AN ACT concerning gaming; relating to the Kansas expanded lottery act; Kansas lottery and Kansas racing and gaming commission, rules and regulations; authorizing sports wagering; creating the sports wagering receipts fund, executive director of the Kansas lottery; white collar crime fund, governor; amending K.S.A. 46-2301, 74-8702, 74-8710, 74-8711, 74-8716, 74-8718, 74-8733, 74-8734, 74-8751, 74-8752, 74-8757, 74-8758, 74-8760, 74-8772 and 79-4806 and K.S.A. 2019 Supp. 21-6403, 21-6507 and 21-6508 and repealing the existing sections.

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

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

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

(1) Lottery gaming facility managers who have contracted with the Kansas lottery in accordance with the Kansas expanded lottery act to manage sports wagering on behalf of the Kansas lottery, including, but not limited to, sports wagering over the internet through websites and mobile device applications approved by the Kansas lottery; or

(2) an interactive sports wagering platform if, within two years of the effective date of this act, no more than one manager has continuously offered sports wagering on an interactive sports wagering platform.

New Sec. 2. (a) No person under age 21 shall be permitted to place a wager. A sports wagering manager shall verify that any person placing a wager is of the legal minimum age for placing such wagers, including all wagers placed through an interactive sports wagering platform.

(b) Sports wagering managers shall allow a person to restrict themself from placing wagers with the operator, including wagering limits, and shall take reasonable measures to prevent any such person from placing such wagers. Upon the request of any such person, the operator shall submit the restricted person's name and other pertinent information to the Kansas racing and gaming commission. The executive director of the commission may enter into a self-exclusion agreement with such person, and disseminate such person's information to all other sports wagering operators.

New Sec. 3. (a) Each lottery gaming facility manager shall be limited
to two interactive sports wagering platforms that shall be approved by the
executive director. Any interactive sports wagering platform approved by
the executive director shall be able to serve the public convenience and
promote sports wagering in accordance with marketing plans developed by
the Kansas lottery offer sports wagers and may be made available to any
lottery gaming facility manager that has entered into a management
contract for the management of sports wagering under the Kansas
expanded lottery act.

(b) An interactive sports wagering platform shall only accept wagers
from individuals who are physically located within the state of Kansas at
the time of submitting the wager. Sports wagering conducted through such
interactive sports wagering platform shall be offered only as approved by
the Kansas lottery and in accordance with the provisions of the Kansas
expanded lottery act.

(c) Requests for approval of an interactive sports wagering platform
submitted to the Kansas lottery shall be in such form and manner as
prescribed by the executive director. The lottery gaming facility manager
requesting approval shall provide such information regarding the
interactive sports wagering platform and the manager's intended use of
such platform as the executive director deems necessary. All background
investigation requirements required by the Kansas racing and gaming
commission pursuant to the Kansas expanded lottery act shall be
completed before the executive director shall consider approval and usage
of any interactive sports wagering platform. The executive director shall
not unreasonably withhold approval of an interactive sports wagering
platform that a lottery gaming facility manager requests to be approved for
conducting sports wagering. The lottery gaming facility managers shall not
be required to use the same interactive sports wagering platforms.

(d) A sporting facility may enter into a contract with a lottery gaming
facility manager for the purpose of allowing the sporting facility to offer a
location within the sporting facility that is designated as an area where
patrons may engage in sports wagering as authorized by the Kansas
expanded lottery act. Such sports wagering activity in the designated area
of the sporting facility shall be limited to the use of interactive sports
wagering platforms.

(e) As used in this section, "sporting facility" means an auto race
track facility or major multi-sport athletic complex as those terms are
declared in K.S.A. 2019 Supp. 12-17,162, and amendments thereto, that is
located in Wyandotte county with a minimum investment of $50,000,000
and is in operation on the effective date of this act.

New Sec. 4. (a) The Kansas racing and gaming commission shall
adopt rules and regulations regarding the advertisement of sports
wagering. Such rules and regulations shall be adopted on or before
October 31, 2020, and shall include, but not be limited to:

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

(2) disclosure of the identity of the sports wagering manager in all such advertisements;

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

(4) prohibitions on false, misleading or deceptive advertisements.

(b) The Kansas racing and gaming commission rules and regulations related to voluntarily excluded persons shall apply to sports wagering.

New Sec. 5. The Kansas lottery may restrict, limit or exclude wagering on one or more sporting events by providing notice to all sports wagering managers in such form and manner as prescribed by the executive director. Offering or taking wagers that are contrary to any such notice or any rules and regulations promulgated by either the Kansas lottery or the Kansas racing and gaming commission on a sporting event is a violation of the Kansas expanded lottery act.

New Sec. 6. (a) Sports wagering managers and their interactive sports wagering platforms shall use reasonable methods to:

(1) Prohibit the manager, any director, officer, owner and employee of the manager and any relative living in the same household as such persons from placing any wager with the manager at the manager's location or through the manager's interactive sports wagering platform;

(2) prohibit the interactive sports wagering platform, any director, officer, owner and employee of the platform and any relative living in the same household as such persons from placing any wager at the manager's location or through the manager's interactive sports wagering platform;

(3) prohibit any person with access to nonpublic confidential information held by the manager from placing any wager with the manager;

(4) prohibit persons from placing any wager as agents or proxies for other persons;

(5) prohibit any person known by the manager to have been convicted of any felony or misdemeanor offense involving sports wagering, including, but not limited to, the use of funds derived from illegal activity to make any wager, placing any wager to conceal money derived from illegal activity, the use of other individuals to place any wager as part of any wagering scheme to circumvent any provision of federal or state law and the use of false identification to facilitate the placement of any wager or the collection of any prize in violation of federal or state law, from placing wagers;
(6) maintain the security of wagering data, customer data and other confidential information from unauthorized access and dissemination, except that nothing in this act shall preclude the use of internet or cloud-based hosting of such data and information or disclosure as required by court order, state or federal law or as otherwise required by this act; and

(7) subject to Kansas lottery approval, establish sports wagering rules that specify the amounts to be paid on winning sports wagers and the effect of changes in the scheduling of an authorized sporting event subject to sports wagering.

(b) Sports wagering managers shall cooperate with any investigations conducted by the Kansas lottery, the Kansas racing and gaming commission or law enforcement agencies.

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

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

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

(3) any other conduct that knowingly corrupts a betting outcome of a sporting event, including match-fixing; and

(4) suspicious or illegal wagering activities, including, but not limited to, the use of: Funds derived from illegal activity, wagers to conceal or launder funds derived from illegal activity, agents to place wagers and false identification when placing wagers.

New Sec. 7. (a) For all persons making wagers in an aggregate amount of $10,000 or more within any 24-hour period of time, sports wagering managers, if available by reasonable efforts, shall maintain records of:

(1) The name of the person placing the bet;

(2) the amount and type of the bet;

(3) the time the bet was placed;

(4) the location of the bet, including the IP address if applicable;

(5) the outcome of the bet; and

(6) any records of abnormal betting activity.

(b) Records required by subsection (a) shall be maintained for at least 30 days after the sporting event occurs, unless the Kansas racing and gaming commission or the Kansas lottery contacts the sports wagering manager and has reason to believe irregularities may have occurred in regard to one or more particular wagering events, then such records shall be maintained for at least three years after the event occurs.
(c) A sports wagering manager shall make such records available for inspection upon request of the Kansas lottery, the Kansas racing and gaming commission or as required by court order.

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

New Sec. 9. (a) There is hereby established in the state treasury the sports wagering receipts fund. Separate accounts shall be maintained in such fund for receipt of moneys from sports wagering conducted by the Kansas lottery through each lottery gaming facility manager. All expenditures from the 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 executive director, or the executive director's designee, for the purposes set forth in this act.

(b) All revenues from sports wagering conducted by the Kansas lottery through lottery gaming facility managers shall be paid electronically to the executive director. Such revenues shall be paid weekly, or as soon as reasonably possible based on the sporting event and the wager placed, but in no event prior to the completion and settling of all bets for the sporting events for which wagers were placed. The executive director shall remit all moneys received therefrom to the state treasurer in accordance with 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 and credit such remittance to the respective account in the sports wagering receipts fund maintained for the lottery gaming facility manager.

(c) The executive director shall allow lottery gaming facility managers to carry over negative sports wagering revenues and apply such amounts to returns filed for subsequent weeks. Sports wagering revenues for a week will be considered negative if the winnings paid to patrons wagering on such manager's sports wagering exceeds the manager's total bets accepted from sports wagering by patrons. The negative amount of sports wagering revenues may not be applied back to an earlier week and moneys previously received by the lottery will not be refunded unless the manager ceases to operate sports wagering and the last return reported negative sports wagering revenues.

(d) The executive director shall certify weekly to the director of
accounts and reports the percentages or amounts to be transferred from each account maintained in the sports wagering receipts fund to the lottery operating fund in accordance with K.S.A. 74-8711, and amendments thereto, as provided in the lottery gaming facility management contract. Upon receipt of the certification, the director of accounts and reports shall transfer amounts from each such account in accordance with the certification of the executive director. Once each month, the executive director shall cause amounts from each such account to be paid to the lottery gaming facility managers in accordance with each respective contract.

New Sec. 10. (a) There is hereby established in the state treasury the white collar crime fund, which shall be administered by the governor. All moneys credited to the white collar crime fund shall be expended only for the purpose of investigating and prosecuting:

1. Criminal offenses involving or facilitated by:
   a. The use of funds derived from illegal activity to make wagers;
   b. placing wagers to conceal money derived from illegal activity;
   c. the use of other individuals to place wagers as part of any wagering scheme to circumvent any provision of federal or state law;
   d. the use of false identification to facilitate the placement of any wager or the collection of any prize in violation of federal or state law;
   e. any other unlawful activity involving or facilitated by the placing of wagers; or
   f. any other violation of the Kansas expanded lottery act; or

2. any financial or economic crime involving any unauthorized gambling.

(b) All expenditures from the 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 governor, or the governor’s designee, for the purposes set forth in this act.

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

New Sec. 11. (a) Misuse of nonpublic sports information is placing,
or causing to be placed, a bet or wager on a sports contest on the basis of material nonpublic information relating to such bet or wager.

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

(c) As used in this section:

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

(2) "Sports contest" means the same as that term is defined in K.S.A. 2019 Supp. 21-6507, and amendments thereto.

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

New Sec. 12. If any federally recognized Indian tribe described in K.S.A. 74-9802(f), and amendments thereto, submits a request for negotiation of a gaming compact regarding sports wagering in accordance with K.S.A. 46-2302, and amendments thereto, the governor or the governor's designated representatives shall negotiate in good faith with such Indian tribe to enter into such a gaming compact.

Sec. 13. K.S.A. 2019 Supp. 21-6403 is hereby amended to read as follows: 21-6403. As used in K.S.A. 2019 Supp. 21-6403 through 21-6409, and amendments thereto:

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

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

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

(3) a lottery as defined in this section;

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

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

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

(7) tribal gaming;

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

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

(10) sports wagering on sporting events, as both terms are defined by K.S.A. 74-8702, and amendments thereto, pursuant to the Kansas expanded lottery act;

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

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

(2) tribal gaming;

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

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

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

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

(4) a person to participate in tribal gaming;

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

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

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

(3) no winning outcome is based:

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

(B) solely on any single performance of an individual athlete in any single real-world sporting event;

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

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

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

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

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

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

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

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

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

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

(2) "Gambling device" shall not include:
(A) Any machine, mechanical device, electronic device or other contrivance used or for use by a licensee of the Kansas racing and gaming commission, as authorized by law and rules and regulations adopted by the Kansas racing and gaming commission, or by the Kansas lottery or Kansas lottery retailers, as authorized by law and rules and regulations adopted by the Kansas lottery commission;

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

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

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

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

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

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

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

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

Sec. 14. K.S.A. 2019 Supp. 21-6507 is hereby amended to read as follows: 21-6507. (a) Sports bribery is:

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

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

(3) accepting, agreeing to accept or soliciting by a sports participant
of any benefit from another person upon an understanding that such sports
participant will thereby be influenced not to give such participant's best
efforts in a sports contest; or
(4) accepting, agreeing to accept or soliciting by a sports official any
benefit from another person upon an understanding that such official will
perform such official's duties improperly.
(b) Sports bribery as defined in:
(1) Subsection (a)(1) or (a)(2) is a severity level 98, nonperson
felony; and
(2) Subsection (a)(3) or (a)(4) is a class A nonperson misdemeanor.
(c) As used in this section and K.S.A. 2019 Supp. 21-6508, and
amendments thereto:
(1) "Sports contest" means any professional or amateur sports or
athletic game or contest viewed by the public;
(2) "sports participant" means any person who participates or expects
to participate in a sports contest as a player, contestant or member of a
team, or as a coach, manager, trainer or other person directly associated
with a player, contestant or team; and
(3) "sports official" means any person who acts or expects to act in a
sports contest as an umpire, referee, judge or otherwise to officiate at a
sports contest.
Sec. 15. K.S.A. 2019 Supp. 21-6508 is hereby amended to read as
follows: 21-6508. (a) Tampering with a sports contest is seeking to
influence a sports participant or sports official, or tampering with any
animal or equipment or other thing involved in the conduct or operation of
a sports contest, in a manner known to be contrary to the rules and usages
governing such contest and with intent to influence the outcome of such
contest.
(b) Tampering with a sports contest is a severity level 98, nonperson
felony.
Sec. 16. K.S.A. 46-2301 is hereby amended to read as follows: 46-
2301. As used in this act K.S.A. 46-2301 through 46-2304, and
amendments thereto, and section 12, and amendments thereto:
(a) "Class III gaming" has the meaning provided by the Indian
gaming regulatory act (25 U.S.C. 2701 et seq.).
(b) "Gaming compact" means a tribal-state compact regarding class
III gaming as provided by section 11 of the Indian gaming regulatory act
(c) "Committee" or "joint committee" means the joint committee on
state-tribal relations.
Sec. 17. K.S.A. 74-8702 is hereby amended to read as follows: 74-
8702. As used in the Kansas lottery act, unless the context otherwise
requires:
(a) "Ancillary lottery gaming facility operations" means additional non-lottery facility game products and services not owned and operated by the state which may be included in the overall development associated with the lottery gaming facility. Such operations may include, but are not limited to, restaurants, hotels, motels, museums or entertainment facilities.

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

(c) "Electronic gaming machine" means any electronic, electromechanical, video or computerized device, contrivance or machine authorized by the Kansas lottery which, upon insertion of cash, tokens, electronic cards or any consideration, is available to play, operate or simulate the play of a game authorized by the Kansas lottery pursuant to the Kansas expanded lottery act, including, but not limited to, bingo, poker, blackjack, keno and slot machines, and which may deliver or entitle the player operating the machine to receive cash, tokens, merchandise or credits that may be redeemed for cash. Electronic gaming machines may use bill validators and may be single-position reel-type, single or multi-game video and single-position multi-game video electronic game, including, but not limited to, poker, blackjack and slot machines. Electronic gaming machines shall be directly linked to a central computer at a location determined by the executive director for purposes of security, monitoring and auditing.

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

(e) "Gaming equipment" means any electric, electronic, computerized or electromechanical machine, mechanism, supply or device or any other equipment which is:

1. Unique to the Kansas lottery and used pursuant to the Kansas lottery act; and
2. Integral to the operation of an electronic gaming machine or lottery facility game; and
3. Affects the results of an electronic gaming machine or lottery facility game by determining win or loss.

(f) "Gaming zone" means:

1. The northeast Kansas gaming zone, which consists of Wyandotte county;
2. The southeast Kansas gaming zone, which consists of Crawford and Cherokee counties;
3. The south central Kansas gaming zone, which consists of Sedgwick and Sumner counties; and
4. The southwest Kansas gaming zone, which consists of Ford county.

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

(h) "Interactive sports wagering platform" means sports wagering
made available to persons physically located within the state of Kansas at
the time of submitting the wager through a lottery gaming facility over the
internet or wireless services as defined in K.S.A. 66-2019, and
amendments thereto, including, but not limited to, through websites and
mobile device applications.

(i) (1) "Instant bingo vending machine" means a machine or
electronic device that is purchased or leased by a licensee, as defined by
K.S.A. 2019 Supp. 75-5173, and amendments thereto, from a distributor
who has been issued a distributor registration certificate pursuant to K.S.A.
2019 Supp. 75-5184, and amendments thereto, or leased from the Kansas
lottery in fulfillment of the Kansas lottery's obligations under an
agreement between the Kansas lottery and a licensee entered into pursuant
to K.S.A. 2019 Supp. 75-5189, and amendments thereto, and the sole
purpose of which is to:
   (A) Dispense a printed physical instant bingo ticket after a purchaser
    inserts cash or other form of consideration into the machine; and
   (B) allow purchasers to manually check the winning status of the
    instant bingo ticket.
(2) "Instant bingo vending machine" shall not:
   (A) Provide a visual or audio representation of a bingo card or an
    electronic gaming machine;
   (B) visually or functionally have the same characteristics of an
    electronic instant bingo game or an electronic gaming machine;
   (C) automatically determine or display the winning status of any
    dispensed instant bingo ticket;
   (D) extend or arrange credit for the purchase of an instant bingo
ticket;
   (E) dispense any winnings;
   (F) dispense any prize;
   (G) dispense any evidence of a prize other than an instant bingo
ticket;
   (H) provide free instant bingo tickets or any other item that can be
redeemed for cash; or
   (I) dispense any other form of a prize to a purchaser.
All physical instant bingo tickets dispensed by an instant bingo vending
machine shall be purchased by a licensee, as defined by K.S.A. 2019 Supp.
75-5173, and amendments thereto, from a registered distributor.

No more than two instant bingo vending machines may be located on the premises of each licensee location.

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

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

(k)(i) "Lottery facility games" means any electronic gaming machines and any other games which, as of January 1, 2007, that are authorized to be conducted or operated at a tribal gaming facility, as defined in K.S.A. 74-9802, and amendments thereto, located within the boundaries of this state any licensed gaming facility in the United States, except that the state may also operate sports wagering as authorized by this act.

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

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

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

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

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

(r) "Lottery gaming facility revenues" means the total revenues from lottery facility games at a lottery gaming facility after all related prizes are paid. "Lottery gaming facility revenues" do not include any sports wagering revenues.

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

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

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

(2) "Lottery machine" shall not mean:

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

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

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

(D) any machine excluded from the definition of gambling devices under K.S.A. 21-4302(d), prior to its repeal, or K.S.A. 2019 Supp. 21-6403, and amendments thereto;

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

(F) any lottery ticket vending machine; or

(G) any instant bingo vending machine.

"Lottery retailer" means any person with whom the Kansas lottery has contracted to sell lottery tickets or shares, or both, to the public.

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

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

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

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

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

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

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

(C) automatically determine or display the winning status of any dispensed ticket;
(D) extend or arrange credit for the purchase of a ticket;
(E) dispense any winnings;
(F) dispense any prize;
(G) dispense any evidence of a prize other than the lottery ticket, keno ticket, pull tab ticket or any free Kansas lottery ticket received as a result of the purchase of another Kansas lottery ticket;
(H) provide free games or any other item that can be redeemed for cash; or
(I) dispense any other form of a prize to a purchaser.

No more than two lottery ticket vending machines may be located at each Kansas lottery retailer selling location.

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

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

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

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

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

(y)(y) "Organization licensee" has the meaning provided by K.S.A. 74-8802, and amendments thereto.

(z)(z) "Parimutuel licensee" means a facility owner licensee or facility manager licensee under the Kansas parimutuel racing act.

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

(zz)(bb) "Person" means any natural person, association, limited
liability company, corporation or partnership.

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

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

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

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

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

(hh)(hh) "Returned ticket" means any ticket which was transferred to a
lottery retailer, which was not sold by the lottery retailer and which was
returned to the Kansas lottery for refund by issuance of a credit or
otherwise.

(ii)(ii) "Share" means any intangible manifestation authorized by the
Kansas lottery to prove participation in a lottery game, except as provided
by the Kansas expanded lottery act.

(jj)(jj) (1) "Sporting event" means any professional or collegiate
sport or athletic event, motor race event, horse race or any other special
event authorized by the executive director that has not been completed at
the time any wager is placed on such event.

(2) "Sporting event" does not include any greyhound race that is
subject to the provisions of K.S.A. 74-8801 et seq., and amendments
thereto, or any sporting or athletic event played by individuals that are at
the high school level or below unless the majority of the participants in the
sporting or athletic event are 18 years of age or older.

(kk) (1) "Sports wagering" means placing a wager on one or more
sporting events, or any portion thereof, or on the individual performance
statistics of athletes participating in a sporting event, or combination of
sporting events, with the betting made at or through a lottery gaming facility, including the interactive sports wagering platform of a lottery gaming facility manager. "Sports wagering" includes, but is not limited to, single-game wagers, teaser wagers, parlays, over-under wagers, moneyline wagers, pools, exchange wagers, in-play wagers, in-game wagers, proposition wagers and straight wagers.

(2) "Sports wagering" does not include parimutuel wagering as defined in K.S.A. 74-8802, and amendments thereto, or fantasy sports leagues as defined in K.S.A. 2019 Supp. 21-6403, and amendments thereto.

(ll) "Sports wagering manager" means any lottery gaming facility manager that has an approved management contract that provides for management of sports wagering.

(mm) "Sports wagering revenues" means the amount of revenue generated from sports wagering equal to the total amount of all wagers, less any voided wagers, federal excise taxes, any free play approved by the Kansas lottery and any amounts paid as prizes. "Sports wagering revenues" shall not be considered lottery gaming facility revenues.

(nn) "Ticket" means any tangible evidence issued by the Kansas lottery to prove participation in a lottery game other than a lottery facility game.

(oo) "Token" means a representative of value, of metal or other material, which is not legal tender, redeemable for cash only by the issuing lottery gaming facility manager or racetrack gaming facility manager and which is issued and sold by a lottery gaming facility manager or racetrack gaming facility manager for the sole purpose of playing an electronic gaming machine or lottery facility game.

(pp) "Vendor" means any person who has entered into a major procurement contract with the Kansas lottery.

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

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

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

(1) Subject to the provisions of subsection (c), the types of lottery
games to be conducted, including, but not limited to, instant lottery, on-
line, traditional games, lottery facility games and electronic gaming
machine games but not including games on video lottery machines or
lottery machines. No online lottery games shall:

(A) Provide or be accompanied by any music or audio sound effects,
animated visual display or any audio or visual effects that portray,
simulate, emulate or resemble an electronic gaming machine;
(B) visually or functionally operate or appear to operate as an
electronic gaming machine or a facsimile thereof;
(C) extend or arrange credit for the purchase of a ticket;
(D) allow for the redemption of a lottery ticket other than at a lottery
retail location or a Kansas lottery office; or
(E) determine the winner of any game in less than four minutes from
the time the lottery ticket is purchased or acquired.

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

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

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

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

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

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

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

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

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

(11) Information required to be submitted by vendors, in addition to
that required by K.S.A. 74-8705, and amendments thereto.
(12) The major procurement contracts or portions thereof to be awarded to minority business enterprises pursuant to subsection (a) of K.S.A. 74-8705(a), and amendments thereto, and procedures for the award thereof.

(13) Rules and regulations to implement, administer and enforce the provisions of the Kansas expanded lottery act. Such rules and regulations shall include, but not be limited to, rules and regulations which govern management contracts and which are designed to:

(A) Ensure the integrity of electronic gaming machines and, sports wagering, other lottery facility games and the finances of lottery gaming facilities and racetrack gaming facilities; and

(B) promote responsible gaming and alleviate problem gambling, including a requirement that each lottery gaming facility and each racetrack gaming facility maintain a self-exclusion list by which individuals may exclude themselves from access to electronic gaming machines and, sports wagering and other lottery facility games.

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

(15) Rules and regulations to implement, administer and enforce sports wagering. Such rules and regulations shall include, but not be limited to:

(A) Management contracts for sports wagering conducted by lottery gaming facility managers;

(B) provisions ensuring the integrity of sports wagering conducted in the state;

(C) permitting each lottery gaming facility manager, or such manager's contracted parties, to have employees located outside the state of Kansas so that all job functions will conform with 18 U.S.C. § 1081 et seq.;

(D) permitting preestablished online accounts from other states to be accessed within the borders of Kansas so that revenue is recorded correctly and all other Kansas online rules are followed; and

(E) allowing lottery gaming facility managers to carry over negative amounts to returns filed for subsequent weeks when sports wagering revenues for a week are a negative number because the winnings paid to patrons wagering on the manager's sports wagering exceeds the manager's total bets accepted from sports wagering by patrons. The negative amounts of sports wagering revenues may not be carried back to an earlier week and moneys previously received by the lottery will not be refunded, except if the manager ceases to operate sports wagering and the last return reported negative adjusted gross receipts.

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

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

Sec. 19. 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) transfers to the county reappraisal fund as prescribed by law.

(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.

(f) On July 1, 2021, and each July 1 thereafter, or as soon as moneys are available, the first $750,000 credited to the lottery operating fund from sports wagering revenues deposited in the lottery operating fund shall be transferred by the director of accounts and reports from the lottery operating fund to the white collar crime fund established in section 10, and amendments thereto.

Sec. 20. K.S.A. 74-8716 is hereby amended to read as follows: 74-8716. (a) It is unlawful for the executive director, a member of the commission or any employee of the Kansas lottery, or any person residing in the household thereof to:

(1) Have, either directly or indirectly, an interest in a business knowing that such business contracts with the Kansas lottery for a major procurement, whether such interest is as a natural person, partner, member of an association, stockholder or director or officer of a corporation; or
(2) accept or agree to accept any economic opportunity, gift, loan, gratuity, special discount, favor or service, or hospitality other than food and beverages, having an aggregate value of $20 or more in any calendar year from a person knowing that such person (A) contracts or seeks to contract with the state to supply gaming equipment, materials, tickets or consulting services for use in the lottery or (B) is a lottery retailer or an applicant for lottery retailer.

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

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

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

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

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

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

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

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

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

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

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

Sec. 21. K.S.A. 74-8718 is hereby amended to read as follows: 74-8718. (a) It is unlawful:

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

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

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

(4) To sell a lottery ticket at retail by electronic mail, the internet or telephone if the lottery ticket or any related online game:

(A) Provides or is accompanied by any music or audio sound effects, animated visual display or any audio or visual effects that portray, simulate, emulate or resemble an electronic gaming machine;

(B) Visually or functionally operates or appears to operate as an electronic gaming machine or facsimile thereof;

(C) Extends or arranges credit for the purchase of a ticket;

(D) Allows for the redemption of a lottery ticket other than at a lottery retail location or a Kansas lottery office;

(E) Determines the winner of any game in less than four minutes from the time the lottery ticket is purchased or acquired; or

(F) Allows a player to play more than one game at a time for any one device or any one player.

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

(2) Violation of this section is a severity level 9, nonperson felony upon conviction for a second or subsequent offense.
Sec. 22. K.S.A. 74-8733 is hereby amended to read as follows: 74-8733. (a) K.S.A. 74-8733 through 74-8773, and amendments thereto, and sections 1 through 10, and amendments thereto, shall be known and may be cited as the Kansas expanded lottery act. The Kansas expanded lottery act shall be part of and supplemental to the Kansas lottery act.

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

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

Sec. 23. K.S.A. 74-8734 is hereby amended to read as follows: 74-8734. (a) The Kansas lottery may operate one lottery gaming facility in each gaming zone.

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

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

(d) The Kansas lottery commission may approve management contracts with one or more prospective lottery gaming facility managers to manage, or construct and manage, on behalf of the state of Kansas and subject to the operational control of the Kansas lottery, a lottery gaming facility or lottery gaming enterprise at specified destination locations within the northeast, south central, southwest and southeast Kansas gaming zones where the commission determines the operation of such facility would promote tourism and economic development. The commission shall approve or disapprove a proposed management contract within 90 days after the deadline for receipt of proposals established pursuant to subsection (b).
(e) In determining whether to approve a management contract with a prospective lottery gaming facility manager to manage a lottery gaming facility or lottery gaming enterprise pursuant to this section, the commission shall take into consideration the following factors: The size of the proposed facility; the geographic area in which such facility is to be located; the proposed facility's location as a tourist and entertainment destination; the estimated number of tourists that would be attracted by the proposed facility; the number and type of lottery facility games to be operated at the proposed facility; and agreements related to ancillary lottery gaming facility operations.

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

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

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

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

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

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

1. Have a maximum initial term of 15 years from the date of opening
of the lottery gaming facility. At the end of the initial term, the contract
may be renewed by mutual consent of the state and the lottery gaming
facility manager;
(2) specify the total amount to be paid to the lottery gaming facility
manager pursuant to the contract;
(3) establish a mechanism to facilitate payment of lottery gaming
facility expenses, payment of the lottery gaming facility manager's share of
the lottery gaming facility revenues and distribution of the state's share of
the lottery gaming facility revenues;
(4) include a provision for the lottery gaming facility manager to pay
the costs of oversight and regulation of the lottery gaming facility manager
and the operations of the lottery gaming facility by the Kansas racing and
gaming commission;
(5) establish the types of lottery facility games to be installed in such
facility;
(6) provide for the prospective lottery gaming facility manager, upon
approval of the proposed lottery gaming facility management contract, to
pay to the state treasurer a privilege fee of $25,000,000 for the privilege of
being selected as a lottery gaming facility manager of a lottery gaming
facility in the northeast or south central Kansas gaming zone and
$5,500,000 for the privilege of being selected as a lottery gaming facility
manager of a lottery gaming facility in the southeast or southwest Kansas
gaming zone. Such fee shall be deposited in the state treasury and credited
to the lottery gaming facility manager fund, which is hereby created in the
state treasury;
(7) incorporate terms and conditions for the ancillary lottery gaming
facility operations;
(8) designate as key employees, subject to approval of the executive
director, any employees or contractors providing services or functions
which are related to lottery facility games authorized by a management
contract;
(9) include financing commitments for construction;
(10) include a resolution of endorsement from the city governing
body, if the proposed facility is within the corporate limits of a city, or
from the county commission, if the proposed facility is located in the
unincorporated area of the county;
(11) include a requirement that any parimutuel licensee developing a
lottery gaming facility pursuant to this act comply with all orders and rules
and regulations of the Kansas racing and gaming commission with regard
to the conduct of live racing, including the same minimum days of racing
as specified in K.S.A. 74-8746, and amendments thereto, for operation of
electronic gaming machines at racetrack gaming facilities;
(12) include a provision for the state to receive not less than 22% of
lottery gaming facility revenues, which shall be paid to the expanded lottery act revenues fund established by K.S.A. 74-8768, and amendments thereto;

(13) include a provision for 2% of lottery gaming facility revenues to be paid to the problem gambling and addictions grant fund established by K.S.A. 2019 Supp. 79-4805, and amendments thereto;

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

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

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

(17) allow the lottery gaming facility manager to manage the lottery gaming facility in a manner consistent with this act and applicable law, but shall place full, complete and ultimate ownership and operational control of the gaming operation of the lottery gaming facility with the Kansas
lottery. The Kansas lottery shall not delegate and shall explicitly retain the
power to overrule any action of the lottery gaming facility manager
affecting the gaming operation without prior notice. The Kansas lottery
shall retain full control over all decisions concerning lottery gaming
facility games and sports wagering;
(18) include provisions for the Kansas racing and gaming
commission to oversee all lottery gaming facility operations, including, but
not limited to: Oversight of internal controls; oversight of security of
facilities; performance of background investigations, determination of
qualifications and credentialing of employees, contractors and agents of
the lottery gaming facility manager and of ancillary lottery gaming facility
operations, as determined by the Kansas racing and gaming commission;
auditing of lottery gaming facility revenues and sports wagering revenues;
enforcement of all state laws and maintenance of the integrity of gaming
operations; and
(19) include enforceable provisions: (A) Prohibiting the state, until
July 1, 2032, from: (i) Entering into management contracts for more than
four lottery gaming facilities or similar gaming facilities, one to be located
in the northeast Kansas gaming zone, one to be located in the south central
Kansas gaming zone, one to be located in the southwest Kansas gaming
zone and one to be located in the southeast Kansas gaming zone; (ii)
designating additional areas of the state where operation of lottery gaming
facilities or similar gaming facilities would be authorized; or (iii) operating
an aggregate of more than 2,800 electronic gaming machines at all
parimutuel licensee locations; and (B) requiring the state to repay to the
lottery gaming facility manager an amount equal to the privilege fee paid
by such lottery gaming facility manager, plus interest on such amount,
compounded annually at the rate of 10%, if the state violates the
prohibition provision described in subparagraph (A).
(i) (1) Any management contract approved by the commission under
this section may include provisions for operating and managing sports
wagering by the lottery gaming facility manager in person at the lottery
gaming facility and via the lottery gaming facility through no more than
two interactive sports wagering platforms using the odds and wagers
authorized by the Kansas lottery.
(2) If a management contract includes provisions for sports
wagering, then such contract shall provide that the state shall retain 7.5%
of all sports wagering revenues received from wagers placed in person at
each lottery gaming facility and 10% of all sports wagering revenues
received by each lottery gaming facility manager from wagers placed on
the interactive sports betting platform selected by the lottery gaming
facility manager and approved by the executive director.
(j) The power of eminent domain shall not be used to acquire any
interest in real property for use in a lottery gaming enterprise.

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

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

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

1. Accounting procedures to determine the lottery gaming facility revenues, unclaimed prizes and credits;
2. Minimum requirements for a lottery gaming facility manager to provide qualified oversight, security and supervision of the lottery facility games including the use of qualified personnel with experience in applicable technology;
3. Eligibility requirements for employees, contractors or agents of a lottery gaming facility manager who will have responsibility for or involvement with actual gaming activities or for the handling of cash or tokens;
4. Background investigations to be performed by the Kansas racing and gaming commission;
5. Credentialing requirements for any employee, contractor or agent of the lottery gaming facility manager or of any ancillary lottery gaming facility operation as provided by the Kansas expanded lottery act or rules and regulations adopted pursuant thereto;
6. Provision for termination of the management contract by either party for cause; and
7. Any other provision deemed necessary by the parties, including such other terms and restrictions as necessary to conduct any lottery facility game in a legal and fair manner.

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

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

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

(3) If a lottery gaming facility manager agrees to manage sports wagering, the Kansas lottery shall be the licensee or owner of all software programs used in conducting sports wagering and the lottery gaming facility manager, on behalf of the state, shall purchase or lease for the Kansas lottery in the name of the Kansas lottery any equipment or other property deemed necessary for the lottery gaming facility manager for managing sports wagering at the lottery gaming facility. All sports wagering shall be subject to the control of the Kansas lottery in accordance with the Kansas expanded lottery act.

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

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

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

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

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

(c) (3) (A) a certification requirement and enforcement procedure for:

(i) Employees of a lottery gaming facility manager or another entity owned by the lottery gaming facility manager's parent company that are directly involved in the operation or management of sports wagering managed by such manager; and

(ii) those persons who propose to contract with a lottery gaming facility manager in an amount that exceeds $250,000 per year for the provision of goods or services related to sports wagering, including any interactive sports wagering platform requested by a lottery gaming facility manager under section 3, and amendments thereto; and

(B) such certification requirement shall include compliance with such security, fitness and background investigations and standards as the executive director deems necessary to determine whether such person's reputation, habits or associations pose a threat to the public interest of the state or to the reputation of, or effective regulation and control of, sports wagering conducted by the lottery gaming facility. Such certification shall be valid for one year from the date of issuance;
provisions for revocation of a certification required by subsection 
(a) or (b)(1) or (2) upon a finding that the certificate holder, an officer or 
director thereof or a person directly or indirectly owning a 0.5% 5% or 
more interest therein:

(4) (A) Has knowingly provided false or misleading material 
information to the Kansas lottery or its employees; or 
(2) (B) has been convicted of a felony, gambling related offense or 
any crime of moral turpitude; and 

(4)(5) provisions for suspension, revocation or nonrenewal of a 
certification required by subsection (a) or (b)(1) or (2) upon a finding that 
the certificate holder, an officer or director thereof or a person directly or 
indirectly owning a 0.5% 5% or more interest therein:

(4) (A) Has failed to notify the Kansas lottery about a material change 
in ownership of the certificate holder, or any change in the directors or 
officers thereof;

(2) (B) is delinquent in remitting money owed to the Kansas lottery; 
(3) (C) has violated any provision of any contract between the Kansas 
lottery and the certificate holder; or

(4) (D) has violated any provision of the Kansas expanded lottery act 
or any rule and regulation adopted hereunder; and

(6) provisions for suspension, revocation or nonrenewal of a 
certification required by subsection (a)(3) upon a finding that the 
certificate holder has:

(A) Knowingly provided false or misleading material information to 
the Kansas lottery, the Kansas racing and gaming commission or to the 
employees of either;

(B) been convicted of a felony, gambling-related offense or any crime 
of moral turpitude;

(C) intentionally violated any provision of any contract between the 
Kansas lottery and the certificate holder; or

(D) intentionally violated any provision of the Kansas expanded 
lottery act or any rule and regulation adopted pursuant to such act.

(b) A certification issued pursuant to this section shall not be 
assignable or transferable.

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

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

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

(2) Investigate alleged violations of the Kansas expanded lottery act
and alleged violations of any rules and regulations, orders and final
decisions of the Kansas lottery commission, the executive director of the
Kansas lottery, the Kansas racing and gaming commission or the executive
director of the Kansas racing and gaming commission;

(3) Request a court to issue subpoenas to compel access to or for the
production of any books, papers, records or memoranda in the custody or
control of any lottery gaming facility manager or racetrack gaming facility
manager related to the management of the lottery gaming facility or
racetrack gaming facility, or to compel the appearance of any lottery
gaming facility manager or racetrack gaming facility manager for the
purpose of ascertaining compliance with the provisions of the Kansas
lottery act and the Kansas expanded lottery act or rules and regulations
adopted thereunder;

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

(5) Take any other action as may be reasonable or appropriate to
enforce the provisions of the Kansas expanded lottery act and any rules
and regulations, orders and final decisions of the executive director of the
Kansas lottery, the Kansas lottery commission, the executive director of
the Kansas racing commission or the Kansas racing and gaming
commission.

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

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

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

Sec. 26. K.S.A. 74-8757 is hereby amended to read as follows: 74-8757. (a) A person less than 21 years of age shall not be permitted in an area where electronic gaming machines or lottery facility games are being conducted, except for a person at least 18 years of age who is an employee of the lottery gaming facility manager or the racetrack gaming facility manager. No employee under age 21 shall perform any function involved in gaming by the patrons.

(b) No person under age 21 shall:

(1) Play or make a wager on an electronic gaming machine game or a lottery facility game; or

(2) be authorized to directly or indirectly make a wager on any sporting event or otherwise be permitted to engage in sports wagering.

Sec. 27. K.S.A. 74-8758 is hereby amended to read as follows: 74-8758. (a) Except as authorized in subsection (c), it is unlawful for any racetrack gaming facility manager, or any employee or agent thereof, to allow any person to play an electronic gaming machine game at a racetrack gaming facility, or share in winnings of such person, knowing such person to be:

(1) Less than 21 years of age;

(2) the executive director of the Kansas lottery, a member of the Kansas lottery commission or an employee of the Kansas lottery;

(3) the executive director, a member or an employee of the Kansas racing and gaming commission;

(4) an officer or employee of a vendor contracting with the Kansas lottery to supply gaming equipment or tickets to the Kansas lottery for use in the operation of any lottery conducted pursuant to the Kansas expanded lottery act;

(5) an employee or agent of the racetrack gaming facility manager;

(6) a spouse, child, stepchild, brother, stepbrother, sister, stepsister, parent or stepparent of a person described by subsection (a)(2); or (a)(3); (a)(4) or (a)(5); or

(7) a person who resides in the same household as any person described by subsection (a)(2) or (a)(3) or (a)(4) or (a)(5).

Violation of this subsection is a class A nonperson misdemeanor upon conviction for a first offense. Violation of this subsection is a severity level 9, nonperson felony upon conviction for the second or a subsequent offense.
(b) Except as authorized in subsection (c), it is unlawful for any lottery gaming facility manager, or its employees or agents, to allow any person to play electronic gaming machines or lottery facility games at a lottery gaming facility or share in winnings of such person knowing such person to be:

1. Under 21 years of age;
2. the executive director of the Kansas lottery, a member of the Kansas lottery commission or an employee of the Kansas lottery;
3. the executive director, a member or an employee of the Kansas racing and gaming commission;
4. an employee or agent of the lottery gaming facility manager;
5. an officer or employee of a vendor contracting with the Kansas lottery to supply gaming equipment to the Kansas lottery for use in the operation of any electronic gaming machine or lottery facility game conducted pursuant to the Kansas expanded lottery act;
6. a spouse, child, stepchild, brother, stepbrother, sister, stepsister, parent or stepparent of a person described in subsection (b)(2), (b)(3), (b)(4) or (b)(5); or
7. a person who resides in the same household as any person described by subsection (b)(2), (b)(3), (b)(4) or (b)(5).

Violation of this subsection is a class A nonperson misdemeanor upon conviction for a first offense. Violation of this subsection is a severity level 9, nonperson felony upon conviction for a second or subsequent offense.

(c) The executive director of the Kansas racing and gaming commission may authorize in writing any employee of the Kansas racing and gaming commission and any employee of a lottery vendor to play an electronic gaming machine game or a lottery facility game to verify the proper operation thereof with respect to security and contract compliance. Any prize awarded as a result of such ticket purchase shall become the property of the Kansas lottery and be added to the prize pools of subsequent electronic gaming machine games or lottery facility games. No money or merchandise shall be awarded to any employee playing an electronic gaming machine game or a lottery facility game pursuant to this subsection.

Sec. 28. K.S.A. 74-8760 is hereby amended to read as follows: 74-8760. (a) Except in accordance with rules and regulations of the Kansas racing and gaming commission or by written authority from the executive director of the Kansas racing and gaming commission in performing installation, maintenance, inspection and repair services, it is a class A nonperson misdemeanor for the following to place a wager on or play an electronic gaming machine game or a lottery facility game at a lottery gaming facility in this state: The executive director of the Kansas lottery, a member of the Kansas lottery commission or any employee or agent of the
Kansas lottery; the executive director, a member or any employee or agent
of the Kansas racing and gaming commission; or the lottery gaming
facility manager or any employee of the lottery gaming facility manager.

(b) Except in accordance with rules and regulations of the Kansas
racing and gaming commission or by written authority from the executive
director of the Kansas racing and gaming commission in performing
installation, maintenance, inspection and repair services, it is a class A
nonperson misdemeanor for the following to place a wager on or play an
electronic gaming machine at a racetrack gaming facility in this state:

(1) The executive director of the Kansas lottery, a member of the
Kansas lottery commission or any employee or agent of the Kansas lottery;
(2) the executive director, a member or any employee or agent of the
Kansas racing and gaming commission; or the racetrack gaming facility
manager or any employee of the racetrack gaming facility manager;
(3) a sports wagering manager; any director, officer, owner or
employee of such sports wagering manager or any relative living in the
same household as such persons who places any wager with the manager
at the manager’s location or through the manager’s interactive sports
wagering platform;
(4) an interactive sports wagering platform, any director, officer,
owner or employee of such platform or any relative living in the same
household as such persons who places any wager with the manager at the
manager’s location or through the manager’s interactive sports wagering
platform;
(5) any owner, officer, athlete, coach or other employee of a team; or
(6) any director, officer or employee of a player or referee union.

(c) It is a severity level 8, nonperson felony for any person knowingly
to place a sports wager:

(1) As an agent or proxy for other persons;
(2) using funds derived from illegal activity;
(3) to conceal money derived from illegal activity;
(4) through the use of other individuals to place wagers as part of
any wagering scheme to circumvent any provision of federal or state law;
or
(5) using false identification to facilitate the placement of the wager
or the collection of any prize in violation of federal or state law.

(d) It is a severity level 8, nonperson felony for any person playing or
using any electronic gaming machine in Kansas knowingly to:
(1) Use other than a lawful coin or legal tender of the United States of
America, or to use coin not of the same denomination as the coin intended
to be used in an electronic gaming machine, except that in the playing of
any electronic gaming machine or similar gaming device, it shall be lawful
for any person to use gaming billets, tokens or similar objects therein which are approved by the Kansas racing and gaming commission;

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

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

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

Sec. 29. K.S.A. 74-8772 is hereby amended to read as follows: 74-8772. The Kansas racing and gaming commission shall adopt such rules and regulations as the commission deems necessary to carry out the duties and functions of the commission pursuant to the Kansas expanded lottery act. Such temporary rules and regulations may be adopted by the commission without being subject to the provisions and requirements of K.S.A. 77-415 through 77-438, and amendments thereto, but shall be subject to approval by the attorney general as to legality and shall be filed with the secretary of state and published in the Kansas register. Temporary and permanent rules and regulations shall include, but not be limited to, rules and regulations:

(a) Promoting the integrity of the gaming and finances of lottery gaming facilities and racetrack gaming facilities and shall meet or exceed industry standards for monitoring and controlling the gaming and finances of lottery gaming facility operations and racetrack gaming facility operations and shall give the Kansas racing and gaming commission sufficient authority to monitor and control the gaming operation and to ensure its integrity and security;
(b) prescribing the on-site security arrangements for lottery gaming facilities and racetrack gaming facilities;
(c) requiring reporting of information about any lottery gaming facility manager or racetrack gaming facility manager, and its employees, vendors and finances, necessary or desirable to ensure the security of lottery gaming facility and racetrack gaming facility operations. None of the information disclosed pursuant to this subsection shall be subject to disclosure under the Kansas open records act;
(d) requiring reporting and auditing of financial information of lottery gaming facility managers and racetrack gaming facility managers, including, but not limited to, the reporting of profits or losses incurred by lottery gaming facility managers and racetrack gaming facility managers and the reporting of such other information as the Kansas racing and gaming commission requires to determine compliance with the Kansas expanded lottery act and rules and regulations adopted hereunder. None of the information disclosed pursuant to this subsection shall be subject to disclosure under the Kansas open records act; and
(e) provisions for oversight of all lottery gaming facility operations and racetrack gaming facility operations, including, but not limited to, oversight of internal controls; oversight of security of facilities; performance of background investigations, determination of qualifications and credentialing of employees, contractors and agents of lottery gaming facility managers, ancillary lottery gaming facility operations and racetrack gaming facilities; auditing of lottery gaming facility revenues and net electronic gaming machine income of racetrack gaming facilities; enforcement of all state laws; and maintenance of the integrity of lottery gaming facility and racetrack gaming facility operations.

Sec. 30. K.S.A. 79-4806 is hereby amended to read as follows: 79-4806. On July 1 of each year or as soon thereafter as sufficient moneys are available, $80,000 $100,000 credited to the state gaming revenues fund shall be transferred and credited to the problem gambling and addictions grant fund established by K.S.A. 79-4805, and amendments thereto.


Sec. 32. This act shall take effect and be in force from and after its publication in the statute book.