

SENATE BILL No. 262

By Committee on Federal and State Affairs

2-18

1 AN ACT concerning gaming; relating to racetrack facilities; prohibiting
2 greyhound and all other forms of dog racing and betting on any form of
3 dog racing; abolishing the Kansas greyhound breeding development
4 fund, greyhound tourism fund, greyhound promotion and development
5 fund and live greyhound racing purse supplement fund, disposition of
6 moneys held therein; authorizing a vote to permit electronic gaming
7 machines at a racetrack gaming facility in Sedgwick county;
8 establishing the Kansas horse council fund, privilege fee repayment
9 fund and racetrack gaming facility management repayment fund;
10 amending K.S.A. 74-8716, 74-8734, 74-8741, 74-8743, 74-8746, 74-
11 8747, 74-8766, 74-8767, 74-8801, 74-8802, 74-8804, 74-8805, 74-
12 8806, 74-8808, 74-8810, 74-8811, 74-8812, 74-8813, 74-8814, 74-
13 8815, 74-8816, 74-8818, 74-8819, 74-8820, 74-8821, 74-8822, 74-
14 8823, 74-8825, 74-8826, 74-8827, 74-8836, 74-8838 and 75-6102 and
15 repealing the existing sections; also repealing K.S.A. 74-8831, 74-8832
16 and 74-8842.

17
18 *Be it enacted by the Legislature of the State of Kansas:*

19 New Section 1. (a) The Kansas lottery shall not:

20 (1) Conduct live greyhound racing or any other form of dog racing at
21 any racetrack facility;

22 (2) simulcast any greyhound races or any other form of dog races at
23 any racetrack facility; or

24 (3) accept or otherwise facilitate or allow wagering on any greyhound
25 races or any other form of dog races.

26 (b) The provisions of this section shall be a part of and supplemental
27 to the Kansas lottery act.

28 New Sec. 2. (a) No racetrack gaming facility manager or facility
29 owner licensee shall:

30 (1) Conduct live greyhound racing or any other form of dog racing at
31 any racetrack gaming facility;

32 (2) simulcast any greyhound races or any other form of dog races at
33 any racetrack gaming facility; or

34 (3) accept or otherwise facilitate or allow wagering on any greyhound
35 races or any other form of dog races at any racetrack gaming facility.

36 (b) The provisions of this section shall be a part of and supplemental

1 to the Kansas expanded lottery act.

2 New Sec. 3. (a) No facility manager licensee, facility owner licensee,
3 organization licensee or fair association shall:

4 (1) Conduct live greyhound racing or any other form of dog racing at
5 any racetrack facility;

6 (2) simulcast any greyhound races or any other form of dog races at
7 any racetrack facility; or

8 (3) accept or otherwise facilitate or allow wagering on any greyhound
9 races or any other form of dog races at any racetrack facility.

10 (b) The provisions of this section shall be a part of and supplemental
11 to the Kansas parimutuel racing act.

12 New Sec. 4. (a) On July 1, 2021, the director of accounts and reports
13 shall transfer all moneys in the Kansas greyhound breeding development
14 fund to the state general fund. On July 1, 2021, all liabilities of the Kansas
15 greyhound breeding development fund are hereby transferred to and
16 imposed on the state general fund and the Kansas greyhound breeding
17 development fund is hereby abolished.

18 (b) On July 1, 2021, the director of accounts and reports shall transfer
19 all moneys in the greyhound tourism fund to the state general fund. On
20 July 1, 2021, all liabilities of the greyhound tourism fund are hereby
21 transferred to and imposed on the state general fund and the greyhound
22 tourism fund is hereby abolished.

23 (c) On July 1, 2021, the director of accounts and reports shall transfer
24 all moneys in the greyhound promotion and development fund to the state
25 general fund. On July 1, 2021, all liabilities of the greyhound promotion
26 and development fund are hereby transferred to and imposed on the state
27 general fund and the greyhound promotion and development fund is
28 hereby abolished.

29 (d) The provisions of this section shall be a part of and supplemental
30 to the Kansas parimutuel racing act.

31 New Sec. 5. (a) Prior to the execution of any racetrack gaming
32 facility management contract for the management of a racetrack gaming
33 facility, the executive director shall provide written notice to any lottery
34 gaming facility manager managing a lottery gaming facility located in the
35 same gaming zone as such proposed racetrack gaming facility. Such notice
36 shall state the executive director's intent to enter into such contract and the
37 parties to the proposed contract.

38 (b) No action against the state of Kansas or any other person or party
39 for specific performance, anticipatory breach or breach of contract, the
40 basis of which is that a proposed racetrack gaming facility management
41 contract or the election authorized under K.S.A. 74-8743, and amendments
42 thereto, violates the provisions of K.S.A. 74-8734(h)(19) or 74-8741(c)(4),
43 and amendments thereto, or that such racetrack gaming facility

1 management contract or the election authorized under K.S.A. 74-8743, and
2 amendments thereto, creates a material breach of a lottery gaming facility
3 manager's management contract with the Kansas lottery, including any
4 claim for reimbursement of privilege fees and interest thereon, shall be
5 deemed to have accrued until the lottery gaming facility manager receives
6 written notice from the executive director pursuant to subsection (a). Any
7 such action shall be commenced within 60 days after receipt of such
8 written notice and shall be filed as an original action in the supreme court,
9 which shall have original jurisdiction for determination of any claims
10 made and damages related thereto.

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

13 (2) No claim may be brought in any action filed pursuant to this
14 section except by the lottery gaming facility manager for the lottery
15 gaming facility located in the same gaming zone as the proposed racetrack
16 gaming facility.

17 (3) No claim arising from the election authorized under K.S.A. 74-
18 8743, and amendments thereto, may be brought in any action filed
19 pursuant to this section except by the lottery gaming facility manager for
20 the lottery gaming facility located in the south central Kansas gaming
21 zone.

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

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

29 (2) If an action is properly filed, the executive director shall not
30 execute any such management contract until such time as the supreme
31 court issues a final order in such action and such order does not prohibit
32 the executive director from executing such management contract.

33 (3) If the final judgment of the court orders the repayment of the
34 privilege fees, or any portion thereof, paid by the lottery gaming facility
35 manager, including any interest thereon, the executive director shall
36 determine the total amount due for such repayment in accordance with
37 such order and certify such repayment amount to the racetrack gaming
38 facility manager who is to be a party to the proposed contract. The
39 executive director shall not execute any such management contract until
40 the executive director has received such certified amount. The executive
41 director shall remit all such moneys received to the state treasurer in
42 accordance with K.S.A. 75-4215, and amendments thereto. Upon receipt
43 of such remittance, the state treasurer shall deposit the entire amount in the

1 state treasury to the credit of the privilege fee repayment fund.

2 (f) If a payment is made in accordance with subsection (e)(3), the
3 Kansas lottery shall pay an equal amount to the racetrack gaming facility
4 manager that executed the proposed racetrack gaming facility management
5 contract under subsection (e). Such payment shall be paid on a monthly
6 basis with moneys held in the racetrack gaming facility manager
7 repayment fund. The amount of each monthly payment shall be a
8 percentage of the moneys in the expanded lottery act receipts fund that
9 were received by the Kansas lottery pursuant to K.S.A. 74-8747(a)(1), and
10 amendments thereto, agreed to by the executive director and the racetrack
11 gaming facility manager, except that such percentage shall not be less than
12 50% of the moneys in the expanded lottery act receipts fund that were
13 received by the Kansas lottery pursuant to K.S.A. 74-8747(a)(1), and
14 amendments thereto. The executive director shall certify the amount to be
15 paid under this subsection to the director of accounts and reports. Upon
16 receipt of such certification, the director of accounts and reports shall
17 transfer such certified amount from the expanded lottery act receipts fund
18 to the racetrack gaming facility manager repayment fund. Transfers from
19 the expanded lottery act receipts fund under this subsection shall only be
20 made from those moneys held in the expanded lottery act receipts fund
21 that were received by the Kansas lottery pursuant to K.S.A. 74-8747(a)(1),
22 and amendments thereto, as net electronic gaming machine income from
23 the racetrack gaming facility to which the racetrack gaming facility
24 management contract applies.

25 (g) (1) The privilege fee repayment fund is hereby created in the state
26 treasury and shall be administered by the Kansas lottery. The privilege fee
27 repayment fund shall consist of those moneys credited to the privilege fee
28 repayment fund from any payments received pursuant to subsection (e).
29 All expenditures from the privilege fee repayment fund shall be for the
30 repayment of privilege fees, including accrued interest thereon, and shall
31 be made in accordance with appropriation acts upon warrants of the
32 director of accounts and reports issued pursuant to vouchers approved by
33 the executive director or the executive director's designee.

34 (2) The racetrack gaming facility manager repayment fund is hereby
35 created in the state treasury and shall be administered by the Kansas
36 lottery. The racetrack gaming facility manager repayment fund shall
37 consist of those moneys credited to the racetrack gaming facility manager
38 repayment fund pursuant to subsection (f). All expenditures from the
39 racetrack gaming facility manager repayment fund shall be for payment to
40 the racetrack gaming facility manager pursuant to subsection (f), and shall
41 be made in accordance with appropriation acts upon warrants of the
42 director of accounts and reports issued pursuant to vouchers approved by
43 the executive director or the executive director's designee.

1 (h) For purposes of this section, the Kansas expanded lottery act and
2 the Kansas parimutuel racing act, a "racetrack gaming facility manager,"
3 as defined in K.S.A. 74-8702, and amendments thereto, may also be a
4 "facility owner licensee," as defined in K.S.A. 74-8802, and amendments
5 thereto.

6 (i) The provisions of this section shall be a part of and supplemental
7 to the Kansas expanded lottery act.

8 New Sec. 6. (a) On or before December 1, 2021, and each December
9 1 thereafter, the official breed registering agency for horse breeds, as
10 designated by the Kansas racing and gaming commission in K.S.A. 74-
11 8830, and amendments thereto, shall make recommendations to the Kansas
12 racing and gaming commission for implementation of programs that will
13 maximize the benefit to economic development in rural Kansas.

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

16 New Sec. 7. (a) The Kansas horse council fund is hereby established
17 in the state treasury and shall be administered by the Kansas racing and
18 gaming commission. All expenditures from this fund shall be made in
19 accordance with appropriation acts upon warrants of the director of
20 accounts and reports issued pursuant to vouchers approved by the
21 executive director of the Kansas racing and gaming commission or the
22 executive director's designee. The moneys credited to this fund shall be
23 used for the development, promotion and representation of the equine
24 industry in Kansas and shall be distributed to the Kansas horse council by
25 contract with the Kansas racing and gaming commission for these
26 purposes.

27 (b) The provisions of this section shall be a part of and supplemental
28 to the Kansas parimutuel racing act.

29 Sec. 8. K.S.A. 74-8716 is hereby amended to read as follows: 74-
30 8716. (a) It is unlawful for the executive director, a member of the
31 commission or any employee of the Kansas lottery, or any person residing
32 in the household thereof to:

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

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

41 (A) Contracts or seeks to contract with the state to supply gaming
42 equipment, materials, tickets or consulting services for use in the lottery;
43 or

1 (B) is a lottery retailer or an applicant for lottery retailer.

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

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

15 (1) Any lottery gaming facility manager, subcontractor or agent of a
16 lottery gaming facility manager, manufacturer or vendor of electronic
17 gaming machines or central computer system provider, or any business
18 ~~which~~ that sells goods or services to a lottery gaming facility manager; or

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

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

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

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

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

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

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

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

10 Sec. 9. K.S.A. 74-8734 is hereby amended to read as follows: 74-
11 8734. (a) The Kansas lottery may operate one lottery gaming facility in
12 each gaming zone.

13 (b) Not more than 30 days after ~~the effective date of this act~~ *April 19,*
14 *2007*, the lottery commission shall adopt and publish in the Kansas register
15 the procedure for receiving, considering and approving, proposed lottery
16 gaming facility management contracts. Such procedure shall include
17 provisions for review of competitive proposals within a gaming zone and
18 the date by which proposed lottery gaming facility management contracts
19 must be received by the lottery commission if they are to receive
20 consideration.

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

28 (d) The Kansas lottery commission may approve management
29 contracts with one or more prospective lottery gaming facility managers to
30 manage, or construct and manage, on behalf of the state of Kansas and
31 subject to the operational control of the Kansas lottery, a lottery gaming
32 facility or lottery gaming enterprise at specified destination locations
33 within the northeast, south central, southwest and southeast Kansas
34 gaming zones where the commission determines the operation of such
35 facility would promote tourism and economic development. The
36 commission shall approve or disapprove a proposed management contract
37 within 90 days after the deadline for receipt of proposals established
38 pursuant to subsection (b).

39 (e) In determining whether to approve a management contract with a
40 prospective lottery gaming facility manager to manage a lottery gaming
41 facility or lottery gaming enterprise pursuant to this section, the
42 commission shall take into consideration the following factors: The size of
43 the proposed facility; the geographic area in which such facility is to be

1 located; the proposed facility's location as a tourist and entertainment
2 destination; the estimated number of tourists that would be attracted by the
3 proposed facility; the number and type of lottery facility games to be
4 operated at the proposed facility; and agreements related to ancillary
5 lottery gaming facility operations.

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

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

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

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

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

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

38 (1) Have a maximum initial term of 15 years from the date of opening
39 of the lottery gaming facility. At the end of the initial term, the contract
40 may be renewed by mutual consent of the state and the lottery gaming
41 facility manager;

42 (2) specify the total amount to be paid to the lottery gaming facility
43 manager pursuant to the contract;

1 (3) establish a mechanism to facilitate payment of lottery gaming
2 facility expenses, payment of the lottery gaming facility manager's share of
3 the lottery gaming facility revenues and distribution of the state's share of
4 the lottery gaming facility revenues;

5 (4) include a provision for the lottery gaming facility manager to pay
6 the costs of oversight and regulation of the lottery gaming facility manager
7 and the operations of the lottery gaming facility by the Kansas racing and
8 gaming commission;

9 (5) establish the types of lottery facility games to be installed in such
10 facility;

11 (6) provide for the prospective lottery gaming facility manager, upon
12 approval of the proposed lottery gaming facility management contract, to
13 pay to the state treasurer a privilege fee of \$25,000,000 for the privilege of
14 being selected as a lottery gaming facility manager of a lottery gaming
15 facility in the northeast or south central Kansas gaming zone and
16 \$5,500,000 for the privilege of being selected as a lottery gaming facility
17 manager of a lottery gaming facility in the southeast or southwest Kansas
18 gaming zone. Such fee shall be deposited in the state treasury and credited
19 to the lottery gaming facility manager fund, which is hereby created in the
20 state treasury;

21 (7) incorporate terms and conditions for the ancillary lottery gaming
22 facility operations;

23 (8) designate as key employees, subject to approval of the executive
24 director, any employees or contractors providing services or functions
25 which are related to lottery facility games authorized by a management
26 contract;

27 (9) include financing commitments for construction;

28 (10) include a resolution of endorsement from the city governing
29 body, if the proposed facility is within the corporate limits of a city, or
30 from the county commission, if the proposed facility is located in the
31 unincorporated area of the county;

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

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

42 (13) include a provision for 2% of lottery gaming facility revenues to
43 be paid to the problem gambling and addictions grant fund established by

1 K.S.A. 2020 Supp. 79-4805, and amendments thereto;

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

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

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

35 (17) allow the lottery gaming facility manager to manage the lottery
36 gaming facility in a manner consistent with this act and applicable law, but
37 shall place full, complete and ultimate ownership and operational control
38 of the gaming operation of the lottery gaming facility with the Kansas
39 lottery. The Kansas lottery shall not delegate and shall explicitly retain the
40 power to overrule any action of the lottery gaming facility manager
41 affecting the gaming operation without prior notice. The Kansas lottery
42 shall retain full control over all decisions concerning lottery gaming
43 facility games;

1 (18) include provisions for the Kansas racing and gaming
2 commission to oversee all lottery gaming facility operations, including, but
3 not limited to: Oversight of internal controls; oversight of security of
4 facilities; performance of background investigations, determination of
5 qualifications and credentialing of employees, contractors and agents of
6 the lottery gaming facility manager and of ancillary lottery gaming facility
7 operations, as determined by the Kansas racing and gaming commission;
8 auditing of lottery gaming facility revenues; enforcement of all state laws
9 and maintenance of the integrity of gaming operations; and

10 (19) include enforceable provisions: (A) Prohibiting the state, until
11 July 1, 2032, from: (i) Entering into management contracts for more than
12 four lottery gaming facilities or similar gaming facilities, *which for*
13 *purposes of this act, shall not constitute or include racetrack gaming*
14 *facilities*, one to be located in the northeast Kansas gaming zone, one to be
15 located in the south central Kansas gaming zone, one to be located in the
16 southwest Kansas gaming zone and one to be located in the southeast
17 Kansas gaming zone; (ii) designating additional areas of the state where
18 operation of lottery gaming facilities or similar gaming facilities would be
19 authorized; or (iii) operating an aggregate of more than 2,800 electronic
20 gaming machines at all parimutuel licensee locations; and (B) requiring
21 the state to repay to the lottery gaming facility manager an amount equal to
22 the privilege fee paid by such lottery gaming facility manager, plus interest
23 on such amount, compounded annually at the rate of 10%, if the state
24 violates the prohibition provision described in (A).

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

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

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

33 (l) Management contracts authorized by this section may include
34 provisions relating to:

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

37 (2) minimum requirements for a lottery gaming facility manager to
38 provide qualified oversight, security and supervision of the lottery facility
39 games including the use of qualified personnel with experience in
40 applicable technology;

41 (3) eligibility requirements for employees, contractors or agents of a
42 lottery gaming facility manager who will have responsibility for or
43 involvement with actual gaming activities or for the handling of cash or

1 tokens;

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

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

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

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

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

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

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

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

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

42 Sec. 10. K.S.A. 74-8741 is hereby amended to read as follows: 74-
43 8741. (a) The executive director of the Kansas lottery shall negotiate a

1 racetrack gaming facility management contract to place electronic gaming
2 machines at one parimutuel licensee location in each gaming zone except
3 the southwest Kansas gaming zone.

4 (b) To be eligible to enter into a racetrack gaming facility
5 management contract the prospective racetrack gaming facility manager
6 shall, at a minimum:

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

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

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

16 (1) The term of the contract;

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

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

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

42 (d) Racetrack gaming facility management contracts authorized by
43 this section may include provisions relating to:

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

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

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

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

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

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

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

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

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

29 Sec. 11. K.S.A. 74-8743 is hereby amended to read as follows: 74-
30 8743. (a) The board of county commissioners of ~~each~~ any county where
31 there is ~~a~~ an existing or former parimutuel licensee location may, by
32 resolution, submit to the qualified voters of the county a proposition to
33 permit the placement of electronic gaming machines in the county as
34 provided in this section, or, upon the presentation of a valid petition signed
35 by not fewer than 5,000 qualified voters of the county, shall submit to the
36 qualified voters of the county a proposition to permit the placement of
37 electronic gaming machines in the county as provided in this section. The
38 proposition ~~shall~~ may be submitted or resubmitted to the voters at any
39 primary or general election or at a special election called by the board of
40 county commissioners for that purpose ~~and~~. Such election shall be held not
41 more than ~~180~~ 150 days after the ~~effective date of this act~~ adoption of a
42 resolution by the board of county commissioners or the receipt of a valid
43 petition for submission of such a proposition.

1 (b) Upon the adoption of a resolution *or the receipt of a valid petition*
 2 calling for an election pursuant to this section *in Sedgwick county*, the
 3 county election officer shall cause the ~~following~~ proposition to be placed
 4 on the ballot ~~at the election called for that purpose~~: "~~Shall the Kansas~~
 5 ~~Lottery be authorized to place electronic gaming machines in _____~~
 6 ~~county?~~" *as a question in substantial compliance with the following:*
 7 "*Shall the operation of electronic gaming machines by the Kansas lottery*
 8 *be authorized at the former parimutuel licensee location in Sedgwick*
 9 *county, commonly known as Wichita greyhound park?'"*

10 (c) If a majority of the votes cast and counted at *any* such election is
 11 in favor of approving the placement of electronic gaming machines in the
 12 county, the Kansas lottery ~~may~~ *shall* place and operate electronic gaming
 13 machines at a parimutuel licensee location in the county, subject to the
 14 provisions of this act. If a majority of the votes cast and counted ~~at an~~ *any*
 15 ~~such~~ election ~~under this section~~ is against permitting placement of
 16 electronic gaming machines in the county, the Kansas lottery shall not
 17 place or operate electronic gaming machines at a parimutuel licensee
 18 location in the county, *unless and until approved by a majority of votes*
 19 *cast in a subsequent election brought and conducted in accordance with*
 20 *this section*. The county election officer shall transmit a copy of the
 21 certification of the results of the election to the executive director.

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

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

36 *(2) Wyandotte and Crawford counties are hereby deemed to have*
 37 *satisfied the requirements of this subsection and no subsequent election*
 38 *shall be required prior to the placement of electronic gaming machines in*
 39 *such counties.*

40 (f) The question of the placement of electronic gaming machines in a
 41 county may be submitted ~~at the same election as the question of operation~~
 42 ~~of a lottery gaming facility in the county under K.S.A. 74-8737, and~~
 43 ~~amendments thereto to the qualified voters of the county in accordance~~

1 *with the provisions of this section at any time, except if such a proposition*
2 *has been approved by a majority of the qualified voters of such county,*
3 *then the question shall not be submitted at any subsequent election.*

4 Sec. 12. K.S.A. 74-8746 is hereby amended to read as follows: 74-
5 8746. ~~(a) Except as provided in subsection (b):~~

6 ~~(1) No electronic gaming machines shall be operated at a parimutuel~~
7 ~~licensee location in Sedgwick county unless, during the first full calendar~~
8 ~~year and each year thereafter in which electronic gaming machines are~~
9 ~~operated at such location, the parimutuel licensee conducts at such location~~
10 ~~at least 100 live greyhound races each calendar week for the number of~~
11 ~~weeks raced during calendar year 2003 with at least 13 live races~~
12 ~~conducted each day for not less than five days per week.~~

13 ~~(2) No electronic gaming machines shall be operated at a parimutuel~~
14 ~~licensee location in Wyandotte county unless, during the first full calendar~~
15 ~~year and each year thereafter in which electronic gaming machines are~~
16 ~~operated at such location, the parimutuel licensee *conducts schedules to*~~
17 ~~*conduct at such location live or simulcast horse racing programs for at*~~
18 ~~*least 60 days, with at least 10 live races conducted each program, and must*~~
19 ~~*offer and make a reasonable effort to conduct a minimum number of three*~~
20 ~~*live races restricted for quarter horses each day and seven live*~~
21 ~~*thoroughbred races each day, of which not less than two races each day*~~
22 ~~*shall be limited to registered Kansas-bred horses apportioned in the same*~~
23 ~~*ratio that live races are offered, except that the licensee shall not be*~~
24 ~~*required to conduct the second live race restricted to Kansas-bred horses*~~
25 ~~*unless there are at least seven qualified entries for such race, and with at*~~
26 ~~*least 100 live greyhound races each calendar week for at least the same*~~
27 ~~*number of weeks raced during calendar year 2003, with at least 13 live*~~
28 ~~*races conducted each day for not less than five days per week. *Operation**~~
29 ~~*of electronic gaming machines at any parimutuel licensee location may*~~
30 ~~*commence upon the approval of the scheduled horse racing program by*~~
31 ~~*the Kansas racing and gaming commission.*~~

32 ~~(3) No electronic gaming machines shall be operated at a parimutuel~~
33 ~~licensee location in Crawford county unless, during the first full calendar~~
34 ~~year and each year thereafter in which electronic gaming machines are~~
35 ~~operated at such location, the parimutuel licensee conducts at such location~~
36 ~~at least 85 live greyhound races each calendar week for the number of~~
37 ~~weeks raced during calendar year 2003 in Sedgwick county, with at least~~
38 ~~12 live races conducted each day for not less than five days per week.~~

39 ~~(4) If a parimutuel licensee has not held live races pursuant to a~~
40 ~~schedule approved by the Kansas racing and gaming commission in the~~
41 ~~preceding 12 months, the Kansas racing and gaming commission shall~~
42 ~~hold a hearing to determine the number of days of live racing required for~~
43 ~~the remaining days of the first calendar year of operation to qualify for~~

1 operation of electronic gaming machines. At such hearing, the commission
2 shall receive testimony and evidence from affected breed groups, the
3 licensee and others, as the Kansas racing and gaming commission deems
4 appropriate concerning the schedule of live race days. The operation of
5 electronic gaming machines shall not commence more than 90 days prior
6 to the start of live racing at such facility.

7 (b) ~~The Kansas racing and gaming commission may not grant~~
8 ~~exceptions to the requirements of subsection (a) for a parimutuel licensee~~
9 ~~conducting live racing unless such exception is in the form of an~~
10 ~~agreement which:~~

11 (1) ~~Is between the parimutuel licensee and the affected recognized~~
12 ~~greyhound or recognized horsemen's group, as defined in K.S.A. 74-8802,~~
13 ~~and amendments thereto;~~

14 (2) ~~has been approved by the appropriate official breed registering~~
15 ~~agencies; and~~

16 (3) ~~has been submitted to and approved by the commission.~~

17 ~~In the case of emergencies, weather related issues or immediate~~
18 ~~circumstances beyond the control of the licensee, the Kansas racing and~~
19 ~~gaming commission may grant an exception.~~

20 Sec. 13. K.S.A. 74-8747 is hereby amended to read as follows: 74-
21 8747. (a) *A racetrack gaming facility management contract shall include*
22 *provisions for net electronic gaming machine income from a racetrack*
23 *gaming facility shall to be distributed as follows:*

24 (1) *To the racetrack gaming facility manager, an amount equal to 25%*
25 *Twenty-two percent of net electronic gaming machine income shall be*
26 *credited to the expanded lottery act revenues fund;*

27 (2) ~~7% of net electronic gaming machine income shall be credited to~~
28 ~~the live horse racing purse supplement fund established by K.S.A. 74-~~
29 ~~8767, and amendments thereto, except that the amount of net electronic~~
30 ~~gaming machine income credited to the fund during any fiscal year from~~
31 ~~electronic gaming machines at a racetrack gaming facility shall not exceed~~
32 ~~an amount equal to the average of \$3,750 per electronic gaming machine~~
33 ~~at each location and any moneys in excess of such amount shall be~~
34 ~~distributed between the state and the racetrack gaming facility manager in~~
35 ~~accordance with the racetrack gaming facility management contract;~~

36 (3) ~~7% of net electronic gaming machine income shall be credited to~~
37 ~~the live greyhound racing purse supplement fund established by K.S.A.~~
38 ~~74-8767, and amendments thereto, except that the amount of net electronic~~
39 ~~gaming machine income credited to the fund during any fiscal year from~~
40 ~~electronic gaming machines at a racetrack gaming facility shall not exceed~~
41 ~~an amount equal to the average of \$3,750 per electronic gaming machine~~
42 ~~at each location and any moneys in excess of such amount shall be~~
43 ~~distributed between the state and the racetrack gaming facility manager in~~

1 accordance with the racetrack gaming facility management contract;

2 ~~(4)~~ (A) if the racetrack gaming facility is located in the northeast
3 Kansas gaming zone and is not located within a city, include a provision
4 for payment of an amount equal to ~~3%~~ 2% of the racetrack gaming facility
5 revenues net electronic gaming machine income to the county in which the
6 racetrack gaming facility is located; or (B) if the racetrack gaming facility
7 is located in the northeast Kansas gaming zone and is located within a city,
8 include provision for payment of an amount equal to ~~1.5%~~ 1% of the
9 racetrack gaming facility revenues net electronic gaming machine income
10 to the city in which the racetrack gaming facility is located and an amount
11 equal to ~~1.5%~~ 1% of such revenues net electronic gaming machine income
12 to the county in which such facility is located;

13 ~~(5)~~(3) (A) if the racetrack gaming facility is located in the southeast
14 or south central Kansas gaming zone and is not located within a city,
15 include a provision for payment of an amount equal to 2% of the racetrack
16 gaming facility revenues net electronic gaming machine income to the
17 county in which the racetrack gaming facility is located and an amount
18 equal to 1% of such revenues to the other county in such zone; or (B) if the
19 racetrack gaming facility is located in the southeast or south central
20 Kansas gaming zone and is located within a city, provide for payment of
21 an amount equal to 1% of the racetrack gaming facility revenues net
22 electronic gaming machine income to the city in which the racetrack
23 gaming facility is located; and an amount equal to 1% of such revenues
24 net electronic gaming machine income to the county in which such facility
25 is located and an amount equal to 1% of such revenues to the other county
26 in such zone;

27 ~~(6)~~ 2% (4) (A) if the racetrack gaming facility is located in the
28 southeast Kansas gaming zone and is not located within a city, include a
29 provision for payment of an amount equal to 2% of the net electronic
30 gaming machine income to the county in which the racetrack gaming
31 facility is located and an amount equal to 1% of such net electronic
32 gaming machine income to the other county in such zone; or (B) if the
33 racetrack gaming facility is located in the southeast Kansas gaming zone
34 and is located within a city, an amount equal to 1% of the net electronic
35 gaming machine income shall be paid to the city in which the racetrack
36 gaming facility is located, an amount equal to 1% of such net electronic
37 gaming machine income shall be paid to the county in which the racetrack
38 gaming facility is located and an amount equal to 1% of such net
39 electronic gaming machine income shall be paid to the other county in
40 such zone;

41 (5) 0.5% of net electronic gaming machine income shall be credited
42 to the problem gambling and addictions grant fund established by K.S.A.
43 2020 Supp. 79-4805, and amendments thereto;

1 ~~(7) 1% of net electronic gaming machine income shall be credited to~~
 2 ~~the Kansas horse fair racing benefit fund established by K.S.A. 74-8838,~~
 3 ~~and amendments thereto;~~

4 ~~(8) 40% of net electronic gaming machine income shall be credited to~~
 5 ~~the expanded lottery act revenues fund~~

6 (6) *0.1% of net electronic gaming machine income derived from*
 7 *electronic gaming machines located at a racetrack gaming facility located*
 8 *in the south central Kansas gaming zone shall be credited to the Kansas*
 9 *horse council fund, established by section 7, and amendments thereto; and*

10 ~~(9) 15% of electronic gaming machine income shall be used for~~
 11 ~~gaming expenses, subject to agreement between the Kansas lottery and the~~
 12 ~~racetrack gaming facility manager~~

13 (7) *the remaining balance of net electronic gaming machine income*
 14 *shall be paid to the racetrack gaming facility manager.*

15 (b) A racetrack gaming facility management contract may include
 16 provisions for a parimutuel licensee or any other entity to pay the
 17 parimutuel licensee's expenses related to electronic gaming machines, as
 18 the executive director deems appropriate, ~~subject to the requirements of~~
 19 ~~subsection (a)(9).~~

20 Sec. 14. K.S.A. 74-8766 is hereby amended to read as follows: 74-
 21 8766. (a) There is hereby established in the state treasury the expanded
 22 lottery receipts fund. Separate accounts shall be maintained in such fund
 23 for receipt of moneys from each lottery gaming facility manager and
 24 racetrack gaming facility manager. All expenditures from the fund shall be
 25 made in accordance with appropriation acts upon warrants of the director
 26 of accounts and reports issued pursuant to vouchers approved by the
 27 executive director for the purposes set forth in this act.

28 (b) All lottery gaming facility revenues from lottery gaming facilities
 29 and all net electronic gaming machine income from racetrack gaming
 30 facilities shall be paid daily and electronically to the executive director.
 31 The executive director shall remit all moneys received therefrom to the
 32 state treasurer in accordance with K.S.A. 75-4215, and amendments
 33 thereto. Upon receipt of the remittance, the state treasurer shall deposit the
 34 entire amount in the state treasury and credit it to the respective account
 35 maintained for the lottery gaming facility manager or racetrack gaming
 36 facility manager in the expanded lottery receipts fund.

37 (c) The executive director shall certify weekly to the director of
 38 accounts and reports the percentages or amounts to be transferred from
 39 each account maintained in the expanded lottery receipts fund to the
 40 expanded lottery act revenues fund, the live horse racing supplement fund,
 41 ~~the live greyhound racing purse supplement fund~~ and the problem
 42 gambling and addictions grant fund, as provided by the lottery gaming
 43 facility management contract or K.S.A. 74-8747, and amendments thereto.

1 Upon receipt of the certification, the director of accounts and reports shall
2 transfer amounts from each such account in accordance with the
3 certification of the executive director. Once each month, the executive
4 director shall cause amounts from each such account to be paid to cities,
5 counties and lottery gaming facility managers in accordance with the
6 lottery gaming facility management contract and to racetrack gaming
7 facility managers in accordance with K.S.A. 74-8747, and amendments
8 thereto.

9 (d) Amounts remaining in an account in the expanded lottery receipts
10 fund after transfers and payments pursuant to subsection (c) shall be
11 distributed in accordance with the related lottery gaming facility
12 management contract or racetrack gaming facility management contract.

13 Sec. 15. K.S.A. 74-8767 is hereby amended to read as follows: 74-
14 8767. (a) (1) There is hereby established in the state treasury the live horse
15 racing purse supplement fund.

16 (2) Twenty-five percent of all moneys credited to the live horse
17 racing purse supplement fund shall be transferred to the Kansas horse
18 breeding development fund created pursuant to K.S.A. 74-8829, and
19 amendments thereto. Two percent of the moneys credited to the live horse
20 racing purse supplement fund shall be distributed to the official registering
21 agency designated pursuant to K.S.A. 74-8830, and amendments thereto,
22 to be used for horse registration, administration, development,
23 representation and promotion of the Kansas horse racing and breeding
24 industries. A complete financial accounting for the use of the funds
25 received pursuant to this subsection shall be provided annually to the
26 Kansas racing and gaming commission. Fifty percent of the moneys
27 credited to the Kansas horse breeding development fund pursuant to this
28 section shall be used as purse supplements for registered Kansas-bred foals
29 and distributed based upon recommendation from the official horse breed
30 registering agency and approval of the Kansas racing and gaming
31 commission. The balance of funds credited to the Kansas horse breeding
32 development fund pursuant to this section shall be used as breed awards
33 for registered Kansas-bred broodmares and stallions. The Kansas racing
34 and gaming commission shall distribute such moneys credited to the
35 Kansas horse breeding development fund in accordance with K.S.A. 74-
36 8829, and amendments thereto.

37 (3) Based on the contribution to the Kansas horse racing and breeding
38 industries in Kansas, the balance in the live horse race purse supplement
39 fund shall be distributed in accordance with rules and regulations adopted
40 by the Kansas racing and gaming commission with recommendations by
41 the official registering agency designated pursuant to K.S.A. 74-8830, and
42 amendments thereto.

43 ~~(b) There is hereby established in the state treasury the live-~~

1 ~~greyhound racing purse supplement fund. Moneys available in such fund~~
2 ~~shall be paid to the parimutuel licensees for distribution as purse~~
3 ~~supplements in accordance with rules and regulations of the Kansas racing~~
4 ~~and gaming commission. Such rules and regulations shall provide that~~
5 ~~25% of the total amount credited to such fund shall be transferred to the~~
6 ~~credit of the Kansas greyhound breeding development fund, created~~
7 ~~pursuant to K.S.A. 74-8831, and amendments thereto. Moneys transferred~~
8 ~~into the Kansas greyhound breeding development fund pursuant to this~~
9 ~~section shall be used to supplement special stake races and enhance the~~
10 ~~amount per point paid to the owners of Kansas-whelped greyhounds which~~
11 ~~win live races at Kansas greyhound tracks in accordance with Kansas~~
12 ~~racing and gaming commission rules and regulations. Upon the~~
13 ~~recommendation of the official greyhound breed registry, the Kansas~~
14 ~~racing and gaming commission may transfer moneys from the Kansas~~
15 ~~greyhound breeding development fund to the live greyhound racing purse~~
16 ~~supplement fund~~ *On July 1, 2021, the director of accounts and reports*
17 *shall transfer all moneys in the live greyhound racing purse supplement*
18 *fund to the state general fund. On July 1, 2021, all liabilities of the live*
19 *greyhound racing purse supplement fund are hereby transferred to and*
20 *imposed on the state general fund and the live greyhound racing purse*
21 *supplement fund is hereby abolished.*

22 (c) All purse supplements paid pursuant to this act shall be according
23 to the point schedule in effect on January 1, 2003, at the respective
24 parimutuel licensee locations. All purse supplements paid pursuant to this
25 section shall be in addition to purses and supplements paid under K.S.A.
26 74-8801 et seq., and amendments thereto.

27 Sec. 16. K.S.A. 74-8801 is hereby amended to read as follows: 74-
28 8801. K.S.A. 74-8801 through 74-8839, and amendments thereto, shall be
29 known and may be cited as the Kansas parimutuel racing act and shall
30 apply to all horse race meetings at which parimutuel wagering is used or
31 intended to be used ~~and to all greyhound race meetings at which~~
32 ~~parimutuel wagering is used or intended to be used.~~

33 Sec. 17. K.S.A. 74-8802 is hereby amended to read as follows: 74-
34 8802. As used in the Kansas parimutuel racing act unless the context
35 otherwise requires:

36 (a) "Breakage" means the odd cents by which the amount payable on
37 each dollar wagered exceeds:

38 (1) A multiple of \$.10, for parimutuel pools from races conducted in
39 this state; and

40 (2) a multiple of such other number of cents as provided by law of the
41 host jurisdiction, for interstate combined wagering pools.

42 (b) "Commission" means the Kansas racing and gaming commission
43 created by this act.

1 (c) "Concessionaire licensee" means a person, partnership,
 2 corporation or association licensed by the commission to utilize a space or
 3 privilege within a racetrack facility to sell goods or services.

4 (d) "Contract" means an agreement, written or oral, between two or
 5 more persons, partnerships, corporations or associations, or any
 6 combination thereof, ~~which~~ *that* creates an obligation between the parties.

7 (e) "Crossover employment" means a situation in which an
 8 occupational licensee is concurrently employed at the same racing facility
 9 by an organization licensee and a facility owner licensee or facility
 10 manager licensee.

11 ~~(f) "Dual racetrack facility" means a racetrack facility for the racing
 12 of both horses and greyhounds or two immediately adjacent racetrack
 13 facilities, owned by the same licensee, one for racing horses and one for
 14 racing greyhounds.~~

15 ~~(g)~~ "Executive director" means the executive director of the
 16 commission.

17 ~~(h)~~(g) "Facility manager licensee" means a person, partnership,
 18 corporation or association licensed by the commission and having a
 19 contract with an organization licensee to manage a racetrack facility.

20 ~~(i)~~(h) "Facility owner licensee" means a person, partnership,
 21 corporation or association, or the state of Kansas or any political
 22 subdivision thereof, licensed by the commission to construct or own a
 23 racetrack facility but does not mean an organization licensee ~~which~~ *that*
 24 owns the racetrack facility in which it conducts horse or greyhound racing.

25 ~~(j)~~(i) "Fair association" means an association organized pursuant to
 26 K.S.A. 2-125 et seq. and amendments thereto or a nonprofit association
 27 determined by the commission to be otherwise organized to conduct fair
 28 activities pursuant to findings of fact entered by the commission in a
 29 license order.

30 ~~(k)~~(j) "Financial interest" means an interest that could result directly
 31 or indirectly in receiving a pecuniary gain or sustaining a pecuniary loss as
 32 a result of ownership or interest in a business entity or activity or as
 33 a result of a salary, gratuity or other compensation or remuneration from any
 34 person.

35 ~~(l) "Greyhound" means any greyhound breed of dog properly
 36 registered with the national greyhound association of Abilene, Kansas.~~

37 ~~(m)~~(k) "Horsemen's association" means any association or
 38 corporation:

39 (1) All officers, directors, members and shareholders of which are
 40 licensed owners of horses or licensed trainers of horses, ~~or both;~~

41 (2) ~~which~~ *that* is applying for or has been issued a facility owner
 42 license authorizing ownership of Eureka Downs, Anthony Downs or a
 43 racetrack facility on or adjacent to premises used by a fair association to

1 conduct fair activities; and

2 (3) none of the officers, directors, members or shareholders of which
3 holds another facility owner license or is an officer, director, member or
4 shareholder of another facility owner licensee.

5 ~~(h)~~(l) "Horsemen's nonprofit organization" means any nonprofit
6 organization:

7 (1) All officers, directors, members or shareholders of which are
8 licensed owners of horses or licensed trainers of horses, ~~or both~~; and

9 (2) ~~which~~ *that* is applying for or has been issued an organization
10 license authorizing the conduct of horse races at Eureka Downs, Anthony
11 Downs or a racetrack facility on or adjacent to premises used by a fair
12 association to conduct fair activities.

13 ~~(h)~~(m) "Host facility" means the racetrack at which the race is run or,
14 if the race is run in a jurisdiction ~~which~~ *that* is not participating in the
15 interstate combined wagering pool, the racetrack or other facility ~~which~~
16 *that* is designated as the host facility.

17 ~~(h)~~(n) "Host jurisdiction" means the jurisdiction where the host
18 facility is located.

19 ~~(h)~~(o) "Interstate combined wagering pool" means a parimutuel pool
20 established in one jurisdiction ~~which~~ *that* is combined with comparable
21 parimutuel pools from one or more racing jurisdictions for the purpose of
22 establishing the amount of money returned on a successful wager in the
23 participating jurisdictions.

24 ~~(h)~~(p) "Intertrack wagering" means wagering on a simulcast race at a
25 licensed racetrack facility or at a facility ~~which~~ *that* is licensed in its racing
26 jurisdiction to conduct live races.

27 ~~(h)~~(q) "Intrastate combined wagering pool" means a parimutuel pool
28 ~~which~~ *that* is combined with comparable parimutuel pools from one or
29 more racetrack facilities for the purpose of establishing the amount of
30 money returned on a successful wager at the participating racetrack
31 facilities.

32 ~~(t)~~ "Kansas-whelped greyhound" means a greyhound whelped and
33 raised in Kansas for the first six months of its life.

34 ~~(h)~~(r) "Minus pool" means a parimutuel pool in which, after
35 deducting the takeout, not enough money remains in the pool to pay the
36 legally prescribed minimum return to those placing winning wagers, and in
37 which the organization licensee would be required to pay the remaining
38 amount due.

39 ~~(h)~~(s) "Nonprofit organization" means:

40 (1) A corporation ~~which~~ *that* is incorporated in Kansas as a not-for-
41 profit corporation pursuant to the Kansas general corporation code and the
42 net earnings of which do not inure to the benefit of any shareholder,
43 individual member or person; or

1 (2) a fair association.

2 ~~(w)(t)~~ "Occupation licensee" means a person licensed by the
3 commission to perform an occupation or provide services ~~which~~ that the
4 commission has identified as requiring a license pursuant to this act.

5 ~~(x)(u)~~ "Off-track wagering" means wagering on a simulcast race at a
6 facility ~~which~~ that is not licensed in its jurisdiction to conduct live races.

7 ~~(y)(v)~~ "Organization licensee" means a nonprofit organization
8 licensed by the commission to conduct races pursuant to this act and, if the
9 license so provides, to construct or own a racetrack facility.

10 ~~(z)(w)~~ "Parimutuel pool" means the total money wagered by
11 individuals on one or more horses ~~or greyhounds~~ in a particular horse ~~or~~
12 ~~greyhound~~ race to win, place or show, or combinations thereof, as
13 established by the commission, and, except in the case of an interstate or
14 intrastate combined wagering pool, held by the organization licensee
15 pursuant to the parimutuel system of wagering. There is a separate
16 parimutuel pool for win, for place, for show and for each of the other
17 forms of betting provided for by the rules and regulations of the
18 commission.

19 ~~(aa)(x)~~ "Parimutuel wagering" means a form of wagering on the
20 outcome of horse ~~and greyhound~~ races in which those who wager purchase
21 tickets of various denominations on one or more horses ~~or greyhounds~~ and
22 all wagers for each race are pooled and the winning ticket holders are paid
23 prizes from such pool in amounts proportional to the total receipts in the
24 pool.

25 ~~(bb)(y)~~ "Race meeting" means one or more periods of racing days
26 during a calendar year designated by the commission for which an
27 organization licensee has been approved by the commission to hold live or
28 simulcast horse ~~or greyhound~~ races at which parimutuel wagering is
29 conducted, including such additional time as designated by the
30 commission for the conduct of official business before and after the races.

31 ~~(ee)(z)~~ "Racetrack facility" means a racetrack within Kansas used for
32 the racing of horses ~~or greyhounds, or both~~, including the track surface,
33 grandstands, clubhouse, all animal housing and handling areas, other areas
34 in which a person may enter only upon payment of an admission fee or
35 upon presentation of authorized credentials and such additional areas as
36 designated by the commission.

37 ~~(dd)(aa)~~ "Racing jurisdiction" or "jurisdiction" means a governmental
38 authority ~~which~~ that is responsible for the regulation of live or simulcast
39 racing in its jurisdiction.

40 ~~(ee)(bb)~~ "Racing or wagering equipment or services licensee" means
41 any person, partnership, corporation or association licensed by the
42 commission to provide integral racing or wagering equipment or services,
43 as designated by the commission, to an organization licensee.

1 ~~(ff) "Recognized greyhound owners' group" means the duly~~
2 ~~recognized group elected in accordance with rules and regulations of the~~
3 ~~commission by a majority of the Kansas licensed greyhound owners at the~~
4 ~~racetrack facility voting in the election. The commission may designate an~~
5 ~~organization such as the national greyhound association of Abilene,~~
6 ~~Kansas, to conduct the election.~~

7 ~~(gg)(cc)~~ "Recognized horsemen's group" means the duly recognized
8 group, representing the breeds of horses running at a racetrack facility,
9 elected in accordance with rules and regulations of the commission by a
10 majority of the licensed owners and trainers at the racetrack facility voting
11 in the election. If the licensee does not have a recognized horsemen's
12 group, the commission shall designate as the recognized horsemen's group
13 one that serves another organization licensee, but not one that serves a fair
14 association organization licensee.

15 ~~(hh)(dd)~~ "Simulcast" means a live audio-visual broadcast of an actual
16 horse or greyhound race at the time it is run.

17 ~~(ii)(ee)~~ "Takeout" means the total amount of money withheld from
18 each parimutuel pool for the payment of purses, taxes and the share to be
19 kept by the organization licensee. Takeout does not include the breakage.
20 The balance of each pool less the breakage is distributed to the holders of
21 winning parimutuel tickets.

22 Sec. 18. K.S.A. 74-8804 is hereby amended to read as follows: 74-
23 8804. (a) During race meetings, the commission and its designated
24 employees may observe and inspect all racetrack facilities operated by
25 licensees and all racetracks simulcasting races to racetrack facilities in
26 Kansas, including, but not limited to, all machines, equipment and
27 facilities used for parimutuel wagering.

28 (b) Commission members and presiding officers may administer
29 oaths and take depositions to the same extent and subject to the same
30 limitations as would apply if the deposition was in aid of a civil action in
31 the district court.

32 (c) The commission may examine, or cause to be examined by any
33 agent or representative designated by the commission, any books, papers,
34 records or memoranda of any licensee, or of any racetrack or business
35 involved in simulcasting races to racetrack facilities in Kansas, for the
36 purpose of ascertaining compliance with any provision of this act or any
37 rule and regulation adopted hereunder.

38 (d) The commission may issue subpoenas to compel access to or for
39 the production of any books, papers, records or memoranda in the custody
40 or control of any licensee or officer, member, employee or agent of any
41 licensee, or to compel the appearance of any licensee or officer, member,
42 employee or agent of any licensee, or of any racetrack or business
43 involved in simulcasting races to racetrack facilities in this state, for the

1 purpose of ascertaining compliance with any of the provisions of this act
2 or any rule and regulation adopted hereunder. Subpoenas issued pursuant
3 to this subsection may be served upon individuals and corporations in the
4 same manner provided in K.S.A. 60-304, and amendments thereto, for the
5 service of process by any officer authorized to serve subpoenas in civil
6 actions or by the commission or an agent or representative designated by
7 the commission. In the case of the refusal of any person to comply with
8 any such subpoena, the executive director may make application to the
9 district court of any county where such books, papers, records, memoranda
10 or person is located for an order to comply.

11 (e) The commission shall allocate equitably race meeting dates,
12 racing days and hours to all organization licensees and assign such dates
13 and hours so as to minimize conflicting dates and hours within the same
14 geographic market area.

15 (f) The commission shall have the authority, after notice and an
16 opportunity for hearing in accordance with rules and regulations adopted
17 by the commission, to exclude, or cause to be expelled, from any race
18 meeting or racetrack facility, or to prohibit a licensee from conducting
19 business with any person:

20 (1) Who has violated the provisions of this act or any rule and
21 regulation or order of the commission;

22 (2) who has been convicted of a violation of the racing or gambling
23 laws of this or any other state or of the United States or has been
24 adjudicated ~~of committing~~ as a juvenile *offender for* an act which, if
25 committed by an adult, would constitute such a violation; or

26 (3) whose presence, in the opinion of the commission, reflects
27 adversely on the honesty and integrity of horse ~~or greyhound~~ racing or
28 interferes with the orderly conduct of a race meeting.

29 (g) The commission shall review and approve all proposed
30 construction and major renovations to racetrack facilities owned or leased
31 by licensees.

32 (h) The commission shall review and approve all proposed contracts
33 with racetracks or businesses involved in simulcasting races to racetrack
34 facilities in Kansas.

35 (i) The commission may suspend a horse ~~or greyhound~~ from
36 participation in races if such horse ~~or greyhound~~ has been involved in any
37 violation of the provisions of this act or any rule and regulation or order of
38 the commission.

39 (j) The commission, within 72 hours after any action taken by a
40 steward ~~or racing judge~~ and upon appeal by any interested party or upon
41 its own initiative, may overrule any decision of a steward ~~or racing judge~~,
42 other than a decision regarding disqualifications for interference during the
43 running of a race, if the preponderance of evidence indicates that:

- 1 (1) The steward ~~or racing judge~~ mistakenly interpreted the law;
- 2 (2) new evidence of a convincing nature is produced; or
- 3 (3) the best interests of racing and the state may be better served.

4 A decision of the commission to overrule any decision of a steward ~~or~~
5 ~~racing judge~~ shall not change the distribution of parimutuel pools to the
6 holders of winning tickets. A decision of the commission ~~which~~ *that* would
7 affect the distribution of purses in any race shall not result in a change in
8 that distribution unless a written claim is submitted to the commission
9 within 48 hours after completion of the contested race by one of the
10 owners or trainers of a horse ~~or greyhound~~ *which* *that* participated in such
11 race and a preponderance of evidence clearly indicates to the commission
12 that one or more of the grounds for protest, as provided for in rules and
13 regulations of the commission, has been substantiated.

14 (k) The commission, after notice and a hearing in accordance with
15 rules and regulations adopted by the commission, may impose a civil fine
16 not exceeding \$5,000 for each violation of any provision of this act, or any
17 rule and regulation of the commission, for which no other penalty is
18 provided.

19 (l) The commission shall adopt rules and regulations specifying and
20 regulating:

21 (1) Those drugs and medications ~~which~~ *that* may be administered,
22 and possessed for administration, to a horse ~~or greyhound~~ within the
23 confines of a racetrack facility; and

24 (2) that equipment for administering drugs (or medications to horses
25 ~~or greyhounds~~ *which* *that* may be possessed within the confines of a
26 racetrack facility.

27 (m) The commission may adopt rules and regulations providing for
28 the testing of any licensees of the commission, and any officers, directors
29 and employees thereof, to determine whether they are users of any
30 controlled substances.

31 (n) The commission shall require fingerprinting of all persons
32 necessary to verify qualification for employment by the commission or to
33 verify qualification for any license, including a simulcasting license,
34 issued pursuant to this act. The commission shall submit such fingerprints
35 to the Kansas bureau of investigation and to the federal bureau of
36 investigation for the purposes of verifying the identity of such persons and
37 obtaining records of criminal arrests and convictions.

38 (o) The commission may receive from commission security
39 personnel, the Kansas bureau of investigation or other criminal justice
40 agencies, including, but not limited to, the federal bureau of investigation
41 and the federal internal revenue service, such criminal history record
42 information—(, including arrest and nonconviction data), criminal
43 intelligence information and information relating to criminal and

1 background investigations as necessary for the purpose of determining
2 qualifications of licensees of the commission, employees of the
3 commission, applicants for employment by the commission, and
4 applicants for licensure by the commission, including applicants for
5 simulcasting licenses. Upon the written request of the chairperson of the
6 commission, the commission may receive from the district courts such
7 information relating to juvenile proceedings as necessary for the purpose
8 of determining qualifications of employees of and applicants for
9 employment by the commission and determining qualifications of
10 licensees of and applicants for licensure by the commission. Such
11 information, other than conviction data, shall be confidential and shall not
12 be disclosed except to members and employees of the commission as
13 necessary to determine qualifications of such licensees, employees and
14 applicants. Any other disclosure of such confidential information is a class
15 A misdemeanor and shall constitute grounds for removal from office,
16 termination of employment or denial, revocation or suspension of any
17 license issued under this act.

18 (p) The commission, in accordance with K.S.A. 75-4319, and
19 amendments thereto, may recess for a closed or executive meeting to
20 receive and discuss information received by the commission pursuant to
21 subsection (o) and to negotiate with licensees of or applicants for licensure
22 by the commission regarding any such information.

23 (q) The commission may enter into agreements with the federal
24 bureau of investigation, the federal internal revenue service, the Kansas
25 attorney general or any state, federal or local agency as necessary to carry
26 out the duties of the commission under this act.

27 (r) The commission shall adopt such rules and regulations as
28 necessary to implement and enforce the provisions of this act.

29 Sec. 19. K.S.A. 74-8805 is hereby amended to read as follows: 74-
30 8805. (a) (1) The governor shall appoint, subject to confirmation by the
31 senate as provided by K.S.A. 75-4315b, and amendments thereto, an
32 executive director of the commission, to serve at the pleasure of the
33 governor and under the direction and supervision of the commission.
34 Except as provided by K.S.A. 46-2601, and amendments thereto, no
35 person appointed as executive director shall exercise any power, duty or
36 function as executive director until confirmed by the senate. Before
37 appointing any person as executive director, the governor shall cause the
38 Kansas bureau of investigation to conduct a criminal history record check
39 and background investigation of the person.

40 (2) The executive director shall:

- 41 (A) Be in the unclassified service under the Kansas civil service act;
- 42 (B) devote full time to the executive director's assigned duties;
- 43 (C) receive such compensation as determined by the governor,

1 subject to the limitations of appropriations therefor;

2 (D) be a citizen of the United States and an actual resident of Kansas
3 during employment by the commission;

4 (E) not have been convicted of a felony under the laws of any state or
5 of the United States prior to or during employment by the commission;
6 and

7 (F) have familiarity with the horse ~~and dog racing industries~~ *racine*
8 *industry* sufficient to fulfill the duties of the office of executive director.

9 (3) The executive director shall:

10 (A) Recommend to the commission the number and qualifications of
11 employees necessary to implement and enforce the provisions of this act;

12 (B) employ persons for those positions approved by the commission,
13 subject to the limitations of appropriations therefor; and

14 (C) perform such other duties as directed by the commission.

15 (b) (1) The executive director shall appoint an inspector of
16 parimutuels to serve at the pleasure of the executive director. Before
17 appointing any person as inspector of parimutuels, the executive director
18 shall cause the Kansas bureau of investigation to conduct a criminal
19 history record check and background investigation of the person.

20 (2) The inspector of parimutuels shall:

21 (A) Be in the unclassified service under the Kansas civil service act;

22 (B) devote full time to the inspector's assigned duties;

23 (C) receive such compensation as determined by the executive
24 director, subject to the limitations of appropriations therefor;

25 (D) be a citizen of the United States and an actual resident of Kansas
26 during employment as inspector of parimutuels;

27 (E) not have been convicted of a felony under the laws of any state or
28 of the United States prior to or during employment by the commission;
29 and

30 (F) be a certified public accountant with at least three years of
31 auditing experience.

32 (3) The inspector of parimutuels shall:

33 (A) Inspect and audit the conduct of parimutuel wagering by
34 organization licensees, including the equipment and facilities used and
35 procedures followed;

36 (B) train and supervise such personnel as employed by the executive
37 director to assist with such duties; and

38 (C) perform such other duties as directed by the executive director.

39 (c) (1) The executive director shall appoint a director of security to
40 serve at the pleasure of the executive director. Before appointing any
41 person as director of security, the executive director shall cause the Kansas
42 bureau of investigation to conduct a criminal history record check and
43 background investigation of the person.

1 (2) The director of security shall:

2 (A) Be in the unclassified service under the Kansas civil service act;

3 (B) devote full time to the security director's assigned duties;

4 (C) receive such compensation as determined by the executive
5 director, subject to the limitations of appropriations therefor;

6 (D) be a citizen of the United States and an actual resident of Kansas
7 during employment as director of security;

8 (E) not have been convicted of a felony under the laws of any state or
9 of the United States prior to or during employment by the commission;
10 and

11 (F) be a professional law enforcement officer with a minimum of five
12 years' experience in the field of law enforcement and at least a bachelor's
13 degree in law enforcement administration, law, criminology or a related
14 science or, in lieu thereof, a minimum of 10 years' experience in the field
15 of law enforcement.

16 (3) The director of security shall:

17 (A) Conduct investigations relating to compliance with the provisions
18 of this act and rules and regulations of the commission;

19 (B) recommend proper security measures to organization licensees;

20 (C) train and supervise such personnel as employed by the executive
21 director to assist with such duties; and

22 (D) perform such other duties as directed by the executive director.

23 (d) (1) The executive director may appoint a director of racing
24 operations to serve at the pleasure of the executive director. Before
25 appointing any person as director of racing operations, the executive
26 director shall cause the Kansas bureau of investigation to conduct a
27 criminal history record check and background investigation of the person.

28 (2) The director of racing operations shall:

29 (A) Be in the unclassified service under the Kansas civil service act;

30 (B) devote full time to the director's assigned duties;

31 (C) receive such compensation as determined by the executive
32 director, subject to the limitations of appropriations therefor;

33 (D) be a citizen of the United States and an actual resident of Kansas
34 during employment as director of racing operations;

35 (E) not have been convicted of a felony under the laws of any state or
36 of the United States prior to or during employment by the commission;
37 and

38 (F) have a minimum of five years' experience in racing operations.

39 (3) The director of racing operations shall:

40 (A) Supervise racing operations, including stewards~~—and racing~~
41 ~~judges~~;

42 (B) be responsible for training and education of stewards~~—and racing~~
43 ~~judges~~;

1 (C) advise the commission on necessary or desirable changes in rules
2 and regulations relating to conduct of races;

3 (D) train and supervise such personnel as employed by the executive
4 director to assist with such duties; and

5 (E) perform such other duties as directed by the executive director.

6 (e) The commission may appoint an advisory committee of persons
7 knowledgeable in the horse ~~and greyhound~~ breeding and racing industries
8 to provide information and recommendations to the commission regarding
9 the administration of this act. Members of such advisory committee shall
10 serve without compensation or reimbursement of expenses.

11 (f) Except as otherwise provided by this act, all employees of the
12 commission shall be in the classified service under the Kansas civil service
13 act.

14 (g) No employee of the commission shall have been convicted of a
15 felony under the laws of any state or of the United States prior to or during
16 employment by the commission. Before employing any person, the
17 commission shall cause a criminal history record check of the person to be
18 conducted.

19 (h) The commission shall cause the Kansas bureau of investigation to
20 conduct a criminal history record check and background investigation of a
21 person before employing the person in any of the following positions:

22 (1) Deputy director;

23 (2) accountant;

24 (3) computer systems analyst;

25 (4) legal assistant;

26 (5) auditor;

27 ~~(6) racing judge;~~

28 ~~(7) steward;~~

29 ~~(8)~~(7) enforcement agent;

30 ~~(9)~~(8) office supervisor;

31 ~~(10)~~(9) human resource manager;

32 ~~(11)~~(10) office specialist; or

33 ~~(12)~~(11) any other sensitive position, as determined by the
34 commission.

35 Sec. 20. K.S.A. 74-8806 is hereby amended to read as follows: 74-
36 8806. (a) The commission shall employ an animal health officer and such
37 assistant animal health officers as needed to serve at the pleasure of the
38 commission. Before employing any person as the animal health officer, the
39 commission shall cause the Kansas bureau of investigation to conduct a
40 criminal history record check and background investigation of the person.

41 (b) The animal health officer and assistant animal health officers
42 shall:

43 (1) Be doctors of veterinary medicine;

1 (2) be in the unclassified service under the Kansas civil service act;
 2 (3) receive such compensation as determined by the commission,
 3 subject to the limitations of appropriations therefor; and
 4 (4) while employed by the commission, devote full time to the duties
 5 of the office.

6 (c) The animal health officer shall:

7 (1) Supervise the formulation, administration and evaluation of all
 8 medical tests the commission's rules and regulations require or authorize;

9 (2) advise the commission on all aspects of veterinary medicine
 10 relating to its powers and duties;

11 (3) supervise all personnel involved in conducting physical
 12 examinations and medical testing of racing animals, as directed by the
 13 executive director; and

14 (4) perform such other duties as directed by the commission.

15 (d) The assistant animal health officers shall:

16 (1) Conduct physical examinations and medical tests of racing
 17 animals as prescribed by the commission;

18 (2) administer emergency treatment of racing animals at race
 19 meetings as authorized by the owners of such animals or their agents; and

20 (3) perform such other duties as directed by the commission.

21 (e) The animal health officer or an assistant animal health officer may
 22 possess and administer drugs and medications to horses ~~and greyhounds~~
 23 within a racetrack facility as authorized by rules and regulations of the
 24 commission.

25 (f) The commission may require an organization licensee to
 26 reimburse the commission for services performed by assistant animal
 27 health officers at race meetings conducted by the organization licensee.

28 (g) The commission may obtain medical services as required by
 29 contract with an institution ~~which~~ that teaches animal health sciences
 30 within the state.

31 (h) The commission shall contract with one or more laboratory
 32 facilities for the analysis of samples taken for the purpose of enforcing
 33 compliance with K.S.A. 74-8811, and amendments thereto. In entering
 34 into any contract under this subsection, the commission shall give
 35 preference to laboratory facilities located in this state.

36 Sec. 21. K.S.A. 74-8808 is hereby amended to read as follows: 74-
 37 8808. Each member, employee or appointee of the commission, including
 38 stewards ~~and racing judges~~, shall furnish bond or other good and sufficient
 39 security in an amount and upon such terms as established by the state
 40 committee on surety bonds and insurance pursuant to K.S.A. 75-4101 et
 41 seq., and amendments thereto. The cost of any such bonds shall be paid by
 42 the commission.

43 Sec. 22. K.S.A. 74-8810 is hereby amended to read as follows: 74-

1 8810. (a) It is a class A nonperson misdemeanor for any person to have a
 2 financial interest, directly or indirectly, in any racetrack facility within the
 3 state of Kansas or in any host facility for a simulcast race displayed in this
 4 state:

5 (1) While such person is executive director or a member of the
 6 commission or during the five years immediately following such person's
 7 term as executive director or member of the commission; or

8 (2) while such person is an officer, director or member of an
 9 organization licensee, other than a fair association or horsemen's nonprofit
 10 organization, or during the five years immediately following the time such
 11 person is an officer, director or member of such an organization licensee.

12 (b) It is a class A nonperson misdemeanor for any person to hold any
 13 paid position with any facility manager licensee, facility owner licensee or
 14 organization licensee or to have any financial interest, directly or
 15 indirectly, in any racetrack facility within the state of Kansas:

16 (1) While such person is a member of the Kansas legislature or
 17 during the five years immediately following such person's term as such
 18 member; or

19 (2) if such person is:

20 (A) The spouse of a member of the Kansas legislature;;

21 (B) the spouse of a person who has been a member of the Kansas
 22 legislature during the preceding five years; or

23 (C) one of the following blood-relatives, half-relatives or step-
 24 relatives of a member of the Kansas legislature or a person who has been a
 25 member of the Kansas legislature during the preceding five years: Parent,
 26 grandparent, brother, sister, child, son-in-law, daughter-in-law, grandchild,
 27 uncle, aunt, parent-in-law, brother-in-law or sister-in-law.

28 (c) It is a class A nonperson misdemeanor for any member, employee
 29 or appointee of the commission, including stewards ~~and racing judges~~, to
 30 knowingly:

31 (1) Participate in the operation of or have a financial interest in any
 32 business ~~which~~ that has been issued a concessionaire license, racing or
 33 wagering equipment or services license, facility owner license or facility
 34 manager license, or any business ~~which~~ that sells goods or services to an
 35 organization licensee;

36 (2) participate directly or indirectly as an owner, owner-trainer or
 37 trainer of a horse ~~or greyhound~~, or as a jockey of a horse, entered in a race
 38 meeting conducted in this state;

39 (3) place a wager on an entry in a horse ~~or greyhound~~ race conducted
 40 by an organization licensee; or

41 (4) accept any compensation, gift, loan, entertainment, favor or
 42 service from any licensee, except such suitable facilities and services
 43 within a racetrack facility operated by an organization licensee as may be

1 required to facilitate the performance of the member's, employee's or
2 appointee's official duties.

3 ~~(d)(1) Except as provided in paragraph (2),~~ It is a class A nonperson
4 misdemeanor for any member, employee or appointee of the commission,
5 or any spouse, parent, grandparent, brother, sister, child, son-in-law,
6 daughter-in-law, grandchild, uncle, aunt, parent-in-law, brother-in-law or
7 sister-in-law thereof, to:

8 ~~(A)(1)~~ Hold any license issued by the commission, except that a
9 steward ~~or racing judge~~ shall hold an occupation license to be such a
10 steward ~~or judge~~; or

11 ~~(B)(2)~~ enter into any business dealing, venture or contract with an
12 owner or lessee of a racetrack facility in Kansas.

13 ~~(2) This subsection shall not apply to any racing judge holding an~~
14 ~~occupation license, if such racing judge is employed at a racetrack facility~~
15 ~~and such racing judge's relative, as listed above, is a licensed owner,~~
16 ~~owner-trainer or trainer of a greyhound that races at a different racetrack~~
17 ~~facility.~~

18 (e) It is a class A nonperson misdemeanor for any officer, director or
19 member of an organization licensee, other than a fair association or
20 horsemen's nonprofit organization, to:

21 (1) Receive, for duties performed as an officer or director of such
22 licensee, any compensation or reimbursement or payment of expenses in
23 excess of the amounts provided by K.S.A. 75-3223, and amendments
24 thereto, for board members' compensation, mileage and expenses; or

25 (2) enter into any business dealing, venture or contract with the
26 organization licensee or, other than in the capacity of an officer or director
27 of the organization licensee, with a facility owner licensee, facility
28 manager licensee, racing or wagering equipment or services licensee or
29 concessionaire licensee, or with any host facility for a simulcast race
30 displayed in this state.

31 (f) It is a class A nonperson misdemeanor for any facility owner
32 licensee or facility manager licensee, other than a horsemen's association,
33 or any officer, director, employee, stockholder or shareholder thereof or
34 any person having an ownership interest therein, to participate directly or
35 indirectly as an owner, owner-trainer or trainer of a horse ~~or greyhound~~, or
36 as a jockey of a horse, entered in a live race conducted in this state.

37 (g) It is a class A nonperson misdemeanor for any licensee of the
38 commission, or any person who is an officer, director, member or
39 employee of a licensee, to place a wager at a racetrack facility located in
40 Kansas on an entry in a horse ~~or greyhound~~ race if:

41 (1) The commission has by rules and regulations designated such
42 person's position as a position ~~which~~ *that* could influence the outcome of
43 such race or the parimutuel wagering thereon; and

1 (2) such race is conducted at or simulcast to the racetrack facility
2 where the licensee is authorized to engage in licensed activities.

3 ~~(h) It is a class B nonperson misdemeanor for any person to use any
4 animal or fowl in the training or racing of racing greyhounds.~~

5 ~~(i)~~ It is a class A nonperson misdemeanor for any person to:

6 (1) Sell a parimutuel ticket or an interest in such a ticket to a person
7 knowing such person to be under 21 years of age, upon conviction of the
8 first offense;

9 (2) accept, transmit or deliver, from a person outside a racetrack
10 facility, anything of value to be wagered in any parimutuel system of
11 wagering within a racetrack facility, upon conviction of the first offense;

12 (3) administer or conspire to administer any drug or medication to a
13 horse ~~or greyhound~~ within the confines of a racetrack facility in violation
14 of rules and regulations of the commission, upon conviction of the first
15 offense;

16 (4) possess or conspire to possess, within the confines of a racetrack
17 facility, any drug or medication for administration to a horse ~~or greyhound~~
18 in violation of rules and regulations of the commission, upon conviction of
19 the first offense;

20 (5) possess or conspire to possess, within the confines of a racetrack
21 facility, equipment for administering drugs or medications to horses ~~or
22 greyhounds~~ in violation of rules and regulations of the commission, upon
23 conviction of the first offense;

24 (6) enter any horse ~~or greyhound~~ in any race knowing such horse ~~or
25 greyhound~~ to be ineligible to compete in such race pursuant to K.S.A. 74-
26 8812, and amendments thereto; or

27 (7) prepare or cause to be prepared an application for registration of a
28 horse pursuant to K.S.A. 74-8830, and amendments thereto, knowing that
29 such application contains false information.

30 ~~(i)~~(i) It is a severity level 8, nonperson felony for any person to:

31 (1) Sell a parimutuel ticket or an interest in such a ticket to a person
32 knowing such person to be under 21 years of age, upon conviction of the
33 second or a subsequent offense;

34 (2) accept, transmit or deliver, from any person outside a racetrack
35 facility, anything of value to be wagered in any parimutuel system of
36 wagering within a racetrack facility, upon the second or a subsequent
37 conviction;

38 (3) conduct or assist in the conduct of a horse ~~or greyhound~~ race, or
39 the display of a simulcast race, where the parimutuel system of wagering is
40 used or is intended to be used and where no license has been issued to an
41 organization to conduct or simulcast such race;

42 (4) enter any horse ~~or greyhound~~ in any race conducted by an
43 organization licensee knowing that the class or grade in which such horse

1 ~~or greyhound~~ is entered is not the true class or grade or knowing that the
2 name under which such horse ~~or greyhound~~ is entered is not the name
3 under which such horse ~~or greyhound~~ has been registered and has publicly
4 performed;

5 (5) use or conspire to use any device, other than an ordinary whip for
6 horses ~~or a mechanical lure for greyhounds~~, for the purpose of affecting
7 the speed of any horse ~~or greyhound~~ at any time during a race conducted
8 by an organization licensee;

9 (6) possess or conspire to possess, within the confines of a racetrack
10 facility, any device, other than an ordinary whip for horses ~~or a mechanical~~
11 ~~lure for greyhounds~~, designed or intended to affect the speed of a horse ~~or~~
12 ~~greyhound~~;

13 (7) administer or conspire to administer any drug or medication to a
14 horse ~~or greyhound~~ within the confines of a racetrack facility in violation
15 of rules and regulations of the commission, upon conviction of the second
16 or a subsequent offense;

17 (8) possess or conspire to possess, within the confines of a racetrack
18 facility, any drug or medication for administration to a horse ~~or greyhound~~
19 in violation of rules and regulations of the commission, upon conviction of
20 the second or a subsequent offense;

21 (9) possess or conspire to possess, within the confines of a racetrack
22 facility, equipment for administering drugs or medications to horses ~~or~~
23 ~~greyhounds~~ in violation of rules and regulations of the commission, upon
24 conviction of the second or a subsequent offense;

25 (10) sponge the nostrils or windpipe of a horse for the purpose of
26 stimulating or depressing such horse or affecting its speed at any time
27 during a race meeting conducted by an organization licensee;

28 (11) alter or attempt to alter the natural outcome of any race
29 conducted by, or any simulcast race displayed by, an organization licensee
30 or transmit or receive an altered race or delayed broadcast race if
31 parimutuel wagering is conducted or solicited after off time of the race;

32 (12) influence or attempt to influence, by the payment or promise of
33 payment of money or other valuable consideration, any person to alter the
34 natural outcome of any race conducted by, or any simulcast race displayed
35 by, an organization licensee;

36 (13) influence or attempt to influence any member, employee or
37 appointee of the commission, by the payment or promise of payment of
38 money or other valuable consideration, in the performance of any official
39 duty of that member, employee or appointee;

40 (14) fail to report to the commission or to one of its employees or
41 appointees knowledge of any violation of this act by another person for the
42 purpose of stimulating or depressing any horse ~~or greyhound~~, or affecting
43 its speed, at any time during any race conducted by an organization

1 licensee;

2 (15) commit any of the following acts with respect to the prior racing
3 record, pedigree, identity or ownership of a registered horse or greyhound
4 in any matter related to the breeding, buying, selling or racing of the
5 animal:

6 (A) Falsify, conceal or cover up, by any trick, scheme or device, a
7 material fact;

8 (B) make any false, fictitious or fraudulent statement or
9 representation; or

10 (C) make or use any false writing or document knowing that it
11 contains any false, fictitious or fraudulent statement or entry; or

12 (16) pass or attempt to pass, cash or attempt to cash any altered or
13 forged parimutuel ticket knowing it to have been altered or forged.

14 ~~(k)(j)~~ (1) No person less than 21 years of age shall purchase a
15 parimutuel ticket or an interest in such a ticket.

16 (2) Any person less than 18 years of age who violates this subsection
17 shall be subject to adjudication as a juvenile offender pursuant to the
18 revised Kansas juvenile justice code.

19 (3) Violation of this subsection by a person 18 or more years of age is
20 a class A misdemeanor upon conviction of the first offense and a severity
21 level 8, nonperson felony upon conviction of the second or a subsequent
22 offense.

23 Sec. 23. K.S.A. 74-8811 is hereby amended to read as follows: 74-
24 8811. The commission shall adopt rules and regulations establishing those
25 drugs and medications, and the levels thereof, ~~which~~ *that* are allowable in
26 the blood or urine of any horse or greyhound when tested either just prior
27 to or immediately following participation in any race conducted by an
28 organization licensee. Animals in violation of such rules and regulations
29 may be disqualified from the race in which the animal is entered or has
30 participated on the day that such test was conducted.

31 Sec. 24. K.S.A. 74-8812 is hereby amended to read as follows: 74-
32 8812. (a) Horses shall not compete in any race meeting before reaching the
33 age of two years. A horse's age shall be determined beginning on the first
34 day of January in the year in which the horse is foaled.

35 ~~(b) Greyhounds shall not compete in any race meeting before~~
36 ~~reaching the age of 15 months.~~

37 ~~(e)~~—No horse shall compete in any race limited to Kansas-bred horses
38 unless such horse is registered pursuant to K.S.A. 74-8830, *and*
39 *amendments thereto*. The commission may prescribe such forms as
40 necessary to determine the eligibility of horses entered in such a race.

41 ~~(d)(c)~~ No horse or greyhound owned by a stable, ~~kennel~~ or other
42 entity shall compete in any race meeting unless the name of the stable,
43 ~~kennel~~ or entity is registered upon forms prescribed and furnished by the

1 commission and the appropriate registration fee paid. The commission
2 shall establish the amount of such registration fees, but no such fee shall
3 exceed \$200 a year.

4 Sec. 25. K.S.A. 74-8813 is hereby amended to read as follows: 74-
5 8813. (a) A nonprofit organization may apply to the commission for an
6 organization license to conduct horse races ~~or an organization license to~~
7 ~~conduct greyhound races, or both such licenses.~~ In addition, an
8 organization license may authorize the licensee to construct or own a
9 racetrack facility if so provided by the commission. The application for an
10 organization license shall be filed with the commission at a time and place
11 prescribed by rules and regulations of the commission. The application
12 shall specify the days when and the exact location where it proposes to
13 conduct such races and shall be in a form and include such information as
14 the commission prescribes. A nonrefundable application fee in the form of
15 a certified check or bank draft shall accompany the application. Except as
16 provided pursuant to K.S.A. 74-8814, and amendments thereto, such fee
17 shall be \$5,000 for each application. If the application fee is insufficient to
18 pay the reasonable expenses of processing the application and
19 investigating the applicant's qualifications for licensure, the commission
20 shall require the applicant to pay to the commission, at such times and in
21 such form as required by the commission, any additional amounts
22 necessary to pay such expenses. No license shall be issued to an applicant
23 until the applicant has paid such additional amounts in full, and such
24 amounts shall not be refundable except to the extent that they exceed the
25 actual expenses of processing the application and investigating the
26 applicant's qualifications for licensure.

27 (b) If an applicant for an organization license is proposing to
28 construct a racetrack facility, such applicant, at the time of submitting the
29 application, shall deposit with the commission, in such form as prescribed
30 by rules and regulations of the commission, the sum of: (1) \$500,000, if
31 the number of racing days applied for in a racing season is 150 days or
32 more; (2) \$250,000, if the number of racing days applied for is less than
33 150 days; or (3) a lesser sum established by the commission, if the
34 applicant meets the qualifications set forth in ~~subsection (a)(1) or (a)(2) of~~
35 ~~K.S.A. 74-8814(a)(1) or (a)(2), and amendments thereto, or if the~~
36 ~~applicant will be conducting races only on the state fairgrounds. Only one~~
37 ~~such deposit shall be required for a dual racetrack facility.~~ The executive
38 director shall remit any deposit received pursuant to this subsection to the
39 state treasurer in accordance with the provisions of K.S.A. 75-4215, and
40 amendments thereto. Upon receipt of each such remittance, the state
41 treasurer shall deposit the entire amount in the state treasury to the credit
42 of the racing applicant deposit fund created by K.S.A. 74-8828, and
43 amendments thereto. If the application is denied by the commission, the

1 deposit, and any interest accrued thereon, shall be refunded to the
 2 applicant. If the license is granted by the commission in accordance with
 3 the terms of the application or other terms satisfactory to the applicant, the
 4 deposit, and any interest accrued thereon, shall be refunded to the licensee
 5 upon completion of the racetrack facility in accordance with the terms of
 6 the license. If the licensee fails to complete the racetrack facility in
 7 accordance with the terms of the license, the deposit, and any interest
 8 accrued thereon, shall be forfeited by the applicant.

9 (c) To qualify for an organization license to conduct horse ~~or~~
 10 ~~greyhound~~ races:

11 (1) The applicant shall be a bona fide, nonprofit organization ~~which~~
 12 ~~that~~, if applicable, meets the requirements of subsection (d);

13 (2) the applicant shall have, either by itself or through contractual
 14 relationships with other persons or businesses approved by the
 15 commission, the financial capability, manpower and technical expertise, as
 16 determined by the commission, to properly conduct horse races ~~or~~
 17 ~~greyhound races, or both~~, and, if applicable, to operate a parimutuel
 18 wagering system;

19 (3) if the applicant is proposing to construct a racetrack facility, the
 20 applicant shall submit detailed plans for the construction of such facility,
 21 including the means and source of financing such construction and
 22 operation, sufficient to convince the commission that such plans are
 23 feasible;

24 (4) submit for commission approval a written copy of each contract
 25 and agreement ~~which~~ ~~that~~ the applicant proposes to enter into, including
 26 all those listed in subsection (n), which contracts and agreements shall
 27 conform to the restrictions placed thereon by subsections (n), (o) and (p);

28 (5) the applicant shall propose to conduct races within only one
 29 county, and in such county the majority of the qualified electors have
 30 approved either:

31 (A) The constitutional amendment permitting the conduct of horse
 32 ~~and dog~~ races and parimutuel wagering thereon; or

33 (B) a proposition permitting horse ~~and dog~~ races and parimutuel
 34 wagering thereon within the boundaries of such county;

35 (6) no director, officer, employee or agent of the applicant shall have
 36 been convicted of any of the following in any court of any state or of the
 37 United States or shall have been adjudicated *as a juvenile offender* in the
 38 ~~last immediately preceding~~ five years in any such court ~~of committing as a~~
 39 ~~juvenile~~ for an act which, if committed by an adult, would constitute any
 40 of the following:

41 (A) Fixing of horse ~~or greyhound~~ races;

42 (B) illegal gambling activity;

43 (C) illegal sale or possession of any controlled substance;

1 (D) operation of any illegal business;

2 (E) repeated acts of violence; or

3 (F) any felony;

4 (7) no director or officer of the applicant shall be addicted to, and a
5 user of, alcohol or a controlled substance; and

6 (8) no director or officer of the applicant shall have failed to meet any
7 monetary or tax obligation to the federal government or to any state or
8 local government, whether or not relating to the conduct or operation of a
9 race meet held in this state or any other jurisdiction.

10 (d) To qualify for an organization license to conduct horse ~~or~~
11 ~~greyhound~~ races, a nonprofit organization, other than a fair association, a
12 horsemen's nonprofit organization or a nonprofit organization conducting
13 races only on the state fair grounds, shall:

14 (1) Distribute all of its net earnings from the conduct of horse ~~and~~
15 ~~greyhound~~ races, other than that portion of the net earnings which is
16 necessary to satisfy the debt service obligations, not otherwise deducted
17 from net earnings, of an organization licensee owning the racetrack facility
18 or that portion of the net earnings ~~which~~ *that* is set aside as reasonable
19 reserves for future improvement, maintenance and repair of the racetrack
20 facility owned by the organization licensee, only to organizations, other
21 than itself, ~~which~~ *that*:

22 (A) Have been exempted from the payment of federal income taxes
23 pursuant to section 501(c)(3) of the federal internal revenue code of 1986,
24 as in effect July 1, 1987;

25 (B) are domiciled in this state; and

26 (C) expend the moneys so distributed only within this state;

27 (2) distribute not more than 25% of such net earnings to any one such
28 organization in any calendar year;

29 (3) not engage in, and have no officer, director or member who
30 engages in, any prohibited transaction, as defined by section 503(b) of the
31 federal internal revenue code of 1986, as in effect July 1, 1987; and

32 (4) have no officer, director or member who is not a bona fide
33 resident of this state.

34 (e) Within 30 days after the date specified for filing, the commission
35 shall examine each application for an organization license for compliance
36 with the provisions of this act and rules and regulations of the commission.
37 If any application does not comply with the provisions of this act or rules
38 and regulations of the commission, the application may be rejected or the
39 commission may direct the applicant to comply with the provisions of this
40 act or rules and regulations of the commission within a reasonable time, as
41 determined by the commission. Upon proof by the applicant of
42 compliance, the commission may reconsider the application. If an
43 application is found to be in compliance and the commission finds that the

1 issuance of the license would be within the best interests of horse ~~and~~
2 ~~greyhound~~ racing within this state from the standpoint of both the public
3 interest and the horse ~~or greyhound~~ racing industry, as determined solely
4 within the discretion of the commission, the commission may issue an
5 organization license to the applicant. The commission shall approve the
6 issuance of organization licenses for a period established by the
7 commission but not to exceed 25 years. Such license may provide that
8 during its term it constitutes an exclusive license within a radius of the
9 location specified in the license, as determined by the commission. No
10 racing of any kind regulated by this act shall be conducted by any other
11 person within the territory covered by such exclusive license without the
12 written consent of the licensee. For each license issued, the commission
13 shall specify the location, type, time and date of all races and race
14 meetings which the commission has approved for the licensee to conduct.
15 The license shall be issued upon receipt of the license fee and the
16 furnishing of a surety bond or other financial security approved by the
17 commission, conditioned on, and in an amount determined by the
18 commission as sufficient to pay, the licensee's potential financial liability
19 for unpaid taxes, purses and distribution of parimutuel winnings and
20 breakage. No organization license shall be transferred to any other
21 organization or entity.

22 (f) When considering the granting of organization licenses or racing
23 days between two or more competing applicants, the commission shall
24 give consideration to the following factors:

25 (1) The character, reputation, experience and financial stability of
26 those persons within the applicant organizations who will be supervising
27 the conduct of the races and parimutuel wagering for the organization;

28 (2) the quality of the racing facilities and adjoining accommodations;

29 (3) the amount of revenue that can reasonably be expected to be
30 generated from state and local taxes, the economic impact for the
31 ~~respective horse or greyhound~~ breeding ~~industries~~ industry in Kansas and
32 the indirect economic benefit to the surrounding area, in the determination
33 of which economic benefit the commission shall solicit written
34 recommendations from all interested parties in the surrounding area;

35 (4) the location of the race meetings in relation to the principal
36 centers of population and the effect of such centers on the ability of the
37 organizations to sustain a financially sound racing operation; and

38 (5) testimony from interested parties at public hearings to be
39 conducted in the geographic areas where the applicants would be
40 conducting their race meetings.

41 (g) Except as otherwise provided pursuant to K.S.A. 74-8814, and
42 amendments thereto, each organization licensee shall pay a license fee in
43 the amount of \$200 for each day of racing approved by the commission.

1 Such fees shall be paid at such times and by such means as prescribed by
2 rules and regulations of the commission. The commission may authorize
3 the state treasurer to refund from the state racing fund a fee paid for any
4 racing day which was canceled with advance notice to and with the
5 approval of the commission.

6 (h) Organization licensees may apply to the commission for changes
7 in approved race meetings or dates or for additional race meetings or dates
8 as needed throughout the terms of their licenses. Application shall be made
9 upon forms furnished by the commission and shall contain or be
10 accompanied by such information as the commission prescribes. Upon
11 approval by the commission, the organization licensee shall pay an
12 additional license fee for any race days in excess of the number originally
13 approved and included in the calculation of the initial license fee.

14 (i) All organization licenses shall be reviewed annually by the
15 commission to determine if the licensee is complying with the provisions
16 of this act and rules and regulations of the commission and following such
17 proposed plans and operating procedures as were approved by the
18 commission. The commission may review an organization license more
19 often than annually upon its own initiative or upon the request of any
20 interested party. The commission shall require each organization licensee,
21 other than a fair association, or horsemen's nonprofit organization, to file
22 annually with the commission a certified financial audit of the licensee by
23 an independent certified public accountant, which audit shall be open to
24 inspection by the public, and may require an organization licensee to
25 provide any other information necessary for the commission to conduct the
26 annual or periodic review.

27 (j) Subject to the provisions of subsection (k), the commission, in
28 accordance with the Kansas administrative procedure act, may suspend or
29 revoke an organization license or may impose a civil fine not exceeding
30 \$5,000, or may both suspend such license and impose such fine, for each
31 of the following violations by a licensee:

32 (1) One or more violations, or a pattern of repeated violations, of the
33 provisions of this act or rules and regulations of the commission;

34 (2) failure to follow one or more provisions of the licensee's plans for
35 the financing, construction or operation of a racetrack facility as submitted
36 to and approved by the commission;

37 (3) failure to maintain compliance with the requirements of
38 subsection (c) or (d), if applicable, for the initial issuance of an
39 organization license;

40 (4) failure to properly maintain or to make available to the
41 commission such financial and other records sufficient to permit the
42 commission to verify the licensee's nonprofit status and compliance with
43 the provisions of this act or rules and regulations of the commission;

1 (5) providing to the commission any information material to the
2 issuance, maintenance or renewal of the licensee's license knowing such
3 information to be false or misleading;

4 (6) failure to meet the licensee's financial obligations incurred in
5 connection with the conduct of a race meeting; or

6 (7) a violation of K.S.A. 74-8833, and amendments thereto, or any
7 rules and regulations adopted pursuant to that section.

8 (k) Prior to suspension or revocation of a license pursuant to
9 subsection (j), the commission shall give written notice of the reason
10 therefor in detail to the organization licensee and to all facility owner and
11 facility manager licensees with whom the organization licensee is doing
12 business. Upon receipt of such notice by all of such licensees, the
13 organization licensee shall have 30 days in which to cure the alleged
14 violation, if it can be cured. If the commission finds that the violation has
15 not been cured upon expiration of the 30 days, or upon a later deadline
16 granted by the commission, or if the commission finds that the alleged
17 violation is of such a nature that it cannot be cured, the commission shall
18 proceed to suspend or revoke the license pursuant to subsection (j).
19 Nothing in this subsection shall be construed to preclude the commission
20 from imposing a fine pursuant to subsection (j) even if the violation is
21 cured within 30 days or such other period as provided by the commission.

22 (l) Prior to the expiration of an organization license, the organization
23 may apply to the commission for renewal of such license. The renewal
24 application shall be in a form and include such information as the
25 commission prescribes. The commission shall grant such renewal if the
26 organization meets all of the qualifications required for an initial license.
27 The commission may charge a fee for the processing of the renewal
28 application not to exceed the application fee authorized for an initial
29 license.

30 (m) Once an organization license has been issued, no person
31 thereafter and during the term of such license shall in any manner become
32 the owner or holder, directly or indirectly, of any shares of stock or
33 certificates or other evidence of ownership or become a director or officer
34 of such organization licensee without first having obtained the written
35 approval of the commission.

36 (n) An organization licensee shall submit to the commission for
37 approval a copy of each contract and agreement which the organization
38 licensee proposes to enter into and any proposed modification of any such
39 contract or agreement, including but not limited to those involving:

40 (1) Any person to be employed by the organization licensee;

41 (2) any person supplying goods and services to the organization
42 licensee, including management, consulting or other professional services;

43 (3) any lease of facilities, including real estate or equipment or other

1 personal property; or

2 (4) the operation of any concession within or adjacent to the racetrack
3 facility.

4 The commission shall reject any such contract or agreement ~~which that~~
5 violates any provision of this act or rules and regulations of the
6 commission, ~~which that~~ provides for payment of money or other valuable
7 consideration ~~which that~~ is clearly in excess of the fair market value of the
8 goods, services or facilities being purchased or leased or ~~which~~, in the case
9 of a contract or agreement with a facility owner licensee or a facility
10 manager licensee, would not protect the organization licensee from
11 incurring losses due to contractual liability.

12 (o) Organization licensees shall not by lease, contract, agreement,
13 understanding or arrangement of any kind grant, assign or turn over to any
14 person the parimutuel system of wagering described in K.S.A. 74-8819,
15 and amendments thereto, or the operation and conduct of any horse ~~or~~
16 ~~greyhound~~ race to which such wagering applies, but this subsection shall
17 not prohibit the organization licensee from contracting with and
18 compensating others for providing services in connection with: (1) The
19 financing, acquisition, construction, equipping, maintenance and
20 management of the racetrack facility; (2) the hiring and training of
21 personnel; (3) the promotion of the facility; (4) operation and conduct of a
22 simulcast race displayed by a simulcasting licensee; (5) parimutuel
23 wagering at racetrack facilities; and (6) parimutuel wagering at off-track
24 wagering and intertrack wagering facilities in other jurisdictions to which
25 live races conducted by the organization licensee are simulcast.

26 (p) An organization licensee shall not in any manner permit a person
27 other than such licensee to have a share, percentage or proportion of
28 money received from parimutuel wagering at the racetrack facility except
29 as specifically set forth in this act, except that:

30 (1) A facility owner licensee may receive gross percentage rental fees
31 under a lease if all terms of the lease are disclosed to the commission and
32 such lease is approved by the commission;

33 (2) a person who has contracted with an organization licensee to
34 provide one or more of the services permitted by subsection (o) may
35 receive compensation in the form of a percentage of the money received
36 from parimutuel wagering if such contract is approved by the commission
37 and such person is licensed as a facility manager; and

38 (3) a person who has contracted with a simulcasting licensee to allow
39 such licensee to display a simulcast race conducted by such person may
40 receive compensation in the form of a percentage of or a fee deducted
41 from the money received by the licensee from parimutuel wagers placed
42 on such race if such contract is filed with the commission.

43 (q) Directors or officers of an organization licensee are not liable in a

1 civil action for damages arising from their acts or omissions when acting
2 as individual directors or officers, or as a board as a whole, of a nonprofit
3 organization conducting races pursuant to this act, unless such conduct
4 constitutes willful or wanton misconduct or intentionally tortious conduct,
5 but only to the extent the directors and officers are not required to be
6 insured by law or are not otherwise insured against such acts or omissions.
7 Nothing in this section shall be construed to affect the liability of an
8 organization licensee for damages in a civil action caused by the negligent
9 or wrongful acts or omissions of its directors or officers, and a director's or
10 officer's negligence or wrongful act or omission, while acting as a director
11 or officer, shall be imputed to the organization licensee for the purpose of
12 apportioning liability for damages to a third party pursuant to K.S.A. 60-
13 258a, and amendments thereto.

14 (r) If an applicant for an organization license proposes to construct a
15 racetrack facility and the commission determines that such license should
16 be issued to the applicant, the commission shall issue to the applicant an
17 organization license conditioned on the submission by the licensee to the
18 commission, within a period of time prescribed by the commission, of a
19 commitment for financing the construction of the racetrack facility by a
20 financial institution or other source, subject to approval by the
21 commission. If such commitment is not submitted within the period of
22 time originally prescribed by the commission or such additional time as
23 authorized by the commission, the license shall expire at the end of such
24 period.

25 ~~(s) If an organization licensee's license authorizes the construction of~~
26 ~~a dual racetrack facility, such license shall be conditioned on the~~
27 ~~completion of such facility within a time specified by the commission. If,~~
28 ~~within the time specified by the commission, the licensee has not~~
29 ~~constructed a dual racetrack facility in accordance with the plans~~
30 ~~submitted to the commission pursuant to subsection (e)(3), the~~
31 ~~commission, in accordance with the Kansas administrative procedure act,~~
32 ~~shall:~~

33 (1) ~~Impose upon the licensee a civil fine equal to 5% of the total~~
34 ~~parimutuel pools for all races held at the licensee's facility on and after the~~
35 ~~date that racing with parimutuel wagering is first conducted at such facility~~
36 ~~and until the date that construction of the dual racetrack facility is~~
37 ~~completed and horse racing has begun; and~~

38 (2) ~~revoke the licensee's license unless the licensee demonstrates~~
39 ~~reasonable cause for the failure to complete the facility.~~

40 (t) ~~Any license granted an organization licensee to conduct races at a~~
41 ~~dual racetrack facility shall be conditioned on the organization licensee's~~
42 ~~conducting live horse races on not less than 20% of the annual racing days~~
43 ~~granted the licensee by the commission. If an organization licensee fails to~~

1 ~~comply with such condition, the commission may revoke the organization~~
 2 ~~licensee's license unless the licensee demonstrates reasonable justification~~
 3 ~~for the failure.~~

4 ~~(†)~~ The refusal to renew an organization license shall be in
 5 accordance with the Kansas administrative procedure act and shall be
 6 subject to review under the Kansas judicial review act.

7 ~~(†)(i)~~ The grant or denial of an original organization license shall not
 8 be subject to the Kansas administrative procedure act. Such grant or denial
 9 shall be a matter to be determined in the sole discretion of the commission,
 10 whose decision shall be final upon the grant of a license to one of two or
 11 more competing applicants without the necessity of a hearing on the denial
 12 of a license to each other competing applicant. Any action for judicial
 13 review of such decision shall be by appeal to the supreme court in
 14 accordance with the Kansas judicial review act, except that the scope of
 15 review shall be limited to whether the action of the commission was
 16 arbitrary or capricious or constituted an abuse of discretion. All competing
 17 applicants for the organization license shall be parties to such appeal. Any
 18 such appeal shall have priority over other cases except those having
 19 statutory priority.

20 ~~(†)(u)~~ The commission may adopt rules and regulations regulating
 21 crossover employment between organization licensees and facility
 22 manager licensees and facility owner licensees.

23 Sec. 26. K.S.A. 74-8814 is hereby amended to read as follows: 74-
 24 8814. (a) ~~(1)~~ Subject to the provisions of subsection (b), the commission
 25 shall establish by rules and regulations an application fee not exceeding
 26 \$500 ~~for any of the following which applies \$50 for an organization~~
 27 ~~license and the a license fee of \$25 for each day of racing approved by the~~
 28 ~~commission for any of the following organization granted an organization~~
 29 ~~license shall be \$100 for each day of racing approved by the commission.~~

30 ~~(†)(2)~~ Any fair association ~~other than the Greenwood county and~~
 31 ~~Anthony fair associations, any or~~ horsemen's nonprofit organization ~~or the~~
 32 ~~national greyhound association of Abilene, Kansas, may apply for an~~
 33 ~~organization license if:~~

34 (A) ~~Such association~~ organization conducts not more than two race
 35 meetings each year;

36 (B) such race meets are held within the boundaries of the county
 37 where the applicant is located; and

38 (C) such race meetings are held for a total of not more than 40 days
 39 per year; ~~or~~

40 ~~(2) the Greenwood county fair association or a horsemen's nonprofit~~
 41 ~~organization, with respect to race meetings conducted by such association~~
 42 ~~or organization at Eureka Downs, or the Anthony fair association or a~~
 43 ~~horsemen's nonprofit organization, with respect to race meetings~~

1 ~~conducted by such association or organization at Anthony Downs, for~~
2 ~~which the number of race meetings and days, and the dates thereof, shall~~
3 ~~be specified by the commission.~~

4 (b) The commission shall adopt rules and regulations providing for
5 simplified and less costly procedures and requirements for fair associations
6 and horsemen's nonprofit organizations applying for or holding a license to
7 conduct race meetings.

8 (c) The Kansas racing and gaming commission shall investigate:

9 (1) The president, vice-president, secretary and treasurer of a fair
10 association, and such other members as the commission considers
11 necessary, to determine eligibility for an organization license;

12 (2) each officer and each director of a nonprofit horsemen's
13 organization, and such other members or shareholders as the commission
14 considers necessary to determine eligibility for an organization license.

15 (d) Except as otherwise provided by this section, all applicants for
16 organization licenses for the conduct of race meetings pursuant to the
17 provisions of this section shall be required to comply with all the
18 provisions of K.S.A. 74-8813, and amendments thereto.

19 Sec. 27. K.S.A. 74-8815 is hereby amended to read as follows: 74-
20 8815. (a) Any person, partnership, corporation or association, or the state
21 of Kansas or any political subdivision thereof, may apply to the
22 commission for a facility owner license to construct or own, or both, a
23 racetrack facility ~~which~~ *that* includes a racetrack and other areas designed
24 for horse racing ~~or greyhound racing, or both.~~

25 (b) Any person, partnership, corporation or association may apply to
26 the commission for a facility manager license to manage a racetrack
27 facility.

28 (c) A facility owner license or a facility manager license shall be
29 issued for a period established by the commission but not to exceed 25
30 years. The application for a facility owner license shall be accompanied by
31 a nonrefundable fee of \$5,000. An application for a facility manager
32 license shall be accompanied by a nonrefundable fee of \$5,000. If the
33 application fee is insufficient to pay the reasonable expenses of processing
34 the application and investigating the applicant's qualifications for
35 licensure, the commission shall require the applicant to pay to the
36 commission, at such times and in such form as required by the
37 commission, any additional amounts necessary to pay such expenses. No
38 license shall be issued to an applicant until the applicant has paid such
39 additional amounts in full, and such amounts shall not be refundable
40 except to the extent that they exceed the actual expenses of processing the
41 application and investigating the applicant's qualifications for licensure.

42 (d) If an applicant for a facility owner license is proposing to
43 construct a racetrack facility, such applicant, at the time of submitting the

1 application, shall deposit with the commission, in such form as prescribed
2 by rules and regulations of the commission, the sum of: (1) \$500,000, if
3 the number of racing days applied for by organization licensee applicants
4 proposing to race at the facility is 150 days or more in a racing season; (2)
5 \$250,000, if such number of racing days applied for is less than 150 days;
6 or (3) a lesser sum established by the commission, if the applicant is the
7 state or a political subdivision of the state. ~~Only one such deposit shall be~~
8 ~~required for a dual racetrack facility.~~ The executive director shall remit any
9 deposit received pursuant to this subsection to the state treasurer in
10 accordance with the provisions of K.S.A. 75-4215, and amendments
11 thereto. Upon receipt of each such remittance, the state treasurer shall
12 deposit the entire amount in the state treasury to the credit of the racing
13 applicant deposit fund created by K.S.A. 74-8828, and amendments
14 thereto. If the application is denied by the commission, the deposit, and
15 any interest accrued thereon, shall be refunded to the applicant. If the
16 license is granted by the commission in accordance with the terms of the
17 application or other terms satisfactory to the applicant, the deposit, and any
18 interest accrued thereon, shall be refunded to the licensee upon completion
19 of the racetrack facility in accordance with the terms of the license. If the
20 licensee fails to complete the racetrack facility in accordance with the
21 terms of the license, the deposit, and any interest accrued thereon, shall be
22 forfeited by the applicant.

23 (e) A facility owner license shall be granted only to an applicant that
24 already owns an existing racetrack facility or has submitted with its
25 application detailed plans for the construction of such facility, including
26 the means and source of financing such construction and operation
27 sufficient to convince the commission that such plans are feasible. A
28 facility manager license shall be granted only to an applicant that has a
29 facility management contract with an organization licensed pursuant to
30 K.S.A. 74-8813, and amendments thereto.

31 (f) An applicant for a facility owner license or facility manager
32 license, or both, shall not be granted a license if there is substantial
33 evidence that the applicant for the license, or any officer or director,
34 stockholder, member or owner of or other person having a financial
35 interest in the applicant:

36 (1) Has been suspended or ordered to cease operation of a parimutuel
37 racing facility in another jurisdiction by the appropriate authorities in that
38 jurisdiction, has been ordered to cease association or affiliation with such a
39 racing facility or has been banned from such a racing facility;

40 (2) has been convicted by a court of any state or of the United States
41 of any criminal act involving fixing or manipulation of parimutuel races,
42 violation of any law involving gambling or controlled substances or drug
43 violations involving horses or greyhounds, or has been adjudicated in the

1 ~~last immediately preceding~~ five years in any such court ~~of committing~~ as a
2 juvenile *offender* for an act which, if committed by an adult, would
3 constitute such a criminal act, or if any employee or agent assisting the
4 applicant in activities relating to ownership or management of a racetrack
5 facility or to the conduct of races has been so convicted or adjudicated;

6 (3) has been convicted by a court of any state or of the United States
7 of any felony involving dishonesty, fraud, theft, counterfeiting, alcohol
8 violations or embezzlement, or has been adjudicated in the ~~last~~
9 ~~immediately preceding~~ five years in any such court ~~of committing~~ as a
10 juvenile *offender* for an act which, if committed by an adult, would
11 constitute such a felony, or if any employee or agent assisting the applicant
12 in activities relating to ownership or management of a racetrack facility or
13 to the conduct of races has been so convicted or adjudicated;

14 (4) has not demonstrated financial responsibility sufficient to meet
15 the obligations being undertaken pursuant to its contract with the
16 organization licensee;

17 (5) is not in fact the person or entity authorized to or engaged in the
18 licensed activity;

19 (6) is or becomes subject to a contract or option to purchase under
20 which 10% or more of the ownership or other financial interest or
21 membership interest are subject to purchase or transfer, unless the contract
22 or option has been disclosed to the commission and the commission has
23 approved the sale or transfer during the license period;

24 (7) has made a statement of a material fact in the application or
25 otherwise in response to official inquiry by the commission knowing such
26 statement to be false; or

27 (8) has failed to meet any monetary or tax obligation to the federal
28 government or to any state or local government, whether or not relating to
29 the conduct or operation of a race meet held in this state or any other
30 jurisdiction.

31 (g) No person or entity shall be qualified to hold a facility manager
32 license if such person or entity, or any director, officer, employee or agent
33 thereof, is addicted to, and a user of, alcohol or a controlled substance.

34 (h) All facility owner licenses and facility manager licenses shall be
35 reviewed annually by the commission to determine if the licensee is
36 complying with the provisions of this act and rules and regulations of the
37 commission and following such proposed plans and operating procedures
38 as were approved by the commission. The commission may review a
39 facility owner license or facility manager license more often than annually
40 upon its own initiative or upon the request of any interested party. The
41 commission shall require each facility owner licensee and each facility
42 manager licensee to file annually with the commission a certified financial
43 audit of the licensee by an independent certified public accountant, which

1 audit shall be open to inspection by the public, and may require any such
2 licensee to provide any other information necessary for the commission to
3 conduct the annual or periodic review.

4 (i) Subject to the provisions of subsection (j), the commission, in
5 accordance with the Kansas administrative procedure act, may suspend or
6 revoke a facility owner or facility manager license or may impose a civil
7 fine not exceeding \$10,000 per failure or violation, or may both suspend
8 such license and impose such fine, if the commission finds probable cause
9 to believe that:

10 (1) In the case of a facility owner licensee, the licensee has failed to
11 follow one or more provisions of the licensee's plans for the financing,
12 construction or operation of a racetrack facility as submitted to and
13 approved by the commission; or

14 (2) in the case of either a facility owner licensee or facility manager
15 licensee, the licensee has violated any of the terms and conditions of
16 licensure provided by this section or any other provision of this act or any
17 rule and regulation of the commission.

18 (j) Prior to suspension or revocation of a license pursuant to
19 subsection (i), the commission shall give written notice of the reason
20 therefor to the licensee and all other interested parties. The licensee shall
21 have 30 days from receipt of the notice to cure the alleged failure or
22 violation, if it can be cured. If the commission finds that the failure or
23 violation has not been cured upon expiration of the 30 days or upon a later
24 deadline granted by the commission, or if the alleged violation is of such a
25 nature that it cannot be cured, the commission may proceed to suspend or
26 revoke the licensee's license pursuant to subsection (i). Nothing in this
27 subsection shall be construed to preclude the commission from imposing a
28 fine pursuant to subsection (i) even if the violation is cured within 30 days
29 or such other period as provided by the commission.

30 (k) If an applicant for a facility owner license proposes to construct a
31 racetrack facility and the commission determines that such license should
32 be issued to the applicant, the commission shall issue to the applicant a
33 facility owner license conditioned on the submission by the licensee to the
34 commission, within a period of time prescribed by the commission, of a
35 commitment for financing the construction of the racetrack facility by a
36 financial institution or other source, subject to approval by the
37 commission. If such commitment is not submitted within the period of
38 time originally prescribed by the commission or such additional time as
39 authorized by the commission, the license shall expire at the end of such
40 period.

41 ~~(l) If a facility owner licensee's license authorizes the construction of~~
42 ~~a dual racetrack facility, such license shall be conditioned on the~~
43 ~~completion of such facility within a time specified by the commission. If,~~

1 within the time specified by the commission, the licensee has not
 2 constructed a dual racetrack facility in accordance with the plans
 3 submitted to the commission pursuant to subsection (c), the commission,
 4 in accordance with the Kansas administrative procedure act, shall:

5 (1) ~~Impose upon the licensee a civil fine equal to 5% of the total~~
 6 ~~parimutuel pools for all races held at the licensee's facility on and after the~~
 7 ~~date that racing with parimutuel wagering is first conducted at such facility~~
 8 ~~and until the date that construction of the dual racetrack facility is~~
 9 ~~completed and horse racing has begun; and~~

10 (2) ~~revoke the licensee's license unless the licensee demonstrates~~
 11 ~~reasonable cause for the failure to complete the facility.~~

12 (m) The refusal to renew a facility owner license or a facility manager
 13 license shall be in accordance with the Kansas administrative procedure
 14 act and shall be subject to review under the Kansas judicial review act.

15 (n) The grant or denial of an original facility owner license or
 16 facility manager license shall not be subject to the Kansas administrative
 17 procedure act. Such grant or denial shall be a matter to be determined in
 18 the sole discretion of the commission, whose decision shall be final upon
 19 the grant of a license to one of two or more competing applicants without
 20 the necessity of a hearing on the denial of a license to each other
 21 competing applicant. Any action for judicial review of such decision shall
 22 be by appeal to the supreme court in accordance with the Kansas judicial
 23 review act, except that the scope of review shall be limited to whether the
 24 action of the commission was arbitrary or capricious or constituted an
 25 abuse of discretion. All competing applicants for the facility owner license
 26 or facility manager license shall be parties to such appeal. Any such appeal
 27 shall have priority over other cases except those having statutory priority.

28 (n) The commission may adopt rules and regulations regulating
 29 crossover employment between facility manager licensees and facility
 30 owner licensees and organization licensees.

31 Sec. 28. K.S.A. 74-8816 is hereby amended to read as follows: 74-
 32 8816. (a) The commission shall require occupation licenses for:

33 (1) Any owner of a horse ~~or greyhound~~ participating in a race
 34 conducted by an organization licensee;

35 (2) any person whose work, in whole or in part, is conducted within a
 36 racetrack facility owned or leased by an organization licensee, including
 37 trainers, jockeys, agents, apprentices, grooms, exercise persons,
 38 veterinarians, valets, blacksmiths, stewards, ~~racing judges~~, starters, timers,
 39 supervisors of mutuels, parimutuel tellers and clerks, guards and such
 40 other personnel designated by the commission.

41 (b) An occupation license shall be obtained from the commission
 42 prior to the time a person engages in activities for which such license is
 43 required, regardless of whether a race meeting is being conducted.

1 (c) A person required to be licensed pursuant to subsection (a) shall
2 apply for such license in a manner and upon forms prescribed and
3 furnished by the commission. The commission may require the applicant
4 to submit to fingerprinting. Occupation licenses shall be issued for a
5 period established by the commission but not less than one year or more
6 than three years. The commission shall establish the amount of application
7 fees and license fees for different types of occupation licenses, but no such
8 fee shall exceed \$200 a year. The application fee shall not be refundable if
9 the applicant fails to qualify for a license and shall include the cost of
10 processing fingerprints if ~~they are~~ *such fingerprinting is* required by the
11 commission.

12 (d) The commission may require an applicant for an occupation
13 license as a condition of licensure to consent to allow agents of the Kansas
14 bureau of investigation or security personnel of the commission to search
15 without warrant the licensee's person, personal property and work
16 premises while within the racetrack facility or adjacent facilities under the
17 control of the organization licensee for the purpose of investigating
18 possible criminal violations of this act or violations of rules and
19 regulations of the commission.

20 (e) Denial of an occupation license by the commission shall be in
21 accordance with the Kansas administrative procedure act. The commission
22 may refuse to issue an occupation license to any person who:

23 (1) Has been convicted of a felony by a court of any state or of the
24 United States or has been adjudicated in the last five years in any such
25 court of committing as a juvenile an act which, if committed by an adult,
26 would constitute a felony;

27 (2) has been convicted of a violation of any law of any state or of the
28 United States involving gambling or controlled substances or has been
29 adjudicated in the last five years in any such court of committing as a
30 juvenile an act which, if committed by an adult, would constitute such a
31 violation;

32 (3) is not qualified to perform the duties associated with the license
33 being applied for;

34 (4) fails to disclose any material fact or provides information,
35 knowing such information to be false, when applying for the license;

36 (5) has been found by the commission to have violated any provision
37 of this act or any rule and regulation of the commission;

38 (6) has had an occupation license suspended, revoked or denied for
39 just cause in any other jurisdiction;

40 (7) has committed two or more acts of violence within the past two
41 years as established by a court of competent jurisdiction of any state or of
42 the United States; or

43 (8) has failed to meet any monetary or tax obligation to the federal

1 government or to any state or local government, whether or not relating to
2 the conduct or operation of a race meet held in this state or any other
3 jurisdiction.

4 (f) The commission may suspend or revoke an occupation license for
5 any reason which would justify refusal to issue such a license and may
6 impose a fine not exceeding \$5,000 for each violation upon any
7 occupation licensee found to have violated any provision of this act or any
8 rule and regulation of the commission. Such fine may be imposed in
9 addition to or in lieu of suspending or revoking such person's occupation
10 license. Proceedings for the suspension or revocation of an occupation
11 license or imposition of a fine pursuant to this subsection shall be
12 conducted by the commission or a presiding officer from the office of
13 administrative hearings in accordance with the Kansas administrative
14 procedure act, except that, and notwithstanding the provision of K.S.A. 77-
15 512, ~~subsection (b) of K.S.A. 77-526(b) and subsection (b)(3) of K.S.A.~~
16 ~~77-530(b)(3)~~, and amendments thereto, any order entered by a presiding
17 officer imposing such a fine or suspension shall be a final order and
18 effective when served.

19 (g) The commission may provide by rules and regulations for the
20 temporary suspension of an occupation license by summary adjudicative
21 proceedings in accordance with the Kansas administrative procedure act
22 upon finding that there is probable cause to believe that grounds exist for
23 a permanent suspension or revocation of such license. Such suspension shall
24 be for a period not exceeding 30 days. Upon expiration of such
25 suspension, the license shall be restored unless the license has been
26 suspended or revoked pursuant to subsection (f).

27 (h) The stewards at any horse race meeting ~~and the racing judges at~~
28 ~~any greyhound race meeting~~ may impose on an occupation licensee a civil
29 fine not exceeding \$500 or may suspend any occupation licensee's license
30 for a period not exceeding 15 days upon a finding by at least two of the
31 stewards ~~or racing judges~~ that there is probable cause to believe that the
32 occupation licensee has violated the provisions of this act or any rule or
33 regulation of the commission. No such fine or suspension shall be ordered
34 except after notice and opportunity for hearing in accordance with
35 procedures established by rules and regulations of the commission. Any
36 order imposing such a fine or suspension is effective when rendered. The
37 order shall be subject to appeal to the commission, and may be stayed
38 pending such appeal, as provided by rules and regulations of the
39 commission. Proceedings on appeal shall be in accordance with the
40 provisions of the Kansas administrative procedure act.

41 Sec. 29. K.S.A. 74-8818 is hereby amended to read as follows: 74-
42 8818. (a) The commission shall appoint at least three individuals to serve
43 as stewards ~~or racing judges~~ at each horse ~~or greyhound~~ race meeting, but

1 not more than three such stewards ~~or judges~~ shall be on duty at any one
2 time at any racing performance. One shall be designated as the chief
3 steward ~~or chief racing judge~~ and the other two as associate stewards ~~or~~
4 ~~associate racing judges~~. Such stewards ~~and racing judges~~ shall be
5 employees of the commission who shall serve at the pleasure of the
6 commission under the supervision of the executive director and shall be in
7 the unclassified service under the Kansas civil service act. The
8 commission also may contract with individuals to serve as stewards ~~or~~
9 ~~racing judges~~ as needed in the absence of a full-time steward ~~or racing~~
10 ~~judge~~. The compensation of the stewards ~~and racing judges~~ shall be an
11 amount fixed by the commission and shall be paid by the commission. The
12 commission may require an organization licensee to reimburse the
13 commission for compensation paid to the stewards ~~and racing judges~~ for
14 ~~their~~ services performed *by such stewards* at race meetings conducted by
15 that organization licensee. Any moneys received by the commission for
16 that purpose shall be remitted by the commission to the state treasurer in
17 accordance with the provisions of K.S.A. 75-4215, and amendments
18 thereto. Upon receipt of each such remittance, the state treasurer shall
19 deposit the entire amount in the state treasury to the credit of the racing
20 reimbursable expense fund created by K.S.A. 74-8827, and amendments
21 thereto. All other racing officials at a race meeting shall be approved by
22 the commission and compensated by the organization licensee. The
23 stewards~~, racing judges~~ and other racing officials shall enforce the civil
24 provisions of this act and any rules and regulations of the commission and
25 shall submit written reports of the activities and conduct of the race
26 meetings to the commission.

27 (b) Each steward ~~or racing judge~~ shall be required to obtain an
28 occupation license from the commission pursuant to K.S.A. 74-8816, and
29 amendments thereto, prior to performing any duties as a steward ~~or a~~
30 ~~judge~~, except that an unlicensed employee of the commission may serve as
31 a steward ~~or racing judge~~ on a temporary basis if the employee has had the
32 same criminal history record check, background investigation and training,
33 and has passed the same examination, as required for other stewards ~~and~~
34 ~~racing judges~~.

35 (c) The commission shall require each applicant for a license as a
36 steward ~~or racing judge~~ to pass an examination on matters relating to the
37 duties of stewards ~~or racing judges~~ unless the applicant submits proof
38 satisfactory to the commission that the applicant has passed an
39 examination in another jurisdiction ~~which~~ *that* the commission finds
40 equivalent to the examination given by the commission. Examinations
41 shall be held at such times and places as determined by the commission.
42 Notice of the times and places of the examinations shall be given as
43 determined by the commission. The commission shall prepare both written

1 and oral examinations to be taken by persons applying for licensure as
2 stewards ~~or racing judges~~, requesting and taking into consideration
3 suggestions from representatives of horsemen and horsewomen,
4 ~~greyhound owners~~, organization licensees, stewards, ~~racing judges~~ and
5 other interested and knowledgeable parties as to the content thereof.

6 (d) The commission may examine any person who:

7 (1) Has not been convicted of a crime involving moral turpitude or of
8 a felony;

9 (2) has completed an accredited ~~senior~~ high school or its equivalent;

10 (3) has been given a physical examination by a licensed physician
11 within 60 days prior to the date of application for the steward's ~~or racing~~
12 ~~judge's~~ examination, indicating at least 20/20 vision or vision corrected to
13 at least 20/20, and normal hearing ability;

14 (4) has:

15 (A) At least five years' experience in the horse ~~or greyhound~~ racing
16 industry as a licensed trainer or jockey;

17 (B) at least 10 years' experience in the horse ~~or greyhound~~ racing
18 industry as a licensed owner whose experience, knowledge, ability and
19 integrity relative to the industry are known to the commission;

20 (C) at least three years' experience as a licensed racing official, racing
21 secretary, assistant racing secretary or director of racing; or

22 (D) experience in the racing industry of a character and for a length
23 of time sufficient, in the opinion of the commission, to be substantially
24 equivalent to the experience requirement of ~~subsection (d)(4)~~
25 *subparagraph (A), (B) or (C)*.

26 (e) For the purpose of subsection (d)(4), one year's experience shall
27 mean at least 100 days actually worked within one calendar year. An
28 original license for a steward ~~or racing judge~~ issued pursuant to the
29 provisions of this act shall be issued for the calendar year in which it is
30 issued and shall be renewable for a period not to exceed three years as
31 established by rules and regulations of the commission. The commission
32 shall establish a license fee schedule consistent with the different periods
33 for which such licenses may be granted. The license shall be valid at all
34 race meetings in this state during the period for which it is issued, unless it
35 is suspended or revoked prior to the expiration of such period.

36 Sec. 30. K.S.A. 74-8819 is hereby amended to read as follows: 74-
37 8819. (a) Organizations licensed pursuant to K.S.A. 74-8813 or 74-8814,
38 and amendments thereto, may conduct parimutuel wagering on the results
39 of horse ~~and greyhound~~ races held on dates and at racetrack facilities
40 approved by the commission and on simulcast races as provided by K.S.A.
41 74-8836, and amendments thereto. All persons participating in such
42 wagering shall be present within the confines of the approved racetrack
43 facility.

1 (b) Organization licensees shall issue a ticket to each person placing a
 2 wager, which ticket shall show the date and number of the race, the
 3 amount wagered and the number of the horse or greyhound selected by the
 4 person. The licensee may receive wagers on horses or greyhounds to finish
 5 first, second, third, fourth or any combination thereof within the same race
 6 or among two or more live races conducted or simulcast races displayed
 7 on the same day at the same racetrack facility, as authorized by the
 8 commission.

9 (c) After wagering has been closed for each live race conducted by
 10 the licensee, the organization licensee may deduct an amount not
 11 exceeding 18% of the total wagered in each parimutuel pool and the
 12 balance, less the breakage, shall be paid to holders of winning tickets for
 13 that pool in accordance with procedures authorized by the commission.
 14 The commission may authorize a higher amount not exceeding 25% to be
 15 deducted from the total wagered in parimutuel pools for multiple and
 16 exotic bets.

17 (d) From the amount deducted as provided in subsection (c), the
 18 organization licensee shall pay the purses as provided in K.S.A. 74-8820,
 19 and amendments thereto, and the tax as specified in K.S.A. 74-8823, and
 20 amendments thereto. The balance of the amount deducted shall be used for
 21 the purposes of the organization licensee as such purposes have been
 22 represented to the commission.

23 (e) The provisions of K.S.A. 74-8836, and amendments thereto, shall
 24 govern takeout and its distribution in the case of simulcast races displayed
 25 by an organization licensee.

26 (f) No organization licensee shall loan money or any other thing of
 27 value to any person for the purpose of permitting that person to wager on
 28 any race.

29 (g) All parimutuel tellers and clerks shall be employees of the
 30 organization licensee approved by the commission to conduct the
 31 parimutuel wagering at a race meeting.

32 Sec. 31. K.S.A. 74-8820 is hereby amended to read as follows: 74-
 33 8820. (a) An organization licensee shall be required to pay a minimum
 34 purse equal to at least ~~4~~⁷/₁₈ of the total takeout on all parimutuel pools from
 35 ~~live greyhound races conducted by the licensee, computed weekly, and~~ ⁶/₁₈
 36 of the total takeout on all parimutuel pools from live horse races conducted
 37 by the licensee, computed for the entire race meeting. Moneys paid for
 38 purses or stakes from breakage, from the Kansas horse breeding
 39 development fund, ~~from the Kansas greyhound breeding development fund~~
 40 or from owners' payments in the form of nominations, entry fees, stakes
 41 payments or other payments by owners shall not be considered in
 42 calculating the minimum purse requirements of this section. The
 43 commission shall approve the amount of minimum purse ~~which~~ *that* may

1 be paid in stakes races during each race meeting. None of the minimum
2 purse shall be used for any other purpose except as specified by this
3 section.

4 (b) Nothing contained in this section shall be construed to limit the
5 maximum purse to be paid.

6 ~~(c) Purses shall be paid directly to the owner of a greyhound or, if a~~
7 ~~greyhound is leased, the purse shall be paid directly to the lessor and~~
8 ~~lessee as agreed in a written lease agreement on file with the organization~~
9 ~~licensee.~~

10 Sec. 32. K.S.A. 74-8821 is hereby amended to read as follows: 74-
11 8821. (a) The breakage deducted from the amounts paid to winning ticket
12 holders for each parimutuel pool shall be computed by the organization
13 licensee and disbursed as set forth in this section. An accounting of the
14 amount and disposition of the breakage shall be made by each organization
15 licensee as directed by the commission. Except as otherwise provided by
16 K.S.A. 74-8836, and amendments thereto, the breakage on minus pools
17 shall be calculated in multiples of ~~\$.05~~ \$0.05 rather than ~~\$10~~ \$0.10.

18 (b) All breakage proceeds from parimutuel wagering conducted by
19 the organization licensee on live horse races conducted by the licensee
20 shall be remitted by the licensee to the commission not later than the 15th
21 day of the month following the race from which the breakage is derived.
22 The commission shall remit any such proceeds received to the state
23 treasurer in accordance with the provisions of K.S.A. 75-4215, and
24 amendments thereto. Upon receipt of each such remittance, the state
25 treasurer shall deposit the entire amount in the state treasury to the credit
26 of the Kansas horse breeding development fund created by K.S.A. 74-
27 8829, and amendments thereto.

28 ~~(c) Except as provided by subsection (c), all breakage proceeds from~~
29 ~~parimutuel wagering conducted by the organization licensee on live~~
30 ~~greyhound races conducted by the licensee shall be distributed by the~~
31 ~~licensee not later than the 15th day of the month following the race from~~
32 ~~which the breakage is derived as follows:~~

33 ~~(1) An amount equal to 50% of the breakage shall be used at~~
34 ~~racetrack facilities where derived to supplement open stakes races as~~
35 ~~approved by the commission; and~~

36 ~~(2) an amount equal to 50% of the breakage shall be paid as purses~~
37 ~~directly to the breeders of Kansas-whelped greyhounds pursuant to rules~~
38 ~~and regulations of the commission.~~

39 ~~(d) All breakage proceeds from parimutuel wagering conducted by a~~
40 ~~simulcast licensee on simulcast races displayed by the licensee shall be~~
41 ~~distributed as provided by K.S.A. 74-8836, and amendments thereto.~~

42 ~~(e) If a racetrack facility closes or discontinues conducting races and~~
43 ~~there are undistributed breakage proceeds from parimutuel wagering~~

1 conducted by the organization licensee on live greyhound races, the
2 licensee shall distribute such proceeds to charitable organizations who
3 apply to the organizational licensee. Such proceeds shall be distributed in
4 accordance with the licensee's charitable distribution guidelines. Within 30
5 days of such distribution, the licensee shall file a report with the
6 commission disclosing the amounts of the distributions, the names of the
7 distributees and the date on which the distributions were made.

8 The provisions of this subsection shall apply to any racetrack facility
9 conducting races on or before October 31, 2001.

10 Sec. 33. K.S.A. 74-8822 is hereby amended to read as follows: 74-
11 8822. (a) Any person who claims to be entitled to any part of a parimutuel
12 pool conducted by an organization licensee and who fails to claim the
13 money due such person prior to the completion of the race meeting at
14 which the pool was formed may file with the organization licensee within
15 60 days after the close of the race meeting:

16 (1) A verified claim on a form prescribed and furnished by the
17 commission, setting forth such information as necessary to identify the
18 particular pool and the amount claimed therefrom; and

19 (2) a substantial portion of the parimutuel ticket upon which the claim
20 is based, sufficient to identify:

21 (A) The particular racetrack, race and horse or greyhound involved;

22 (B) the amount wagered; and

23 (C) whether the ticket was a win, place or show ticket.

24 (b) Upon proper application by the claimant or by the organization
25 licensee, the commission shall hear any disputed claim filed in accordance
26 with subsection (a) and shall consider the proof offered in its support.
27 Unless the claimant satisfactorily establishes the right to participate in the
28 pool, the claim shall be rejected. If the claim is allowed, the organization
29 licensee shall pay the amount of the claim to the claimant upon order of
30 the commission.

31 (c) All unclaimed ticket proceeds from parimutuel wagering
32 conducted by the organization licensee on live horse race meetings
33 conducted by the licensee shall be remitted by the licensee to the
34 commission on the 61st day after the close of each race meeting. The
35 commission shall remit any such proceeds received to the state treasurer in
36 accordance with the provisions of K.S.A. 75-4215, and amendments
37 thereto. Upon receipt of each such remittance, the state treasurer shall
38 deposit the entire amount in the state treasury to the credit of the Kansas
39 horse breeding development fund created by K.S.A. 74-8829, and
40 amendments thereto.

41 ~~(d) All unclaimed ticket proceeds from parimutuel wagering~~
42 ~~conducted by the organization licensee on live greyhound race meetings~~
43 ~~conducted by the licensee shall be remitted by the licensee to the~~

1 commission on the 61st day after the close of each race meeting. The
 2 commission shall remit any such proceeds received to the state treasurer in
 3 accordance with the provisions of K.S.A. 75-4215, and amendments
 4 thereto. Upon receipt of each such remittance, the state treasurer shall
 5 deposit the entire amount in the state treasury to the credit of the Kansas
 6 greyhound breeding development fund created by K.S.A. 74-8831, and
 7 amendments thereto.

8 (e)—All unclaimed ticket proceeds from parimutuel wagering
 9 conducted by a simulcasting licensee on simulcast races displayed by the
 10 licensee shall be distributed as provided by K.S.A. 74-8836, and
 11 amendments thereto.

12 Sec. 34. K.S.A. 74-8823 is hereby amended to read as follows: 74-
 13 8823. (a) There is hereby imposed a tax on the gross sum wagered by the
 14 parimutuel method as follows:

15 (1) Of the total daily takeout from parimutuel pools for live horse
 16 races conducted in this state, a tax at the rate of $\frac{3}{18}$; and

17 (2) ~~except as provided by subsection (a)(3), for live greyhound races~~
 18 ~~conducted in this state at a racetrack facility for the racing of only~~
 19 ~~greyhounds: (A) During the first four years when racing with parimutuel~~
 20 ~~wagering is conducted at such facility, a tax at the rate of $\frac{3}{18}$ of the total~~
 21 ~~daily takeout from parimutuel pools for live greyhound races; and (B)~~
 22 ~~thereafter, from parimutuel pools for each live greyhound performance, a~~
 23 ~~tax at the rate of $\frac{3}{18}$ of the first \$400,000 wagered, $\frac{4}{18}$ of the next \$200,000~~
 24 ~~wagered and $\frac{5}{18}$ of any amounts wagered exceeding \$600,000;~~

25 (3) ~~for live greyhound races conducted in this state at a dual racetrack~~
 26 ~~facility or at a racetrack facility owned by a licensee whose license~~
 27 ~~authorizes the construction of a dual racetrack facility: (A) During the first~~
 28 ~~seven years when racing with parimutuel wagering is conducted at such~~
 29 ~~facility, a tax at the rate of $\frac{3}{18}$ of the total daily takeout from parimutuel~~
 30 ~~pools for live greyhound races; and (B) thereafter, from parimutuel pools~~
 31 ~~for each live greyhound performance, a tax at the rate of $\frac{3}{18}$ of the first~~
 32 ~~\$600,000 wagered, $\frac{4}{18}$ of the next \$200,000 wagered and $\frac{5}{18}$ of any~~
 33 ~~amounts wagered exceeding \$800,000; and~~

34 (4)—of the total daily takeout from amounts wagered in this
 35 jurisdiction on simulcast races displayed in this state, a tax at the rate of
 36 $\frac{3}{18}$.

37 (b) The tax imposed by this section shall be no less than 3% nor more
 38 than 6% of the total money wagered each day at a racetrack facility.

39 (c) The tax imposed by this section shall be remitted to the
 40 commission by each organization licensee by the next business day
 41 following the day on which the wagers took place. The commission shall
 42 remit any such tax moneys received to the state treasurer in accordance
 43 with the provisions of K.S.A. 75-4215, and amendments thereto. Upon

1 receipt of each such remittance, the state treasurer shall deposit the entire
2 amount in the state treasury to the credit of the state racing fund created by
3 K.S.A. 74-8826, and amendments thereto, except as provided by K.S.A.
4 74-8838, and amendments thereto.

5 (d) The commission shall audit and verify that the amount of tax
6 received from each organization licensee hereunder is correct.

7 (e) Nothing in this section shall be construed to impose any tax on
8 amounts wagered on electronic gaming machine games operated pursuant
9 to the Kansas expanded lottery act.

10 Sec. 35. K.S.A. 74-8825 is hereby amended to read as follows: 74-
11 8825. (a) The power to regulate, license and tax the management,
12 operation and conduct of and participation in horse racing ~~and greyhound~~
13 ~~racing~~, and parimutuel wagering thereon and racetrack facilities therefor, is
14 hereby vested exclusively in the state.

15 (b) Persons and entities licensed pursuant to this act, and their
16 income, property and sales, shall be subject to taxation in accordance with
17 the general tax laws of this state, any retailers' sales tax imposed pursuant
18 to K.S.A. 12-187 et seq. or 79-3601 et seq., and amendments thereto, any
19 general local property tax levies and any general local business or
20 occupation tax. No political subdivision shall:

21 (1) Exempt such persons or entities, or their income, property, sales,
22 business or occupation from any such tax, or abate any such tax which is
23 applicable to such persons, entities, income, property, sales, business or
24 occupation, unless such exemption or abatement is provided by statute; or

25 (2) levy any additional tax upon the privilege of managing, operating,
26 conducting or participating in horse racing ~~and greyhound racing~~, and
27 parimutuel wagering thereon and racetrack facilities therefor.

28 (c) Persons and entities licensed pursuant to this act shall be subject
29 to any general local business or occupation licensure requirements and
30 fees but no political subdivision shall impose any additional licensure
31 requirements or fees on the privilege of managing, operating, conducting
32 or participating in horse ~~or greyhound~~ racing, or parimutuel wagering
33 thereon or racetrack facilities therefor.

34 Sec. 36. K.S.A. 74-8826 is hereby amended to read as follows: 74-
35 8826. (a) There is hereby created the state racing fund in the state treasury.

36 (b) Except as otherwise provided by K.S.A. 74-8824 and 74-8835,
37 and amendments thereto, all taxes on parimutuel wagering, admissions tax,
38 application fees, license fees and fines which are collected by the
39 commission shall be remitted to the state treasurer in accordance with the
40 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
41 each such remittance, the state treasurer shall deposit the entire amount in
42 the state treasury to the credit of the state racing fund. All moneys credited
43 to such fund shall be expended or transferred only for the purposes and in

1 the manner provided by this act. Expenditures from such fund shall be
2 made in accordance with appropriation acts upon warrants of the director
3 of accounts and reports issued pursuant to vouchers approved by the
4 chairperson of the commission or a person designated by the chairperson.

5 (c) Except as otherwise provided by this act, all operating expenses of
6 the commission and moneys for the promotion of horse ~~and greyhound~~
7 racing appropriated by the legislature shall be paid from the state racing
8 fund. On January 15, 1990, and on the 15th day of each month thereafter,
9 and at such other times as provided by law, the director of accounts and
10 reports shall transfer to the state gaming revenues fund created by K.S.A.
11 79-4801, and amendments thereto, any moneys in the state racing fund on
12 each such date in excess of the amount required for operating expenditures
13 and an adequate fund balance, taking into consideration encumbrances,
14 anticipated revenues, revenue and expenditure experience to date and other
15 relevant factors, as determined by the executive director and the director of
16 accounts and reports.

17 (d) Any appropriation or transfer of state general fund moneys for the
18 operation of the commission or the office of the executive director and any
19 other expenses incurred in connection with the administration and
20 enforcement of this act shall be considered a loan and shall be repaid with
21 interest to the state general fund in accordance with appropriation acts.
22 Such loan shall not be considered an indebtedness or debt of the state
23 within the meaning of section 6 of article 11 of the constitution of the state
24 of Kansas. Such loan shall bear interest at a rate equal to the rate
25 prescribed by K.S.A. 75-4210, and amendments thereto, for inactive
26 accounts of the state effective on the first day of the month during which
27 the appropriation or transfer takes effect.

28 (e) At the time of repayment of a loan pursuant to subsection (d), the
29 executive director shall certify to the director of accounts and reports the
30 amount to be repaid and any interest due thereon. Upon receipt of such
31 certification, the director of accounts and reports shall promptly transfer
32 the amount certified from the state racing fund to the state general fund.

33 Sec. 37. K.S.A. 74-8827 is hereby amended to read as follows: 74-
34 8827. (a) There is hereby created the racing reimbursable expense fund in
35 the state treasury.

36 (b) All fees for processing fingerprints of licensees and
37 reimbursements from licensees for the services of assistant animal health
38 officers; ~~and stewards and racing judges~~ at racetrack facilities ~~which~~ *that*
39 are collected by the commission shall be remitted to the state treasurer in
40 accordance with the provisions of K.S.A. 75-4215, and amendments
41 thereto. Upon receipt of each such remittance, the state treasurer shall
42 deposit the entire amount in the state treasury to the credit of the racing
43 reimbursable expense fund. All moneys credited to such fund shall be

1 expended only for the purposes and in the manner provided by this act.
2 Expenditures from such fund shall be made in accordance with
3 appropriation acts upon warrants of the director of accounts and reports
4 issued pursuant to vouchers approved by the chairperson of the
5 commission or a person designated by the chairperson.

6 (c) The expenses incurred by the commission for the processing of
7 fingerprints of licensees and for payment of the services of assistant
8 animal health officers; ~~and stewards and racing judges~~ at racetrack
9 facilities shall be paid from the racing reimbursable expense fund.

10 Sec. 38. K.S.A. 74-8836 is hereby amended to read as follows: 74-
11 8836. (a) Any organization licensee that ~~conducts~~ *schedules to conduct*
12 ~~at least 150~~ 60 days of live *or simulcast* racing during a calendar year or a
13 fair association that conducts fewer than ~~22~~ 40 days of live racing during a
14 calendar year may apply to the commission for a simulcasting license to
15 display simulcast horse ~~or greyhound~~ races and to conduct intertrack
16 parimutuel wagering thereon. If the organization licensee conducts races at
17 a racetrack facility that is owned by a facility owner licensee, both
18 licensees shall join in the application. ~~A simulcasting license granted to a~~
19 ~~fair association that conducts fewer than 22 days of live racing shall~~
20 ~~restrict the fair association's display of simulcast races to a number of~~
21 ~~days, including days on which it conducts live races, equal to not more~~
22 ~~than twice the number of days on which it conducts live races.~~

23 (b) (1) A simulcasting license granted to ~~an organization licensee~~
24 ~~other than a fair association~~ shall authorize the display of simulcast races
25 at the racetrack facility where the live races are conducted ~~so long as the~~
26 ~~licensee conducts at least eight live races per day and an average of 10 live~~
27 ~~races per day per week. If a simulcasting licensee conducts live horse races~~
28 ~~on a day when simulcast races are displayed by the licensee and the~~
29 ~~licensee conducts fewer than an average of 10 live horse races per day per~~
30 ~~week, not less than 80% of the races on which wagers are taken by the~~
31 ~~licensee during such week shall be live races conducted by the licensee~~
32 ~~unless approved by the recognized horsemen's group or upon a finding by~~
33 ~~the commission that the organization licensee was unable to do so for~~
34 ~~reasonable cause. If a simulcast licensee conducts live greyhound races on~~
35 ~~a day when simulcast races are displayed by the licensee and the licensee~~
36 ~~schedules fewer than 13 live greyhound races during a performance on~~
37 ~~such day, not less than 80% of the races on which wagers are taken by the~~
38 ~~licensee during such performance shall be live races conducted by the~~
39 ~~licensee.~~

40 (2) ~~A simulcasting license granted to a fair association shall authorize~~
41 ~~the display of simulcast races at the racetrack facility where the races are~~
42 ~~conducted only if live races are scheduled for two or more days of the~~
43 ~~same calendar week, except that the licensee may conduct simulcast races~~

1 in the week immediately before and immediately after a live meeting if the
 2 total number of days on which simulcast races are displayed does not
 3 exceed the total authorized in subsection (a). In no case shall the live meet
 4 or simulcast races allowed under this subsection exceed 10 consecutive
 5 weeks. For purposes of this subsection, a calendar week shall be measured
 6 from Monday through the following Sunday.

7 ~~(3) Notwithstanding the provisions of subsection (a), (b)(1) or (b)(2),~~
 8 ~~a fair association may apply to the commission for not more than five~~
 9 ~~additional days of simulcasting of special events. In addition, the~~
 10 ~~commission may authorize a fair association to display additional~~
 11 ~~simulcast races but, if such fair association is less than 100 miles from an~~
 12 ~~organization licensee that is not a fair association, it also shall secure~~
 13 ~~written consent from that organization licensee.~~

14 ~~(4)(2) Notwithstanding the provisions of subsection (b)(1), if an~~
 15 ~~emergency causes the cancellation of all or any live races scheduled for a~~
 16 ~~day or performance by a simulcasting licensee, the commission or the~~
 17 ~~commission's designee may authorize the licensee to display any simulcast~~
 18 ~~races previously scheduled for such day or performance.~~

19 ~~(5)(3) Notwithstanding the provisions of subsection (b)(1), the~~
 20 ~~commission may authorize the licensee to display simulcast special racing~~
 21 ~~events as designated by the commission.~~

22 (c) The application for a simulcasting license shall be filed with the
 23 commission at a time and place prescribed by rules and regulations of the
 24 commission. The application shall be in a form and include such
 25 information as the commission prescribes.

26 (d) To qualify for a simulcasting license the applicant shall:

27 (1) Comply with the interstate horse racing act of 1978-~~(~~ 15 U.S.C. §
 28 3001 et seq.), as in effect December 31, 1991;

29 (2) submit with the application a written approval of the proposed
 30 simulcasting schedule signed by: ~~(A) the recognized horsemen's group for~~
 31 ~~the track, if the applicant is licensed to conduct only horse races; (B) the~~
 32 ~~recognized greyhound owners' group, if the applicant is licensed to~~
 33 ~~conduct only greyhound races and only greyhound races are to be~~
 34 ~~simulcast; (C) both the recognized greyhound owners' group and a~~
 35 ~~recognized horsemen's group, if the applicant is licensed to conduct only~~
 36 ~~greyhound races and horse races are to be simulcast; (D) the recognized~~
 37 ~~greyhound owners' group, if the applicant is licensed to conduct both~~
 38 ~~greyhound and horse races, only greyhound races are to be simulcast and~~
 39 ~~races are to be simulcast only while the applicant is conducting live~~
 40 ~~greyhound races; (E) the recognized horsemen's group for the track, if the~~
 41 ~~applicant is licensed to conduct both greyhound and horse races, only~~
 42 ~~horse races are to be simulcast and races are to be simulcast only while the~~
 43 ~~applicant is conducting live horse races; or (F) both the recognized~~

1 ~~greyhound owners' group and the recognized horsemen's group for the~~
2 ~~track, if the applicant is licensed to conduct both greyhound races and~~
3 ~~horse races and horse races are to be simulcast while the applicant is~~
4 ~~conducting live greyhound races or greyhound races are to be simulcast~~
5 ~~while the applicant is conducting live horse races; and~~

6 (3) submit, in accordance with rules and regulations of the
7 commission and before the simulcasting of a race, a written copy of each
8 contract or agreement which the applicant proposes to enter into with
9 regard to such race, and any proposed modification of any such contract or
10 agreement.

11 (e) The term of a simulcasting license shall be one year.

12 (f) A simulcasting licensee may apply to the commission or its
13 designee for changes in the licensee's approved simulcasting schedule if
14 such changes are approved by the ~~respective recognized greyhound~~
15 ~~owners' group or~~ recognized horsemen's group needed throughout the term
16 of the license. Application shall be made upon forms furnished by the
17 commission and shall contain such information as the commission
18 prescribes.

19 (g) Except as provided by subsection (j), the takeout for simulcast
20 ~~horse and greyhound~~ races shall be the same as it is for the live horse ~~and~~
21 ~~greyhound~~ races conducted during the current or next live race meeting at
22 the racetrack facility where the simulcast races are displayed, *or, if the*
23 *simulcasting licensee does not conduct live races, then such takeout shall*
24 *be the same as if the race has been a live race.* For simulcast races the tax
25 imposed on amounts wagered shall be as provided by K.S.A. 74-8823, and
26 amendments thereto. Of the balance of the takeout remaining after
27 deduction of taxes, an amount equal to a percentage, to be determined by
28 the commission, of the gross sum wagered on simulcast races shall be used
29 for purses, as follows:

30 (1) ~~For greyhound races conducted by the licensee, if the simulcast~~
31 ~~race is a greyhound race and the licensee conducts only live greyhound~~
32 ~~races;~~

33 (2) ~~For horse races conducted by the licensee, if the simulcast race is~~
34 ~~a horse race and the licensee conducts only live horse races;~~

35 (3) ~~for horse races and greyhound races, as determined by both the~~
36 ~~recognized horsemen's group and the recognized greyhound owners'~~
37 ~~group, if the simulcast race is a greyhound race and the licensee does not~~
38 ~~conduct or is not currently conducting live greyhound races; or~~

39 (4)(2) ~~for horse races and greyhound races, as determined by both the~~
40 ~~recognized horsemen's group and the recognized greyhound owners'~~
41 ~~group, if the simulcast is a horse race and the licensee does not conduct or~~
42 ~~is not currently conducting live horse races. That portion of simulcast~~
43 ~~purse money determined to be used for horse purses shall be apportioned~~

1 by the commission to the various horse race meetings held in any calendar
2 year based upon the number of live horse race dates comprising such horse
3 race meetings in the preceding calendar year.

4 (h) Except as provided by subsection (j):

5 ~~(+)—~~, if a simulcasting licensee has a license to conduct live horse
6 races and the licensee displays a simulcast horse race: ~~(A)~~, all breakage
7 proceeds shall be remitted by the licensee to the commission not later than
8 the 15th day of the month following the race from which the breakage is
9 derived and the commission shall remit any such proceeds received to the
10 state treasurer in accordance with the provisions of K.S.A. 75-4215, and
11 amendments thereto. Upon receipt of each such remittance, the state
12 treasurer shall deposit the entire amount in the state treasury to the credit
13 of the Kansas horse breeding development fund created by K.S.A. 74-
14 8829, and amendments thereto; ~~and (B)~~. All unclaimed ticket proceeds
15 shall be remitted by the licensee to the commission on the 61st day after the
16 end of the calendar year and the commission shall remit any such proceeds
17 received to the state treasurer in accordance with the provisions of K.S.A.
18 75-4215, and amendments thereto. Upon receipt of each such remittance,
19 the state treasurer shall deposit the entire amount in the state treasury to
20 the credit of the Kansas horse breeding development fund created by
21 K.S.A. 74-8829, and amendments thereto.

22 (2) ~~If a simulcasting licensee has a license to conduct live greyhound~~
23 ~~races and the licensee displays a simulcast greyhound race, breakage and~~
24 ~~unclaimed winning ticket proceeds shall be distributed in the manner~~
25 ~~provided by K.S.A. 74-8821 and 74-8822, and amendments thereto, for~~
26 ~~breakage and unclaimed winning ticket proceeds from live greyhound~~
27 ~~races.~~

28 (3) ~~If a simulcasting licensee has a license to conduct live racing of~~
29 ~~only horses and the licensee displays a simulcast greyhound race,~~
30 ~~unclaimed winning ticket proceeds shall be distributed in the manner~~
31 ~~provided by K.S.A. 74-8822, and amendments thereto, for unclaimed~~
32 ~~winning ticket proceeds from live greyhound races. Breakage for such~~
33 ~~races shall be distributed for use to benefit greyhound racing as determined~~
34 ~~by the commission.~~

35 (4) ~~If a simulcasting licensee has a license to conduct live racing of~~
36 ~~only greyhounds and the licensee displays a simulcast horse race: (A) All~~
37 ~~breakage proceeds shall be remitted by the licensee to the commission not~~
38 ~~later than the 15th day of the month following the race from which the~~
39 ~~breakage is derived and the commission shall remit any such proceeds~~
40 ~~received to the state treasurer in accordance with the provisions of K.S.A.~~
41 ~~75-4215, and amendments thereto. Upon receipt of each such remittance,~~
42 ~~the state treasurer shall deposit the entire amount in the state treasury to~~
43 ~~the credit of the Kansas horse breeding development fund created by~~

1 ~~K.S.A. 74-8829, and amendments thereto; and (B) all unclaimed ticket~~
2 ~~proceeds shall be remitted by the licensee to the commission on the 61st~~
3 ~~day after the end of the calendar year and the commission shall remit any~~
4 ~~such proceeds received to the state treasurer in accordance with the~~
5 ~~provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of~~
6 ~~each such remittance, the state treasurer shall deposit the entire amount in~~
7 ~~the state treasury to the credit of the Kansas horse breeding development~~
8 ~~fund created by K.S.A. 74-8829, and amendments thereto.~~

9 (i) The commission may approve a request by two or more
10 simulcasting licensees to combine wagering pools within the state of
11 Kansas pursuant to rules and regulations adopted by the commission.

12 (j) (1) The commission may authorize any simulcasting licensee to
13 participate in an interstate combined wagering pool with one or more other
14 racing jurisdictions.

15 (2) If a licensee participates in an interstate pool, the licensee may
16 adopt the takeout of the host jurisdiction or facility. The amount and
17 manner of paying purses from the takeout in an interstate pool shall be as
18 provided by subsection (g).

19 (3) The tax imposed on amounts wagered in an interstate pool shall
20 be as provided by K.S.A. 74-8823, and amendments thereto. Parimutuel
21 taxes may not be imposed on any amounts wagered in an interstate
22 combined wagering pool other than amounts wagered within this
23 jurisdiction.

24 (4) Breakage for interstate combined wagering pools shall be
25 calculated in accordance with the statutes and rules and regulations of the
26 host jurisdiction and shall be allocated among the participating
27 jurisdictions in a manner agreed to among the jurisdictions. Breakage
28 allocated to this jurisdiction shall be distributed as provided by subsection
29 (h).

30 (5) Upon approval of the ~~respective recognized greyhound owners'~~
31 ~~group or~~ recognized horsemen's group, the commission may permit an
32 organization licensee to simulcast to other racetrack facilities or off-track
33 wagering or intertrack wagering facilities in other jurisdictions one or
34 more races conducted by such licensee, use one or more races conducted
35 by such licensee for an intrastate combined wagering pool or use one or
36 more races conducted by such licensee for an interstate combined
37 wagering pool at off-track wagering or intertrack wagering locations
38 outside the commission's jurisdiction and may allow parimutuel pools in
39 other jurisdictions to be combined with parimutuel pools in the
40 commission's jurisdiction for the purpose of establishing an interstate
41 combined wagering pool.

42 (6) The participation by a simulcasting licensee in a combined
43 interstate wagering pool does not cause that licensee to be considered to be

1 doing business in any jurisdiction other than the jurisdiction in which the
2 licensee is physically located.

3 (k) If the organization licensee, facility owner licensee, if any, and the
4 recognized horsemen's group ~~or recognized greyhound owners' group~~ are
5 unable to agree concerning a simulcasting application, the matter may be
6 submitted to the commission for determination at the written request of
7 any party in accordance with rules and regulations of the commission.

8 (l) This section shall be *a* part of and supplemental to the Kansas
9 parimutuel racing act.

10 Sec. 39. K.S.A. 74-8838 is hereby amended to read as follows: 74-
11 8838. (a) The state treasurer shall credit $\frac{1}{3}$ of the taxes on the takeout from
12 parimutuel pools for simulcast races, as certified by the executive director,
13 to the horse fair racing benefit fund, which is hereby created in the state
14 treasury.

15 (b) Twenty-five percent of all moneys credited to the horse fair racing
16 benefit fund may be expended, upon application to the commission, for
17 capital improvements to racetrack facilities on or adjacent to premises
18 used by a fair association to conduct fair racing activities.

19 (c) The remaining moneys in the horse fair racing benefit fund shall
20 be expended only for:

21 (1) Reimbursement of the commission for the commission's
22 administrative costs, as established by rules and regulations of the
23 commission, related to race meetings conducted by a fair association or a
24 horsemen's nonprofit organization, including the cost of stewards, ~~racing~~
25 ~~judges~~ and assistant animal health officers performing services at such race
26 meetings;

27 (2) paying the costs of totalisator expenses incurred by an
28 organization licensee that is a fair association or horsemen's nonprofit
29 organization;

30 (3) paying the costs of background investigations required under the
31 Kansas parimutuel racing act for members of a fair association or
32 horsemen's nonprofit organization;

33 (4) purse supplements at race meetings conducted by a fair
34 association or horsemen's nonprofit organization;

35 (5) basic operating assistance grants to an organization licensee that is
36 a fair association or horsemen's nonprofit organization; and

37 (6) costs for employment of key racing officials, as determined by the
38 commission, incurred by an organization licensee that is a fair association
39 or horsemen's nonprofit organization.

40 (d) The commission shall adopt rules and regulations establishing
41 procedures for distributing moneys in the horse fair racing benefit fund to
42 fair associations and nonprofit horsemen's organizations for the purposes
43 provided by this section.

1 (e) Expenditures from the horse fair racing benefit fund related to the
 2 conduct of a race meeting shall not be allocated to any organization
 3 licensee for a period exceeding 40 days.

4 ~~(f) Expenditures from the horse fair racing benefit fund shall not be~~
 5 ~~allocated to any organization licensee to support the conduct of parimutuel~~
 6 ~~greyhound races unless the organization licensee conducts an equal or~~
 7 ~~greater number of parimutuel horse races during the race meeting.~~

8 ~~(g)~~ Expenditures from the horse fair racing benefit fund shall be made
 9 in accordance with appropriation acts upon warrants of the director of
 10 accounts and reports issued pursuant to vouchers approved by the
 11 chairperson of the commission or a person designated by the chairperson.

12 Sec. 40. K.S.A. 75-6102 is hereby amended to read as follows: 75-
 13 6102. As used in K.S.A. 75-6101 through 75-6118, and amendments
 14 thereto, unless the context clearly requires otherwise:

15 (a) "State" means the state of Kansas and any department or branch of
 16 state government, or any agency, authority, institution or other
 17 instrumentality thereof.

18 (b) "Municipality" means any county, township, city, school district
 19 or other political or taxing subdivision of the state, or any agency,
 20 authority, institution or other instrumentality thereof.

21 (c) "Governmental entity" means *the state or a municipality*.

22 (d) (1) "Employee" means:

23 (A) Any officer, employee, servant or member of a board,
 24 commission, committee, division, department, branch or council of a
 25 governmental entity, including elected or appointed officials and persons
 26 acting on behalf or in service of a governmental entity in any official
 27 capacity, whether with or without compensation and a charitable
 28 healthcare provider;

29 ~~(B) any steward or racing judge appointed pursuant to K.S.A. 74-~~
 30 ~~8818, and amendments thereto, regardless of whether the services of such~~
 31 ~~steward or racing judge are rendered pursuant to contract as an~~
 32 independent contractor;

33 (C) employees of the United States marshals service engaged in the
 34 transportation of inmates on behalf of the secretary of corrections;

35 (D) a person who is an employee of a nonprofit independent
 36 contractor, other than a municipality, under contract to provide educational
 37 or vocational training to inmates in the custody of the secretary of
 38 corrections and who is engaged in providing such service in an institution
 39 under the control of the secretary of corrections provided that such
 40 employee does not otherwise have coverage for such acts and omissions
 41 within the scope of their employment through a liability insurance contract
 42 of such independent contractor;

43 (E) a person who is an employee or volunteer of a nonprofit program,

1 other than a municipality, who has contracted with the commissioner of
2 juvenile justice or with another nonprofit program that has contracted with
3 the secretary of corrections to provide a juvenile justice program for
4 juvenile offenders in a judicial district provided that such employee or
5 volunteer does not otherwise have coverage for such acts and omissions
6 within the scope of their employment or volunteer activities through a
7 liability insurance contract of such nonprofit program;

8 (F) a person who contracts with the Kansas guardianship program to
9 provide services as a court-appointed guardian or conservator;

10 (G) an employee of an indigent healthcare clinic;

11 (H) former employees for acts and omissions within the scope of their
12 employment during their former employment with the governmental
13 entity;

14 (I) any member of a regional medical emergency response team,
15 created under the provisions of K.S.A. 48-928, and amendments thereto, in
16 connection with authorized training or upon activation for an emergency
17 response;

18 (J) any member of a regional search and rescue team or regional
19 hazardous materials response team contracting with the state fire marshal
20 pursuant to K.S.A. 31-133, and amendments thereto, or K.S.A. 75-1518,
21 and amendments thereto, in connection with authorized training or upon
22 activation for an emergency response; and

23 (K) medical students enrolled at the university of Kansas medical
24 center who are in clinical training, on or after July 1, 2008, at the
25 university of Kansas medical center or at another healthcare institution.

26 (2) "Employee" does not include:

27 (A) An individual or entity for actions within the scope of K.S.A. 60-
28 3614, and amendments thereto; or

29 (B) any independent contractor under contract with a governmental
30 entity except those contractors specifically listed in subsection (d)(1).

31 (e) "Charitable healthcare provider" means a person licensed by the
32 state board of healing arts as an exempt licensee or a federally active
33 licensee, a person issued a limited permit by the state board of healing arts,
34 a physician assistant licensed by the state board of healing arts, a mental
35 health practitioner licensed by the behavioral sciences regulatory board, an
36 ultrasound technologist currently registered in any area of sonography
37 credentialed through the American registry of radiology technologists, the
38 American registry for diagnostic medical sonography or cardiovascular
39 credentialing international and working under the supervision of a person
40 licensed to practice medicine and surgery, or a healthcare provider as the
41 term "healthcare provider" is defined under K.S.A. 65-4921, and
42 amendments thereto, who has entered into an agreement with:

43 (1) The secretary of health and environment under K.S.A. 75-6120,

1 and amendments thereto, who, pursuant to such agreement, gratuitously
2 renders professional services to a person who has provided information
3 that would reasonably lead the healthcare provider to make the good faith
4 assumption that such person meets the definition of medically indigent
5 person as defined by this section or to a person receiving medical
6 assistance from the programs operated by the department of health and
7 environment, and who is considered an employee of the state of Kansas
8 under K.S.A. 75-6120, and amendments thereto;

9 (2) the secretary of health and environment and who, pursuant to such
10 agreement, gratuitously renders professional services in conducting
11 children's immunization programs administered by the secretary;

12 (3) a local health department or indigent healthcare clinic that renders
13 professional services to medically indigent persons or persons receiving
14 medical assistance from the programs operated by the department of health
15 and environment gratuitously or for a fee paid by the local health
16 department or indigent healthcare clinic to such provider and who is
17 considered an employee of the state of Kansas under K.S.A. 75-6120, and
18 amendments thereto. Professional services rendered by a provider under
19 this paragraph shall be considered gratuitous notwithstanding fees based
20 on income eligibility guidelines charged by a local health department or
21 indigent healthcare clinic and notwithstanding any fee paid by the local
22 health department or indigent healthcare clinic to a provider in accordance
23 with this paragraph; or

24 (4) the secretary of health and environment to provide dentistry
25 services defined by K.S.A. 65-1422 et seq., and amendments thereto, or
26 dental hygienist services defined by K.S.A. 65-1456, and amendments
27 thereto, that are targeted, but are not limited to, medically indigent
28 persons, and are provided on a gratuitous basis:

29 (A) At a location sponsored by a not-for-profit organization that is not
30 the dentist or dental hygienist office location;

31 (B) at the office location of a dentist or dental hygienist provided the
32 care be delivered as part of a program organized by a not-for-profit
33 organization and approved by the secretary of health and environment; or

34 (C) as part of a charitable program organized by the dentist that has
35 been approved by the secretary of health and environment upon a showing
36 that the dentist seeks to treat medically indigent patients on a gratuitous
37 basis, except that such dentistry services and dental hygienist services shall
38 not include "oral and maxillofacial surgery" as defined by K.A.R. 71-2-2,
39 or use sedation or general anesthesia that result in "deep sedation" or
40 "general anesthesia" as defined by K.A.R. 71-5-7.

41 (f) "Medically indigent person" means a person who lacks resources
42 to pay for medically necessary healthcare services and who meets the
43 eligibility criteria for qualification as a medically indigent person

1 established by the secretary of health and environment under K.S.A. 75-
2 6120, and amendments thereto.

3 (g) "Indigent healthcare clinic" means an outpatient medical care
4 clinic operated on a not-for-profit basis that has a contractual agreement in
5 effect with the secretary of health and environment to provide healthcare
6 services to medically indigent persons.

7 (h) "Local health department" means the same as defined in K.S.A.
8 65-241, and amendments thereto.

9 (i) "Fire control, fire rescue or emergency medical services
10 equipment" means any vehicle, firefighting tool, protective clothing,
11 breathing apparatus and any other supplies, tools or equipment used in
12 firefighting or fire rescue or in the provision of emergency medical
13 services.

14 (j) "Community mental health center" means the same as defined in
15 K.S.A. 2020 Supp. 39-2002, and amendments thereto.

16 Sec. 41. K.S.A. 74-8716, 74-8734, 74-8741, 74-8743, 74-8746, 74-
17 8747, 74-8766, 74-8767, 74-8801, 74-8802, 74-8804, 74-8805, 74-8806,
18 74-8808, 74-8810, 74-8811, 74-8812, 74-8813, 74-8814, 74-8815, 74-
19 8816, 74-8818, 74-8819, 74-8820, 74-8821, 74-8822, 74-8823, 74-8825,
20 74-8826, 74-8827, 74-8831, 74-8832, 74-8836, 74-8838, 74-8842 and 75-
21 6102 are hereby repealed.

22 Sec. 42. This act shall take effect and be in force from and after its
23 publication in the statute book.