ~~(o)~~(p) A lottery gaming facility shall comply with any planning
40 and zoning regulations of the city or county in which it is to be located.
41 The executive director shall not contract with any prospective lottery
42 gaming facility manager for the operation and management of such
43 lottery gaming facility unless such manager first receives any

1 necessary approval under planning and zoning requirements of the
2 city or county in which it is to be located.

3 ~~(p)~~(q) Prior to expiration of the term of a lottery gaming facility
4 management contract, the lottery commission may negotiate a new
5 lottery gaming facility management contract with the lottery gaming
6 facility manager if the new contract is substantially the same as the
7 existing contract. Otherwise, the lottery gaming facility review board
8 shall be reconstituted and a new lottery gaming facility management
9 contract shall be negotiated and approved in the manner provided by
10 this act.

11 Sec. 28. K.S.A. 74-8751 is hereby amended to read as follows: 74-
12 8751. (a) The Kansas racing and gaming commission, through rules
13 and regulations, shall establish:

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

30 ~~(b)~~(2) a certification requirement, and enforcement procedure,
31 for those persons, including electronic gaming machine
32 manufacturers, technology providers and computer system providers,
33 who propose to contract with a lottery gaming facility manager, a
34 racetrack gaming facility manager or the state for the provision of
35 goods or services related to a lottery gaming facility or racetrack
36 gaming facility, including management services. Such certification
37 requirements shall include compliance with such security, fitness and
38 background investigations and standards of officers, directors, key
39 gaming employees and persons directly or indirectly owning a ~~0.5%~~
40 5% or more interest in such entity as the executive director of the
41 Kansas racing and gaming commission deems necessary to determine
42 whether such person's reputation, habits and associations pose a
43 threat to the public interest of the state or to the reputation of or

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

13 *(3) a certification requirement and enforcement procedure for: (A)*
 14 *Employees of a lottery gaming facility manager who are directly involved*
 15 *in the operation or management of sports wagering conducted by such*
 16 *manager; and (B) those persons who propose to contract with a lottery*
 17 *gaming facility manager for the provision of goods or services related to*
 18 *sports wagering, including any interactive sports wagering platform*
 19 *requested by a lottery gaming facility manager under section 2, and*
 20 *amendments thereto. Such certification requirement shall include*
 21 *compliance with such security, fitness and background investigations and*
 22 *standards as the executive director of the Kansas racing and gaming*
 23 *commission deems necessary to determine whether such person's*
 24 *reputation, habits or associations pose a threat to the public interest of the*
 25 *state or to the reputation of or effective regulation and control of sports*
 26 *wagering conducted by the lottery gaming facility. Such certification shall*
 27 *be valid for one year from the date of issuance;*

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

35 ~~(4)(5) provisions for suspension, revocation or nonrenewal of a~~
 36 ~~certification required by subsection (a) or (b) (a)(1) or (a)(2) upon a~~
 37 ~~finding that the certificate holder, an officer or director thereof or a~~
 38 ~~person directly or indirectly owning a 0.5% 5% or more interest~~
 39 ~~therein: (1)(A) Has failed to notify the Kansas lottery about a material~~
 40 ~~change in ownership of the certificate holder, or any change in the~~
 41 ~~directors or officers thereof; (2)(B) is delinquent in remitting money~~
 42 ~~owed to the Kansas lottery; (3)(C) has violated any provision of any~~
 43 ~~contract between the Kansas lottery and the certificate holder; or (4)~~

1 (D) has violated any provision of the Kansas expanded lottery act or
2 any rule and regulation adopted hereunder; and

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

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

17 (c) A certification issued pursuant to this section shall not be
18 assignable or transferable.

19 **Sec. 29. K.S.A. 74-8752 is hereby amended to read as follows: 74-**
20 **8752. (a) The executive director of the Kansas lottery and the**
21 **executive director of the Kansas racing and gaming commission, or**
22 **their designees, may observe and inspect all electronic gaming**
23 **machines, lottery facility games, sports wagering operations, lottery**
24 **gaming facilities, racetrack gaming facilities and all related equipment**
25 **and facilities operated by a lottery gaming facility manager or**
26 **racetrack gaming facility manager.**

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

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

39 (2) investigate alleged violations of the Kansas expanded lottery
40 act and alleged violations of any rules and regulations, orders and
41 final decisions of the Kansas lottery commission, the executive director
42 of the Kansas lottery, the Kansas racing and gaming commission or
43 the executive director of the Kansas racing and gaming commission;

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

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

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

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

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

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

37 **Sec. 30. K.S.A. 74-8757 is hereby amended to read as follows: 74-**
38 **8757. (a) A person less than 21 years of age shall not be permitted in**
39 **an area where electronic gaming machines or lottery facility games are**
40 **being conducted, except for a person at least 18 years of age who is an**
41 **employee of the lottery gaming facility manager or the racetrack**
42 **gaming facility manager. No employee under age 21 shall perform any**
43 **function involved in gaming by the patrons.**

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

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

6 **Sec. 31. K.S.A. 74-8760 is hereby amended to read as follows: 74-**
7 **8760. (a) Except in accordance with rules and regulations of the**
8 **Kansas racing and gaming commission or by written authority from**
9 **the executive director of the Kansas racing and gaming commission in**
10 **performing installation, maintenance, inspection and repair services,**
11 **it is a class A nonperson misdemeanor for the following to place a**
12 **wager on or play an electronic gaming machine game or a lottery**
13 **facility game at a lottery gaming facility in this state: The executive**
14 **director of the Kansas lottery, a member of the Kansas lottery**
15 **commission or any employee or agent of the Kansas lottery; the**
16 **executive director, a member or any employee or agent of the Kansas**
17 **racing and gaming commission; or the lottery gaming facility manager**
18 **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**
21 **executive director of the Kansas racing and gaming commission in**
22 **performing installation, maintenance, inspection and repair services,**
23 **it is a class A nonperson misdemeanor for the following to place a**
24 **wager on or play an electronic gaming machine at a racetrack gaming**
25 **facility in this state: (1) The executive director of the Kansas lottery, a**
26 **member of the Kansas lottery commission or any employee or agent of**
27 **the Kansas lottery; (2) the executive director, a member or any**
28 **employee or agent of the Kansas racing and gaming commission; or**
29 **(3) the racetrack gaming facility manager or any employee of the**
30 **racetrack gaming facility manager.**

31 *(c) Except in accordance with rules and regulations of the Kansas*
32 *racing and gaming commission, or by written authority from the executive*
33 *director of the Kansas racing and gaming commission, in performing*
34 *installation, maintenance, inspection and repair services, it is a class A*
35 *nonperson misdemeanor for the following to place a sports wager with a*
36 *lottery gaming facility manager: (1) The executive director of the Kansas*
37 *lottery, a member of the Kansas lottery commission or any employee or*
38 *agent of the Kansas lottery; (2) the executive director, a member or any*
39 *employee or agent of the Kansas racing and gaming commission; (3) a*
40 *lottery gaming facility manager; or any director, officer, owner or*
41 *employee of such manager; or any relative living in the same household as*
42 *such 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 lottery gaming facility manager; (2) as an agent*
8 *or proxy for other persons; (3) using funds derived from illegal activity;*
9 *(4) to conceal money derived from illegal activity; (5) through the use of*
10 *other individuals to place wagers as part of any wagering scheme to*
11 *circumvent any provision of federal or state law; or (6) using false*
12 *identification to facilitate the placement of the wager or the collection of*
13 *any prize in violation of federal or state law.*

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

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

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

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

40 ~~(d)~~(f) **Any duly authorized agent or employee of the Kansas**
41 **racing and gaming commission, a lottery gaming facility manager or a**
42 **racetrack gaming facility manager may possess and use any of the**
43 **devices described in ~~subsections (e)(3) and (e)(4)~~ subsection (e)(3) in**

1 furtherance of inspection or testing as provided in the Kansas
2 expanded lottery act or in furtherance of such person's employment at
3 any location where any electronic gaming machine or similar gaming
4 device or drop box is authorized pursuant to the Kansas expanded
5 lottery act.

6 **Sec. 32. K.S.A. 74-8761 is hereby amended to read as follows: 74-**
7 **8761. (a) It shall be a severity level 9, nonperson felony for any person**
8 **to place in operation or continue to have in place any gray machine**
9 **for use by members of the public at any location in this state.**

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

15 **Sec. 33. K.S.A. 74-8802 is hereby amended to read as follows: 74-**
16 **8802. As used in the Kansas parimutuel racing act unless the context**
17 **otherwise requires:**

18 (a) "Breakage" means the odd cents by which the amount
19 payable on each dollar wagered exceeds:

20 (1) A multiple of \$.10, for parimutuel pools from races conducted
21 in this state; and

22 (2) a multiple of such other number of cents as provided by law of
23 the host jurisdiction, for interstate combined wagering pools.

24 (b) "Commission" means the Kansas racing and gaming
25 commission created by this act.

26 (c) "Concessionaire licensee" means a person, partnership,
27 corporation or association licensed by the commission to utilize a
28 space or privilege within a racetrack facility to sell goods or services.

29 (d) "Contract" means an agreement, written or oral, between two
30 or more persons, partnerships, corporations or associations, or any
31 combination thereof, ~~which~~ *that* creates an obligation between the
32 parties.

33 (e) "Crossover employment" means a situation in which an
34 occupational licensee is concurrently employed at the same racing
35 facility by an organization licensee and a facility owner licensee or
36 facility manager licensee.

37 (f) "Dual racetrack facility" means a racetrack facility for the
38 racing of both horses and greyhounds or two immediately adjacent
39 racetrack facilities, owned by the same licensee, one for racing horses
40 and one for racing greyhounds.

41 (g) "Executive director" means the executive director of the
42 commission.

43 (h) "Facility manager licensee" means a person, partnership,

1 corporation or association licensed by the commission and having a
2 contract with an organization licensee to manage a racetrack facility
3 located in Sedgwick county.

4 (i) "Facility owner licensee" means a person, partnership,
5 corporation or association, or the state of Kansas or any political
6 subdivision thereof, licensed by the commission to construct or own a
7 racetrack facility~~but~~ located in Sedgwick county. "Facility owner
8 licensee" does not mean an organization licensee~~which~~ that owns the
9 racetrack facility in which it conducts horse or greyhound racing.

10 (j) "Fair association" means an association organized pursuant to
11 K.S.A. 2-125 et seq. and amendments thereto or a nonprofit
12 association determined by the commission to be otherwise organized
13 to conduct fair activities pursuant to findings of fact entered by the
14 commission in a license order.

15 (k) "Financial interest" means an interest that could result
16 directly or indirectly in receiving a pecuniary gain or sustaining a
17 pecuniary loss as a result of ownership or interest in a business entity
18 or activity or as a result of a salary, gratuity or other compensation or
19 remuneration from any person.

20 (l) "Greyhound" means any greyhound breed of dog properly
21 registered with the national greyhound association of Abilene, Kansas.

22 (m) "Historical horse race machine" means any electronic,
23 electromechanical, video or computerized device, contrivance or machine
24 authorized by the commission that, upon insertion of cash, tokens,
25 electronic cards or any consideration, is available to accept wagers on
26 and simulate the running of historical horse races, and that may deliver or
27 entitle the patron operating the machine to receive cash, tokens,
28 merchandise or credits that may be redeemed for cash. Historical horse
29 race machines shall use historically accurate information of the horse
30 race selected to determine the place of finish of each horse. No random
31 number generator or other algorithm shall be used for determining the
32 results of an historical horse race. Historical horse race machines shall be
33 directly linked to a central computer at a location determined by the
34 commission for purposes of security, monitoring and auditing.

35 (n) "Horsemen's association" means any association or
36 corporation:

37 (1) All officers, directors, members and shareholders of which are
38 licensed owners of horses or licensed trainers of horses, or both;

39 (2) ~~which is~~ applying for or has been issued a facility owner
40 license authorizing ownership of Eureka Downs, Anthony Downs or a
41 racetrack facility on or adjacent to premises used by a fair association
42 to conduct fair activities; and

43 (3) none of the officers, directors, members or shareholders of

1 which holds another facility owner license or is an officer, director,
2 member or shareholder of another facility owner licensee.

3 ~~(n)(o)~~ "Horsemen's nonprofit organization" means any nonprofit
4 organization:

5 (1) All officers, directors, members or shareholders of which are
6 licensed owners of horses or licensed trainers of horses, or both; and

7 (2) ~~which is~~ applying for or has been issued an organization
8 license authorizing the conduct of horse races at Eureka Downs,
9 Anthony Downs or a racetrack facility on or adjacent to premises used
10 by a fair association to conduct fair activities.

11 ~~(n)(p)~~ "Host facility" means the racetrack at which the race is
12 run or, if the race is run in a jurisdiction ~~which~~ that is not participating
13 in the interstate combined wagering pool, the racetrack or other
14 facility ~~which~~ that is designated as the host facility.

15 ~~(n)(q)~~ "Host jurisdiction" means the jurisdiction where the host
16 facility is located.

17 ~~(n)(r)~~ "Interstate combined wagering pool" means a parimutuel
18 pool established in one jurisdiction ~~which~~ that is combined with
19 comparable parimutuel pools from one or more racing jurisdictions
20 for the purpose of establishing the amount of money returned on a
21 successful wager in the participating jurisdictions.

22 ~~(n)(s)~~ "Intertrack wagering" means wagering on a simulcast race
23 at a licensed racetrack facility or at a facility ~~which~~ that is licensed in
24 its racing jurisdiction to conduct live races.

25 ~~(n)(t)~~ "Intrastate combined wagering pool" means a parimutuel
26 pool ~~which~~ that is combined with comparable parimutuel pools from
27 one or more racetrack facilities for the purpose of establishing the
28 amount of money returned on a successful wager at the participating
29 racetrack facilities.

30 ~~(n)(u)~~ "Kansas-whelped greyhound" means a greyhound whelped
31 and raised in Kansas for the first six months of its life.

32 ~~(n)(v)~~ "Minus pool" means a parimutuel pool in which, after
33 deducting the takeout, not enough money remains in the pool to pay
34 the legally prescribed minimum return to those placing winning
35 wagers, and in which the organization licensee would be required to
36 pay the remaining amount due.

37 ~~(n)(w)~~ "Nonprofit organization" means:

38 (1) A corporation ~~which~~ that is incorporated in Kansas as a not-
39 for-profit corporation pursuant to the Kansas general corporation
40 code and the net earnings of which do not inure to the benefit of any
41 shareholder, individual member or person; or

42 (2) a fair association.

43 ~~(n)(x)~~ "Occupation licensee" means a person licensed by the

1 commission to perform an occupation or provide services ~~which~~ *that*
2 the commission has identified as requiring a license pursuant to this
3 act.

4 ~~(x)~~(y) "Off-track wagering" means wagering on a simulcast race
5 at a facility ~~which~~ *that* is not licensed in its jurisdiction to conduct live
6 races.

7 ~~(y)~~(z) "Organization licensee" means a nonprofit organization
8 licensed by the commission to conduct races pursuant to this act and,
9 if the license so provides, to construct or own a racetrack facility.

10 ~~(z)~~(aa) "Parimutuel pool" means the total money wagered by
11 individuals on one or more horses or greyhounds in a particular horse
12 or greyhound race to win, place or show, or combinations thereof, as
13 established by the commission, and, except in the case of an interstate
14 or intrastate combined wagering pool, held by the organization
15 licensee pursuant to the parimutuel system of wagering. There is a
16 separate parimutuel pool for win, for place, for show and for each of
17 the other forms of betting provided for by the rules and regulations of
18 the commission.

19 ~~(aa)~~(bb) "Parimutuel wagering" means a form of wagering on the
20 outcome of horse and greyhound races, *including historical horse races*
21 *conducted by an historical horse race machine, in which those who*
22 *wager purchase tickets of various denominations on one or more*
23 *horses or greyhounds and all wagers for each race are pooled and the*
24 *winning ticket holders are paid prizes from such pool in amounts*
25 *proportional to the total receipts in the pool.*

26 ~~(bb)~~(cc) "Race meeting" means one or more periods of racing
27 days during a calendar year designated by the commission for which
28 an organization licensee has been approved by the commission to hold
29 live ~~or simulcast~~ *at least horse or greyhound races or simulcast horse races* at
30 which parimutuel wagering is conducted, including such additional
31 time as designated by the commission for the conduct of official
32 business before and after the races.

33 ~~(ee)~~(dd) "Racetrack facility" means a racetrack within Kansas
34 used for the racing of horses or greyhounds, or both, including the
35 track surface, grandstands, clubhouse, all animal housing and
36 handling areas, other areas in which a person may enter only upon
37 payment of an admission fee or upon presentation of authorized
38 credentials and such additional areas as designated by the
39 commission. *The term "racetrack facility" includes a facility used for the*
40 *display of and wagering on simulcast races and the operation of historical*
41 *horse race machines without any live horse or greyhound races being*
42 *conducted.*

43 ~~(dd)~~(ee) "Racing jurisdiction" or "jurisdiction" means a

1 governmental authority ~~which~~ *that* is responsible for the regulation of
2 live or simulcast racing in its jurisdiction.

3 ~~(ee)~~(ff) "Racing or wagering equipment or services licensee"
4 means any person, partnership, corporation or association licensed by
5 the commission to provide integral racing or wagering equipment or
6 services, as designated by the commission, to an organization licensee.

7 ~~(ff)~~(gg) "Recognized greyhound owners' group" means the duly
8 recognized group elected in accordance with rules and regulations of
9 the commission by a majority of the Kansas licensed greyhound
10 owners at the racetrack facility voting in the election. The commission
11 may designate an organization such as the national greyhound
12 association of Abilene, Kansas, to conduct the election.

13 ~~(gg)~~(hh) "Recognized horsemen's group" means the duly
14 recognized group, representing the breeds of horses running at a
15 racetrack facility, elected in accordance with rules and regulations of
16 the commission by a majority of the licensed owners and trainers at
17 the racetrack facility voting in the election. If the licensee does not
18 have a recognized horsemen's group, the commission shall designate
19 as the recognized horsemen's group one that serves another
20 organization licensee, but not one that serves a fair association
21 organization licensee.

22 ~~(hh)~~(ii) "Simulcast" means a live audio-visual broadcast of an
23 actual horse ~~or greyhound~~ race at the time it is run.

24 ~~(ii)~~(jj) "Takeout" means the total amount of money withheld from
25 each parimutuel pool for the payment of purses, taxes and the share to
26 be kept by the organization licensee. Takeout does not include the
27 breakage. The balance of each pool less the breakage is distributed to
28 the holders of winning parimutuel tickets.

29 Sec. 34. K.S.A. 74-8804 is hereby amended to read as follows: 74-
30 8804. (a) During *live race meetings or simulcast racing operations*, the
31 commission and its designated employees may observe and inspect all
32 racetrack facilities operated by licensees—~~and~~, all racetracks
33 simulcasting races to racetrack facilities in Kansas *and all historical*
34 *horse race machines*, including, but not limited to, all machines,
35 equipment and facilities used for parimutuel wagering.

36 (b) Commission members and presiding officers may administer
37 oaths and take depositions to the same extent and subject to the same
38 limitations as would apply if the deposition was in aid of a civil action
39 in the district court.

40 (c) The commission may examine, or cause to be examined by any
41 agent or representative designated by the commission, any books,
42 papers, records or memoranda of any licensee, or of any racetrack or
43 business involved in simulcasting races to racetrack facilities in

1 **Kansas or operating historical horse race machines, for the purpose of**
2 **ascertaining compliance with any provision of this act or any rule and**
3 **regulation adopted hereunder.**

4 **(d) The commission may issue subpoenas to compel access to or**
5 **for the production of any books, papers, records or memoranda in the**
6 **custody or control of any licensee or officer, member, employee or**
7 **agent of any licensee, or to compel the appearance of any licensee or**
8 **officer, member, employee or agent of any licensee, or of any racetrack**
9 **or business involved in simulcasting races to racetrack facilities in this**
10 **state or operating historical horse race machines, for the purpose of**
11 **ascertaining compliance with any of the provisions of this act or any**
12 **rule and regulation adopted hereunder. Subpoenas issued pursuant to**
13 **this subsection may be served upon individuals and corporations in**
14 **the same manner provided in K.S.A. 60-304, and amendments thereto,**
15 **for the service of process by any officer authorized to serve subpoenas**
16 **in civil actions or by the commission or an agent or representative**
17 **designated by the commission. In the case of the refusal of any person**
18 **to comply with any such subpoena, the executive director may make**
19 **application to the district court of any county where such books,**
20 **papers, records, memoranda or person is located for an order to**
21 **comply.**

22 **(e) The commission shall allocate equitably race meeting dates,**
23 **racing days and hours to all organization licensees and assign such**
24 **dates and hours so as to minimize conflicting dates and hours within**
25 **the same geographic market area.**

26 **(f) The commission shall have the authority, after notice and an**
27 **opportunity for hearing in accordance with rules and regulations**
28 **adopted by the commission, to exclude, or cause to be expelled, from**
29 **any race meeting or racetrack facility, or to prohibit a licensee from**
30 **conducting business with any person:**

31 **(1) Who has violated the provisions of this act or any rule and**
32 **regulation or order of the commission;**

33 **(2) who has been convicted of a violation of the racing or**
34 **gambling laws of this or any other state or of the United States or has**
35 **been adjudicated of committing as a juvenile an act which, if**
36 **committed by an adult, would constitute such a violation; or**

37 **(3) whose presence, in the opinion of the commission, reflects**
38 **adversely on the honesty and integrity of horse or greyhound racing or**
39 **interferes with the orderly conduct of a race meeting.**

40 **(g) The commission shall review and approve all proposed**
41 **construction and major renovations to racetrack facilities owned or**
42 **leased by licensees.**

43 **(h) The commission shall review and approve all proposed**

1 **contracts with racetracks or businesses involved in simulcasting races**
2 **to racetrack facilities in Kansas or operating historical horse race**
3 **machines.**

4 **(i) The commission may suspend a horse or greyhound from**
5 **participation in races if such horse or greyhound has been involved in**
6 **any violation of the provisions of this act or any rule and regulation or**
7 **order of the commission.**

8 **(j) The commission, within 72 hours after any action taken by a**
9 **steward or racing judge and upon appeal by any interested party or**
10 **upon its own initiative, may overrule any decision of a steward or**
11 **racing judge, other than a decision regarding disqualifications for**
12 **interference during the running of a race, if the preponderance of**
13 **evidence indicates that:**

- 14 **(1) The steward or racing judge mistakenly interpreted the law;**
- 15 **(2) new evidence of a convincing nature is produced; or**
- 16 **(3) the best interests of racing and the state may be better served.**

17 **A decision of the commission to overrule any decision of a steward**
18 **or racing judge shall not change the distribution of parimutuel pools**
19 **to the holders of winning tickets. A decision of the commission which**
20 **would affect the distribution of purses in any race shall not result in a**
21 **change in that distribution unless a written claim is submitted to the**
22 **commission within 48 hours after completion of the contested race by**
23 **one of the owners or trainers of a horse or greyhound—~~which~~ *that***
24 **participated in such race and a preponderance of evidence clearly**
25 **indicates to the commission that one or more of the grounds for**
26 **protest, as provided for in rules and regulations of the commission,**
27 **has been substantiated.**

28 **(k) *The commission shall review and approve all proposed historical***
29 ***horse race machines and all proposed types of wagering to be conducted***
30 ***on such machines.***

31 **(l) The commission, after notice and a hearing in accordance with**
32 **rules and regulations adopted by the commission, may impose a civil**
33 **fine not exceeding \$5,000 for each violation of any provision of this**
34 **act, or any rule and regulation of the commission, for which no other**
35 **penalty is provided.**

36 **(~~l~~)(m) The commission shall adopt rules and regulations**
37 **specifying and regulating:**

38 **(1) Those drugs and medications—~~which~~ *that* may be administered,**
39 **and possessed for administration, to a horse or greyhound within the**
40 **confines of a racetrack facility; and**

41 **(2) that equipment for administering drugs or medications to**
42 **horses or greyhounds—~~which~~ *that* may be possessed within the confines**
43 **of a racetrack facility.**

1 ~~(m)~~(n) The commission may adopt rules and regulations
2 providing for the testing of any licensees of the commission, and any
3 officers, directors and employees thereof, to determine whether they
4 are users of any controlled substances.

5 ~~(n)~~(o) The commission shall require fingerprinting of all persons
6 necessary to verify qualification for employment by the commission or
7 to verify qualification for any license, including a simulcasting license,
8 issued pursuant to this act. The commission shall submit such
9 fingerprints to the Kansas bureau of investigation and to the federal
10 bureau of investigation for the purposes of verifying the identity of
11 such persons and obtaining records of criminal arrests and
12 convictions.

13 ~~(o)~~(p) The commission may receive from commission security
14 personnel, the Kansas bureau of investigation or other criminal justice
15 agencies, including, but not limited to, the federal bureau of
16 investigation and the federal internal revenue service, such criminal
17 history record information (including arrest and nonconviction data),
18 criminal intelligence information and information relating to criminal
19 and background investigations as necessary for the purpose of
20 determining qualifications of licensees of the commission, employees
21 of the commission, applicants for employment by the commission, and
22 applicants for licensure by the commission, including applicants for
23 simulcasting licenses. Upon the written request of the chairperson of
24 the commission, the commission may receive from the district courts
25 such information relating to juvenile proceedings as necessary for the
26 purpose of determining qualifications of employees of and applicants
27 for employment by the commission and determining qualifications of
28 licensees of and applicants for licensure by the commission. Such
29 information, other than conviction data, shall be confidential and shall
30 not be disclosed except to members and employees of the commission
31 as necessary to determine qualifications of such licensees, employees
32 and applicants. Any other disclosure of such confidential information
33 is a class A misdemeanor and shall constitute grounds for removal
34 from office, termination of employment or denial, revocation or
35 suspension of any license issued under this act.

36 ~~(p)~~(q) The commission, in accordance with K.S.A. 75-4319, and
37 amendments thereto, may recess for a closed or executive meeting to
38 receive and discuss information received by the commission pursuant
39 to subsection (o) and to negotiate with licensees of or applicants for
40 licensure by the commission regarding any such information.

41 ~~(q)~~(r) The commission may enter into agreements with the federal
42 bureau of investigation, the federal internal revenue service, the
43 Kansas attorney general or any state, federal or local agency as

1 necessary to carry out the duties of the commission under this act.

2 ~~(+)(s)~~ The commission shall adopt such rules and regulations as
3 necessary to implement and enforce the provisions of this act.

4 **Sec. 35. K.S.A. 74-8814 is hereby amended to read as follows: 74-**
5 **8814. (a) (1) Subject to the provisions of subsection (b), the**
6 **commission shall establish by rules and regulations an application fee**
7 **not exceeding \$500 for any of the following which applies \$50 for an**
8 **organization license and the a license fee of \$25 for each day of racing**
9 **approved by the commission for any of the following organization**
10 **granted an organization license shall be \$100 for each day of racing**
11 **approved by the commission.**

12 ~~(1)(2)~~ **Any fair association other than the Greenwood county and**
13 **Anthony fair associations, any, horsemen's nonprofit organization or**
14 **the national greyhound association of Abilene, Kansas, may apply for**
15 **an organization license if:**

16 **(A) Such association organization conducts not more than two race**
17 **meetings each year;**

18 **(B) such race meets are held within the boundaries of the county**
19 **where the applicant is located; and**

20 **(C) such race meetings are held for a total of not more than 40**
21 **days per year; or**

22 ~~(2)~~ **the Greenwood county fair association or a horsemen's nonprofit**
23 **organization, with respect to race meetings conducted by such association**
24 **or organization at Eureka Downs, or the Anthony fair association or a**
25 **horsemen's nonprofit organization, with respect to race meetings**
26 **conducted by such association or organization at Anthony Downs, for**
27 **which the number of race meetings and days, and the dates thereof, shall**
28 **be specified by the commission.**

29 **(b) The commission shall adopt rules and regulations providing**
30 **for simplified and less costly procedures and requirements for fair**
31 **associations and horsemen's nonprofit organizations applying for or**
32 **holding a license to conduct race meetings.**

33 **(c) The Kansas racing and gaming commission shall investigate:**

34 **(1) The president, vice-president, secretary and treasurer of a fair**
35 **association, and such other members as the commission considers**
36 **necessary, to determine eligibility for an organization license;**

37 **(2) each officer and each director of a nonprofit horsemen's**
38 **organization, and such other members or shareholders as the**
39 **commission considers necessary to determine eligibility for an**
40 **organization license.**

41 **(d) Except as otherwise provided by this section, all applicants for**
42 **organization licenses for the conduct of race meetings pursuant to the**
43 **provisions of this section shall be required to comply with all the**

1 provisions of K.S.A. 74-8813, and amendments thereto.

2 Sec. 36. K.S.A. 74-8823 is hereby amended to read as follows: 74-
3 8823. (a) There is hereby imposed a tax on the gross sum wagered by
4 the parimutuel method as follows:

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

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

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

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

18 (3) for live greyhound races conducted in this state at a dual
19 racetrack facility or at a racetrack facility owned by a licensee whose
20 license authorizes the construction of a dual racetrack facility:

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

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

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

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

34 (b) The tax imposed by this section shall be no less than 3% nor
35 more than 6% of the total money wagered each day at a racetrack
36 facility.

37 (c) The tax imposed by this section shall be remitted to the
38 commission by each organization licensee by the next business day
39 following the day on which the wagers took place. The commission
40 shall remit any such tax moneys received to the state treasurer in
41 accordance with the provisions of K.S.A. 75-4215, and amendments
42 thereto. Upon receipt of each such remittance, the state treasurer shall
43 deposit the entire amount in the state treasury to the credit of the state

1 racing fund created by K.S.A. 74-8826, and amendments thereto,
2 except as provided by K.S.A. 74-8838, and amendments thereto.

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

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

8 **Sec. 37. K.S.A. 74-8836 is hereby amended to read as follows: 74-**
9 **8836. (a) Any organization licensee that ~~conducts schedules to conduct~~**
10 **at least 150 days of live greyhound racing or 60 days of live or simulcast**
11 **horse racing during a calendar year or a fair association that conducts**
12 **fewer than 22 days of live greyhound racing or 40 days of live horse**
13 **racing during a calendar year may apply to the commission for a**
14 **simulcasting license to display simulcast horse or greyhound races and**
15 **to conduct intertrack parimutuel wagering thereon. If the**
16 **organization licensee conducts races at a racetrack facility that is**
17 **owned by a facility owner licensee, both licensees shall join in the**
18 **application. ~~A simulcasting license granted to a fair association that~~**
19 **~~conducts fewer than 22 days of live racing shall restrict the fair~~**
20 **~~association's display of simulcast races to a number of days, including~~**
21 **~~days on which it conducts live races, equal to not more than twice the~~**
22 **~~number of days on which it conducts live races.~~**

23 (b) (1) ~~A simulcasting license granted to an organization licensee~~
24 ~~other than a fair association shall authorize the display of simulcast~~
25 ~~races at the racetrack facility where the live races are conducted so~~
26 ~~long as the licensee conducts at least eight live races per day and an~~
27 ~~average of 10 live races per day per week. If a simulcasting licensee~~
28 ~~conducts live horse races on a day when simulcast races are displayed by~~
29 ~~the licensee and the licensee conducts fewer than an average of 10 live~~
30 ~~horse races per day per week, not less than 80% of the races on which~~
31 ~~wagers are taken by the licensee during such week shall be live races~~
32 ~~conducted by the licensee unless approved by the recognized horsemen's~~
33 ~~group or upon a finding by the commission that the organization licensee~~
34 ~~was unable to do so for reasonable cause. If a simulcast licensee conducts~~
35 ~~live greyhound races on a day when simulcast races are displayed by the~~
36 ~~licensee and the licensee schedules fewer than 13 live greyhound races~~
37 ~~during a performance on such day, not less than 80% of the races on which~~
38 ~~wagers are taken by the licensee during such performance shall be live~~
39 ~~races conducted by the licensee.~~

40 (2) ~~A simulcasting license granted to a fair association shall authorize~~
41 ~~the display of simulcast races at the racetrack facility where the races are~~
42 ~~conducted only if live races are scheduled for two or more days of the~~
43 ~~same calendar week, except that the licensee may conduct simulcast races~~

1 in the week immediately before and immediately after a live meeting if the
2 total number of days on which simulcast races are displayed does not
3 exceed the total authorized in subsection (a). In no case shall the live meet
4 or simulcast races allowed under this subsection exceed 10 consecutive
5 weeks. For purposes of this subsection, a calendar week shall be measured
6 from Monday through the following Sunday.

7 (3) Notwithstanding the provisions of subsection (a), (b)(1) or (b)(2),
8 a fair association may apply to the commission for not more than five
9 additional days of simulcasting of special events. In addition, the
10 commission may authorize a fair association to display additional
11 simulcast races but, if such fair association is less than 100 miles from an
12 organization licensee that is not a fair association, it also shall secure
13 written consent from that organization licensee.

14 (4)(2) Notwithstanding the provisions of subsection (b)(1), if an
15 emergency causes the cancellation of all or any live races scheduled
16 for a day or performance by a simulcasting licensee, the commission
17 or the commission's designee may authorize the licensee to display any
18 simulcast races previously scheduled for such day or performance.

19 (5)(3) Notwithstanding the provisions of subsection (b)(1), the
20 commission may authorize the licensee to display simulcast special
21 racing events as designated by the commission.

22 (c) The application for a simulcasting license shall be filed with
23 the commission at a time and place prescribed by rules and
24 regulations of the commission. The application shall be in a form and
25 include such information as the commission prescribes.

26 (d) To qualify for a simulcasting license the applicant shall:

27 (1) Comply with the interstate horse racing act of 1978 (15
28 U.S.C. § 3001 et seq.), as in effect December 31, 1991;

29 (2) submit with the application a written approval of the
30 proposed simulcasting schedule signed by: (A) the recognized
31 horsemen's group for the track, if the applicant is licensed to conduct
32 only horse races; (B) the recognized greyhound owners' group, if the
33 applicant is licensed to conduct only greyhound races and only greyhound
34 races are to be simulcast; (C) both the recognized greyhound owners'
35 group and a recognized horsemen's group, if the applicant is licensed
36 to conduct only greyhound races and horse races are to be simulcast;
37 (D) the recognized greyhound owners' group, if the applicant is licensed to
38 conduct both greyhound and horse races, only greyhound races are to be
39 simulcast and races are to be simulcast only while the applicant is
40 conducting live greyhound races; (E) or (C) the recognized horsemen's
41 group for the track, if the applicant is licensed to conduct both
42 greyhound and horse races, only horse races are to be simulcast and
43 races are to be simulcast only while the applicant is conducting live

1 ~~horse races; or (F) both the recognized greyhound owners' group and the~~
2 ~~recognized horsemen's group for the track, if the applicant is licensed to~~
3 ~~conduct both greyhound races and horse races and horse races are to be~~
4 ~~simulcast while the applicant is conducting live greyhound races or~~
5 ~~greyhound races are to be simulcast while the applicant is conducting live~~
6 ~~horse races; and~~

7 **(3) submit, in accordance with rules and regulations of the**
8 **commission and before the simulcasting of a race, a written copy of**
9 **each contract or agreement**~~which~~ *that* **the applicant proposes to enter**
10 **into with regard to such race, and any proposed modification of any**
11 **such contract or agreement.**

12 **(e) The term of a simulcasting license shall be one year.**

13 **(f) A simulcasting licensee may apply to the commission or its**
14 **designee for changes in the licensee's approved simulcasting schedule**
15 **if such changes are approved by the respective recognized greyhound**
16 **owners' group or recognized horsemen's group needed throughout the**
17 **term of the license. Application shall be made upon forms furnished**
18 **by the commission and shall contain such information as the**
19 **commission prescribes.**

20 **(g) Except as provided by subsection (j), the takeout for simulcast**
21 **horse and greyhound races shall be the same as it is for the live horse**
22 **and greyhound races conducted during the current or next live race**
23 **meeting at the racetrack facility where the simulcast races are**
24 **displayed, or, if the simulcasting licensee does not conduct live races, then**
25 **such takeout shall be the same as if the race has been a live race. For**
26 **simulcast races the tax imposed on amounts wagered shall be as**
27 **provided by K.S.A. 74-8823, and amendments thereto. Of the balance**
28 **of the takeout remaining after deduction of taxes, an amount equal to**
29 **a percentage, to be determined by the commission, of the gross sum**
30 **wagered on simulcast races shall be used for purses, as follows:**

31 **(1) For greyhound races conducted by the licensee, if the simulcast**
32 **race is a greyhound race and the licensee conducts only live greyhound**
33 **races;**

34 **(2) For horse races conducted by the licensee, if the simulcast**
35 **race is a horse race and the licensee conducts only live horse races;**

36 **(3) for horse races and greyhound races, as determined by both the**
37 **recognized horsemen's group and the recognized greyhound owners'**
38 **group, if the simulcast race is a greyhound race and the licensee does not**
39 **conduct or is not currently conducting live greyhound races; or**

40 **(4)(2) for horse races and greyhound races, as determined by**
41 **both the recognized horsemen's group and the recognized greyhound**
42 **owners' group, if the simulcast is a horse race and the licensee does**
43 **not conduct or is not currently conducting live horse races. That**

1 portion of simulcast purse money determined to be used for horse
2 purses shall be apportioned by the commission to the various horse
3 race meetings held in any calendar year based upon the number of live
4 horse race dates comprising such horse race meetings in the preceding
5 calendar year.

6 (h) Except as provided by subsection (j):

7 (1) If a simulcasting licensee has a license to conduct live horse
8 races and the licensee displays a simulcast horse race:

9 (A) All breakage proceeds shall be remitted by the licensee to the
10 commission not later than the 15th day of the month following the race
11 from which the breakage is derived and the commission shall remit
12 any such proceeds received to the state treasurer in accordance with
13 the provisions of K.S.A. 75-4215, and amendments thereto. Upon
14 receipt of each such remittance, the state treasurer shall deposit the
15 entire amount in the state treasury to the credit of the Kansas horse
16 breeding development fund created by K.S.A. 74-8829, and
17 amendments thereto; and

18 (B) all unclaimed ticket proceeds shall be remitted by the licensee
19 to the commission on the 61st day after the end of the calendar year
20 and the commission shall remit any such proceeds received to the state
21 treasurer in accordance with the provisions of K.S.A. 75-4215, and
22 amendments thereto. Upon receipt of each such remittance, the state
23 treasurer shall deposit the entire amount in the state treasury to the
24 credit of the Kansas horse breeding development fund created by
25 K.S.A. 74-8829, and amendments thereto.

26 (2) ~~If a simulcasting licensee has a license to conduct live greyhound~~
27 ~~races and the licensee displays a simulcast greyhound race, breakage and~~
28 ~~unclaimed winning ticket proceeds shall be distributed in the manner~~
29 ~~provided by K.S.A. 74-8821 and 74-8822, and amendments thereto, for~~
30 ~~breakage and unclaimed winning ticket proceeds from live greyhound~~
31 ~~races.~~

32 (3) ~~If a simulcasting licensee has a license to conduct live racing of~~
33 ~~only horses and the licensee displays a simulcast greyhound race,~~
34 ~~unclaimed winning ticket proceeds shall be distributed in the manner~~
35 ~~provided by K.S.A. 74-8822, and amendments thereto, for unclaimed~~
36 ~~winning ticket proceeds from live greyhound races. Breakage for such~~
37 ~~races shall be distributed for use to benefit greyhound racing as determined~~
38 ~~by the commission.~~

39 (4) ~~If a simulcasting licensee has a license to conduct live racing~~
40 ~~of only greyhounds and the licensee displays a simulcast horse race:~~

41 (A) All breakage proceeds shall be remitted by the licensee to the
42 commission not later than the 15th day of the month following the race
43 from which the breakage is derived and the commission shall remit

1 any such proceeds received to the state treasurer in accordance with
2 the provisions of K.S.A. 75-4215, and amendments thereto. Upon
3 receipt of each such remittance, the state treasurer shall deposit the
4 entire amount in the state treasury to the credit of the Kansas horse
5 breeding development fund created by K.S.A. 74-8829, and
6 amendments thereto; and

7 (B) all unclaimed ticket proceeds shall be remitted by the licensee
8 to the commission on the 61st day after the end of the calendar year
9 and the commission shall remit any such proceeds received to the state
10 treasurer in accordance with the provisions of K.S.A. 75-4215, and
11 amendments thereto. Upon receipt of each such remittance, the state
12 treasurer shall deposit the entire amount in the state treasury to the
13 credit of the Kansas horse breeding development fund created by
14 K.S.A. 74-8829, and amendments thereto.

15 (i) The commission may approve a request by two or more
16 simulcasting licensees to combine wagering pools within the state of
17 Kansas pursuant to rules and regulations adopted by the commission.

18 (j) (1) The commission may authorize any simulcasting licensee to
19 participate in an interstate combined wagering pool with one or more
20 other racing jurisdictions.

21 (2) If a licensee participates in an interstate pool, the licensee may
22 adopt the takeout of the host jurisdiction or facility. The amount and
23 manner of paying purses from the takeout in an interstate pool shall
24 be as provided by subsection (g).

25 (3) The tax imposed on amounts wagered in an interstate pool
26 shall be as provided by K.S.A. 74-8823, and amendments thereto.
27 Parimutuel taxes may not be imposed on any amounts wagered in an
28 interstate combined wagering pool other than amounts wagered
29 within this jurisdiction.

30 (4) Breakage for interstate combined wagering pools shall be
31 calculated in accordance with the statutes and rules and regulations of
32 the host jurisdiction and shall be allocated among the participating
33 jurisdictions in a manner agreed to among the jurisdictions. Breakage
34 allocated to this jurisdiction shall be distributed as provided by
35 subsection (h).

36 (5) Upon approval of the respective recognized greyhound
37 owners' group or recognized horsemen's group, the commission may
38 permit an organization licensee to simulcast to other racetrack
39 facilities or off-track wagering or intertrack wagering facilities in
40 other jurisdictions one or more races conducted by such licensee, use
41 one or more races conducted by such licensee for an intrastate
42 combined wagering pool or use one or more races conducted by such
43 licensee for an interstate combined wagering pool at off-track

1 wagering or intertrack wagering locations outside the commission's
2 jurisdiction and may allow parimutuel pools in other jurisdictions to
3 be combined with parimutuel pools in the commission's jurisdiction
4 for the purpose of establishing an interstate combined wagering pool.

5 (6) The participation by a simulcasting licensee in a combined
6 interstate wagering pool does not cause that licensee to be considered
7 to be doing business in any jurisdiction other than the jurisdiction in
8 which the licensee is physically located.

9 (k) If the organization licensee, facility owner licensee, if any, and
10 the recognized horsemen's group or recognized greyhound owners'
11 group are unable to agree concerning a simulcasting application, the
12 matter may be submitted to the commission for determination at the
13 written request of any party in accordance with rules and regulations
14 of the commission.

15 (l) This section shall be a part of and supplemental to the Kansas
16 parimutuel racing act.

17 Sec. 38. K.S.A. 79-4805 is hereby amended to read as follows: 79-
18 4805. (a) There is hereby established in the state treasury the problem
19 gambling and addictions grant fund. All moneys credited to such fund
20 shall be used only for the awarding of grants under this section. Such
21 fund shall be administered in accordance with this section and the
22 provisions of appropriation acts.

23 (b) All expenditures from the problem gambling and addictions
24 grant fund shall be made in accordance with appropriation acts upon
25 warrants of the director of accounts and reports issued pursuant to
26 vouchers approved in the manner prescribed by law.

27 (c) (1) There is hereby established a state grant program to
28 provide assistance for the direct treatment of persons diagnosed as
29 suffering from pathological gambling and to provide funding for
30 research ~~regarding the impact of gambling on~~ *prevention and recovery*
31 *for the residents of Kansas.* Research grants awarded under this
32 section may include, but need not be limited to, grants for determining
33 the effectiveness of education and prevention efforts on the prevalence
34 of pathological gambling in Kansas. All grants shall be made after
35 open solicitation of proposals and evaluation of proposals against
36 criteria established in rules and regulations adopted by the secretary
37 of the Kansas department for aging and disability services. Both
38 public and private entities shall be eligible to apply for and receive
39 grants under the provisions of this section. *The secretary shall ensure*
40 *that an adequate problem gambling treatment services network is*
41 *available in Kansas to individuals seeking treatment for a pathological*
42 *gambling disorder.*

43 (2) Moneys in the problem gambling and addictions grant fund

1 ~~may~~ shall be used to:

2 (A) To fund a helpline with text messaging and chat capabilities; and

3 (B) for the treatment, research, education or prevention of
4 pathological gambling.

5 (3) Moneys in the problem gambling and addictions grant fund that
6 are not used for the purposes described in paragraph (2) shall be used to
7 **treat alcoholism, drug abuse and, other addictive behaviors and other**
8 *co-occurring behavioral health disorders.*

9 (d) The secretary for aging and disability services is hereby
10 authorized to receive moneys from any grants, gifts, contributions or
11 bequests made for the purpose of funding grants under this section
12 and to expend such moneys for the purpose for which received.

13 (e) All grants made in accordance with this section shall be made
14 from the problem gambling and addictions grant fund. The secretary
15 shall administer the provisions of this section and shall adopt rules
16 and regulations establishing criteria for qualification to receive grants
17 and such other matters deemed necessary by the secretary for the
18 administration of this section. Such rules and regulations shall
19 include, but need not be limited to, a requirement that each recipient
20 of a grant to provide treatment for pathological gamblers report at
21 least annually to the secretary the grantee's measurable achievement
22 of specific outcome goals.

23 (f) For the purpose of this section "pathological gambling" means
24 the disorder by that name described in the most recent edition of the
25 *American psychiatric association's diagnostic and statistical manual.*

26 (g) ~~On the effective date of this act the director of accounts and~~
27 ~~reports shall transfer all moneys in the problem gambling grant fund to the~~
28 ~~problem gambling and addictions grant fund. Thereupon the problem~~
29 ~~gambling grant fund shall be and is hereby abolished.~~*The problem*
30 *gambling and addictions grant fund and any other moneys transferred*
31 *pursuant to this section shall be used for the purposes set forth in this*
32 *section and for no other governmental purposes. It is the intent of the*
33 *legislature that the funds and the moneys deposited in this fund shall*
34 *remain intact and inviolate for the purposes set forth in this section.*

35 Sec. 39. K.S.A. 79-4806 is hereby amended to read as follows: 79-
36 4806. On July 1 of each year or as soon thereafter as sufficient moneys
37 are available, ~~\$80,000~~ \$100,000 credited to the state gaming revenues
38 fund shall be transferred and credited to the problem gambling and
39 addictions grant fund established by K.S.A. 79-4805, and amendments
40 thereto.

41 Sec. 40. K.S.A. 46-2301, 74-8702, 74-8710, 74-8711, 74-8716, 74-
42 8733, 74-8734, 74-8751, 74-8752, 74-8757, 74-8760, 74-8761, 74-8802,
43 74-8804, 74-8814, 74-8823, 74-8836, 79-4805 and 79-4806 and K.S.A.

1 **2021 Supp. 21-6403 and 21-6507 are hereby repealed.}**

2 Sec. ~~40~~. {41.} This act shall take effect and be in force from and after
3 its publication in the statute book.