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.

New Sec. 2. On and after the effective date of this section, section 64 of chapter 109 of the 2018 Session Laws of Kansas shall be null and void and shall have no force and effect.

Sec. 3. 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
(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 benefitting 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 benefitting 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.

(g) 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.