AN ACT concerning veterans; relating to the veterans benefit lottery game; disposition of net profits; directing certain disbursements; establishing the veterans benefit lottery game fund; amending K.S.A. 74-8711 and 74-8724 and repealing the existing sections.

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

New Section 1. There is hereby established in the state treasury the veterans benefit lottery game fund, which shall be administered by the Kansas commission on veterans affairs office. All expenditures from the veterans benefit lottery game fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the director of the Kansas commission on veterans affairs office or the director's designee. All expenditures from the veterans benefit lottery game fund shall be used as established in K.S.A. 74-8724, and amendments thereto.

Sec. 2. K.S.A. 74-8711 is hereby amended to read as follows: 74-8711. (a) There is hereby established in the state treasury the lottery operating fund.

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

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

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

(2) the payment of compensation to lottery retailers;

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

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

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

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

(7) transfers to the county reappraisal fund as prescribed by law; and

(8) transfers to the veterans benefit lottery game fund pursuant to K.S.A. 74-8724, and amendments thereto.

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

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

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

(e) (1) Subject to the limitations set forth in paragraph (2), commencing in fiscal year 2019, on or before the 10th day of each month, the director of the lottery shall certify to the director of accounts and reports all net profits from the sale of lottery tickets and shares via lottery ticket vending machines. Of such certified amount, the director of accounts and reports shall transfer 75% from the lottery operating fund to the community crisis stabilization centers fund of the Kansas department for aging and disability services and 25% from the lottery operating fund to the clubhouse model program fund of the Kansas department for aging and disability services.

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

Sec. 3. K.S.A. 74-8724 is hereby amended to read as follows: 74-
8724. (a) Notwithstanding any provision of law to the contrary, the Kansas
lottery commission shall may establish an instant lottery scratch-off game
designated as the veterans benefit game, which shall be conducted by the
Kansas lottery. Tickets for the veterans benefit game established by this
section shall may be offered for sale year-round.

(b) The Kansas lottery commission shall may adopt rules and
regulations governing the establishment of the veterans benefit game
pursuant to K.S.A. 74-8710, and amendments thereto, except that
subsection (b) of K.S.A. 74-8710(b), and amendments thereto, shall not
apply to the veterans benefit game established by this section.

(c) Notwithstanding the provisions of Pursuant to K.S.A. 79-4801
et seq., and K.S.A. 74-8711, and amendments thereto, all net profits,
received from the sale of veterans benefit game lottery tickets, materials
and games, as prescribed by rules and regulations adopted pursuant to
subsection (b) of this section, shall be deposited in the state treasury.

(d) Subject to the provisions of subsection (e), on July 1 of each year,
or as soon thereafter as moneys are available, the director of accounts and
reports shall transfer $2,000,000 from the lottery operating fund to the
veterans benefit lottery game fund and such moneys shall be used as
follows: (1) An amount equal to 40% of such net profits moneys shall be
appropriated for purposes directly benefiting benefiting members of the
Kansas army and air national guard and their families to provide for
Kansas national guard educational assistance act scholarships pursuant to
K.S.A. 74-32,145 et seq., and amendments thereto, and, to the extent that
moneys are available, for other purposes directly benefiting benefiting members of the Kansas army and air national guard and their families as
provided by appropriation act;

(2) an amount equal to 30% of such net profits moneys shall be
appropriated for operating expenditures and capital improvements, or as
otherwise provided by appropriation act, for the use and benefit of the
Kansas veterans' home, the Kansas soldiers' home and the state veterans
cemetery system; and

(3) an amount equal to 30% of such net profits from: (A) July 1,
2008, to June 30, 2010, shall be appropriated for the museum of the
Kansas national guard to expand the museum facility to include a 35th
Infantry Division Museum and a museum education center as provided by
appropriation act; and (B) from and after July 1, 2010, moneys shall be
appropriated for a veterans enhanced service delivery program.

(e) Beginning on July 1, 2020, or as soon thereafter as moneys are
available, the amount transferred from the lottery operating fund to the
veterans benefit lottery game fund shall increase each year by 5% from the amount transferred in the preceding year.

(f) Beginning in 2024, and every five years thereafter, the house standing committee on veterans and military, or its successor committee, shall review the provisions of this section.

The Kansas lottery commission shall may change the design or theme of the veterans benefit game regularly so that the game remains competitive with the other instant lottery scratch-off games offered by such commission. The tickets for the instant lottery game authorized by this section shall clearly state that the profits derived from the game shall be used to benefit veterans and veterans issues in this state.

Sec. 4. K.S.A. 74-8711 and 74-8724 are hereby repealed.

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