HOUSE BILL No. 2280

By Committee on Commerce, Labor and Economic Development

AN ACT concerning the Kansas expanded lottery act; relating to racetrack
gaming facilities; relating to parimutuel racing of horses; amending
K.S.A. 74-8741, 74-8744, 74-8746, 74-8747 and 74-8836 and repealing
the existing sections.

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

Section 1. K.S.A. 74-8741 is hereby amended to read as follows: 74-

The executive director of the Kansas lottery shall negotiate a
racetrack gaming facility management contract to place electronic gaming
machines at one parimutuel licensee location in each gaming zone except
the southwest Kansas gaming zone.

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

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

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

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

(1) The term of the contract;

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

(3) provisions for the racetrack gaming facility manager to pay the
costs of oversight and regulation of the racetrack gaming facility manager
under this act and such manager's racetrack gaming facility operations by
the Kansas racing and gaming commission; and
(4) enforceable provisions: (A) Prohibiting the state, until July 1, 2032, from (i) entering into management contracts for more than three
lottery gaming facilities or similar gaming facilities, one to be located in the northeast Kansas gaming zone, one to be located in the south central Kansas gaming zone and, one to be located in the southeast Kansas gaming zone and one to be located in the southwest Kansas gaming zone; (ii) designating additional areas of the state where operation of lottery gaming facilities or similar gaming facilities would be authorized; or (iii) operating an aggregate of more than 2,800 electronic gaming machines at all parimutuel licensee locations; and (B) requiring the state to repay to the racetrack gaming facility manager an amount equal to the privilege fee paid by such racetrack gaming facility manager, plus interest on such amount, compounded annually at the rate of 10%, if the state violates the prohibition provision described in subparagraph (A); and

(5) provisions for the distribution of the net electronic gaming machine income from the racetrack gaming facility, which shall be in accordance with K.S.A. 74-8747, and amendments thereto.

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

1 Accounting procedures to determine net electronic gaming machine income, unclaimed prizes and credits;
2 minimum requirements for a racetrack gaming facility manager to provide qualified oversight, security and supervision of electronic gaming machines including the use of qualified personnel with experience in applicable technology;
3 eligibility requirements for employees, contractors or agents of a racetrack gaming facility manager who will have responsibility for or involvement with electronic gaming machines or for the handling of cash or tokens;
4 background investigations to be performed by the Kansas racing and gaming commission;
5 credentialing or certification requirements of any employee, contractor or agent as provided by the Kansas expanded lottery act or rules and regulations adopted pursuant thereto;
6 provision for termination of the management contract by either party for cause; and
7 any other provision deemed necessary by the parties, including such other terms and restrictions as necessary to conduct racetrack gaming facility operations in a legal and fair manner.

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

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

Sec. 2. K.S.A. 74-8744 is hereby amended to read as follows: 74-
8744. (a) In accordance with rules and regulations adopted by the
commission, the executive director shall have general responsibility for the
implementation and administration of the provisions of this act relating to
racetrack gaming facility operations, including the responsibility to:

(1) Certify net electronic gaming machine income by inspecting
records, conducting audits, having agents of the Kansas lottery on site or
by any other reasonable means; and

(2) assist the commission in the promulgation of rules and regulations
concerning the operation of racetrack gaming facilities, which rules and
regulations shall include, without limitation, the following:

(A) The number of electronic gaming machines allocated for
placement at each racetrack gaming facility, subject to the provisions of
subsection (b);

(B) standards for advertising, marketing and promotional materials
used by racetrack gaming facility managers;

(C) the kind, type, number and location of electronic gaming
machines at any racetrack gaming facility; and

(D) rules and regulations and procedures for the accounting and
reporting of the payments required from racetrack gaming facility
managers under K.S.A. 74-8766, and amendments thereto, including the
calculations required for such payments.

(b) Rules and regulations establishing the minimum and maximum
number of electronic gaming machines allocated for placement at each
racetrack gaming facility shall be adopted and published not later than 120
days after the effective date of this act. Such rules and regulations shall be
subject to the following:

(1) At least 400, but not more than 1,200, electronic gaming
machines shall be allocated to and placed at each racetrack gaming facility.

(2) The total number of electronic gaming machines allocated to and
placed at all racetrack gaming facilities in the state shall not exceed 2,800.
Until lottery gaming facility management contracts for lottery gaming-
facilities in all gaming zones become binding, the total number of
electronic gaming machines placed at all racetrack gaming facilities shall
not exceed 2,200. When lottery gaming facility management contracts for
lottery gaming facilities in all gaming zones have become binding, the
lottery commission shall take privilege fee bids from the lottery gaming-
facility manager and racetrack gaming facility manager in each gaming
zone for the remaining electronic gaming machines allocated to but not yet
placed at the racetrack gaming facility in such zone. The minimum bid shall be a privilege fee of $2,500 per electronic gaming machine. If the racetrack gaming facility manager submits the highest bid, the lottery commission shall place the remaining electronic gaming machines at the racetrack gaming facility. If the lottery gaming facility manager submits the highest bid, the commission shall not place any additional electronic gaming machines at the racetrack gaming facility.

(3) In addition to any privilege fee paid pursuant to paragraph (2), each racetrack gaming facility manager shall pay a privilege fee of $2,500 for each electronic gaming machine placed at the racetrack gaming facility for which a privilege fee is not paid pursuant to paragraph (2).

(4) The racetrack gaming facility manager shall pay the privilege fees provided by this subsection to the executive director, who shall remit the entire amount to the state treasurer in accordance with K.S.A. 75-4215, and amendments thereto. Upon receipt of the remittance, the state treasurer shall deposit the entire amount in the state treasury and credit it to the expanded lottery act revenues fund.

Sec. 3. K.S.A. 74-8746 is hereby amended to read as follows: 74-8746. (a) Except as provided in subsection (b):

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

(2) No electronic gaming machines shall be operated at a parimutuel licensee location in Wyandotte county unless, during the first full calendar year and each year thereafter in which electronic gaming machines are operated at such location, the parimutuel licensee conducts live horse racing programs for at least 60 days, with at least 10 live races conducted each program, and must offer and make a reasonable effort to conduct a minimum number of three live races restricted for quarter horses each day and seven live thoroughbred races each day, of which not less than two races each day shall be limited to registered Kansas-bred horses apportioned in the same ratio that live races are offered, except that the licensee shall not be required to conduct the second live race restricted to Kansas-bred horses unless there are at least seven qualified entries for such race, and with at least 100 live greyhound races each calendar week for at least the same number of weeks raced during calendar year 2003, with at least 13 live races conducted each day for not less than five days per week.

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

(4) If a parimutuel licensee has not held live races pursuant to a
schedule approved by the Kansas racing and gaming commission in the
preceding 12 months, the Kansas racing and gaming commission shall
hold a hearing to determine the number of days of live racing required for
the remaining days of the first calendar year of operation to qualify for
operation of electronic gaming machines. At such hearing, the commission
shall receive testimony and evidence from affected breed groups, the
licensee and others, as the Kansas racing and gaming commission deems
appropriate concerning the schedule of live race days. The operation of
electronic gaming machines shall not commence more than 90 days prior
to the start of live racing at such facility.

(b) The Kansas racing and gaming commission may not grant
exceptions to the requirements of subsection (a) for a parimutuel licensee
conducting live racing unless such exception is in the form of an
agreement which: (1) Is between the parimutuel licensee and the affected
recognized greyhound or recognized horsemen's group, as defined in
K.S.A. 74-8802, and amendments thereto; (2) has been approved by the
appropriate official breed registering agencies; and (3) has been submitted
to and approved by the commission. In the case of emergencies, weather
related issues or immediate circumstances beyond the control of the
licensee, the Kansas racing and gaming commission may grant an
exception.

Sec. 4. K.S.A. 74-8747 is hereby amended to read as follows: 74-
8747. (a) Except as provided in section 5, and amendments thereto, a
racetrack gaming facility management contract shall include provisions
for net electronic gaming machine income from a racetrack gaming facility
shall to be distributed as follows:

(1) To the racetrack gaming facility manager, an amount equal to 25% of net electronic gaming machine income;

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

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

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

(6) (5) 2% of net electronic gaming machine income shall be credited to the problem gambling and addictions grant fund established by K.S.A. 2018 Supp. 79-4805, and amendments thereto;

(7) (6) 1% of net electronic gaming machine income shall be credited to the Kansas horse fair racing benefit fund established by K.S.A. 74-8838, and amendments thereto;

(8) (7) 40% of net electronic gaming machine income shall be credited to the expanded lottery act revenues fund; and

(9) (8) 15% of electronic gaming machine income shall be used for gaming expenses, subject to agreement between the Kansas lottery and the racetrack gaming facility manager.

(b) A racetrack gaming facility management contract may include
provisions for a parimutuel licensee or any other entity to pay the parimutuel licensee's expenses related to electronic gaming machines, as the executive director deems appropriate, subject to the requirements of subsection (a)(9)(8).

New Sec. 5. (a) A racetrack gaming facility management contract for the northeast Kansas gaming zone shall include provisions for net electronic gaming machine income from a racetrack gaming facility to be distributed as follows:

1. An amount equal to 22% of net electronic gaming machine income shall be credited to the expanded lottery act revenues fund;
2. 10% of net electronic gaming machine income derived from electronic gaming machines located at racetrack gaming facilities licensed to conduct horse races during the first and second years of operation, 12% of the net electronic gaming machine income during the third year of operation and 14% of the net electronic gaming machine income the fourth and subsequent years of operation shall be credited to the live horse racing purse supplement fund established by K.S.A. 74-8767, and amendments thereto;
3. (A) if the racetrack gaming facility is not located within a city, an amount equal to 3% of the net electronic gaming machine income to the county in which the racetrack gaming facility is located; or (B) if the racetrack gaming facility is located within a city, an amount equal to 1.5% of the net electronic gaming machine income to the city in which the racetrack gaming facility is located and an amount equal to 1.5% of such income to the county in which such facility is located;
4. an amount equal to 1% of net electronic gaming machine income shall be credited to the problem gambling and addictions grant fund established by K.S.A. 2018 Supp. 79-4805, and amendments thereto;
5. an amount equal to 2% of net electronic gaming machine income shall be credited to the Kansas horse fair racing benefit fund established by K.S.A. 74-8838, and amendments thereto;
6. an amount equal to 0.50% of net electronic gaming machine revenue income shall be credited to the Kansas horse council fund created by section 7, and amendments thereto; and
7. the remaining balance of net electronic gaming machine income shall be paid to the racetrack gaming facility manager.

(b) A racetrack gaming facility management contract may include provisions for a parimutuel licensee or any other entity to pay the parimutuel licensee's expenses related to electronic gaming machines, as the executive director deems appropriate.

Sec. 6. K.S.A. 74-8836 is hereby amended to read as follows: 74-8836. (a) Any organization licensee that conducts at least 450 60 days of live racing during a calendar year or is in compliance with the provisions
of K.S.A. 74-8746, and amendments thereto, or a fair association that
conducts fewer than 22 days of live racing during a calendar year may
apply to the commission for a simulcasting license to display simulcast
horse or greyhound races and to conduct intertrack parimutuel wagering
thereon. If the organization licensee conducts races at a racetrack facility
that is owned by a facility owner licensee, both licensees shall join in the
application. A simulcasting license granted to a fair association that
conducts fewer than 22 days of live racing shall restrict the fair-
association's display of simulcast races to a number of days, including-
days on which it conducts live races, equal to not more than twice the
number of days on which it conducts live races.

(b) (1) A simulcasting license granted to an organization licensee
other than a fair association shall authorize the display of simulcast races
at the racetrack facility where the live races are conducted so long as the
licensee conducts at least eight live races per day and an average of 10 live
races per day per week is in compliance with the provisions of K.S.A. 74-
8746, and amendments thereto. If a simulcasting licensee conducts live
horse races on a day when simulcast races are displayed by the licensee
and the licensee conducts fewer than an average of 10 live horse races per
day per week, not less than 80% of the races on which wagers are taken by
the licensee during such week shall be live races conducted by the licensee
unless approved by the recognized horsemen's group or upon a finding by
the commission that the organization licensee was unable to do so for
reasonable cause. If a simulcast licensee conducts live greyhound races on
a day when simulcast races are displayed by the licensee and the licensee
schedules fewer than 13 live greyhound races during a performance on
such day, not less than 80% of the races on which wagers are taken by the
licensee during such performance shall be live races conducted by the
licensee.

(2) A simulcasting license granted to a fair association shall authorize
the display of simulcast races at the racetrack facility where the races are
conducted only if live races are scheduled for two or more days of the
same calendar week, except that the licensee may conduct simulcast races
in the week immediately before and immediately after a live meeting if the
total number of days on which simulcast races are displayed does not
exceed the total authorized in subsection (a). In no case shall the live meet-
or simulcast races allowed under this subsection exceed 10 consecutive
weeks. For purposes of this subsection, a calendar week shall be measured
from Monday through the following Sunday.

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

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

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

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

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

(1) Comply with the interstate horse racing act of 1978-6, 15 U.S.C. 3001 et seq., as in effect December 31, 1991;

(2) submit with the application a written approval of the proposed simulcasting schedule signed by: (A) The recognized horsemen's group for the track, if the applicant is licensed to conduct only horse races; (B) the recognized greyhound owners' group, if the applicant is licensed to conduct only greyhound races and only greyhound races are to be simulcast; (C) both the recognized greyhound owners' group and a recognized horsemen's group, if the applicant is licensed to conduct only greyhound races and horse races are to be simulcast; (D) the recognized greyhound owners' group, if the applicant is licensed to conduct both greyhound and horse races, only greyhound races are to be simulcast and races are to be simulcast only while the applicant is conducting live greyhound races; (E) the recognized horsemen's group for the track, if the applicant is licensed to conduct both greyhound and horse races, only horse races are to be simulcast and races are to be simulcast only while the applicant is conducting live horse races; or (F) both the recognized greyhound owners' group and the recognized horsemen's group for the track, if the applicant is licensed to conduct both greyhound races and horse races and horse races are to be simulcast while the applicant is conducting live greyhound races or greyhound races are to be simulcast while the applicant is conducting live horse races; and

(3) submit, in accordance with rules and regulations of the commission and before the simulcasting of a race, a written copy of each contract or agreement which the applicant proposes to enter into with regard to such race, and any proposed modification of any such contract or agreement.
(e) The term of a simulcasting license shall be one year.

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

(g) Except as provided by subsection (j), the takeout for simulcast
horse and greyhound races shall be the same as it is for the live horse and
greyhound races conducted during the current or next live race meeting at
the racetrack facility where the simulcast races are displayed. For
simulcast races the tax imposed on amounts wagered shall be as provided
by K.S.A. 74-8823, and amendments thereto. Of the balance of the takeout
remaining after deduction of taxes, an amount equal to a percentage, to be
determined by the commission, of the gross sum wagered on simulcast
races shall be used for purses, as follows:

1. For greyhound races conducted by the licensee, if the simulcast
race is a greyhound race and the licensee conducts only live greyhound
races;

2. for horse races conducted by the licensee, if the simulcast race is a
horse race and the licensee conducts only live horse races;

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

4. for horse races and greyhound races, as determined by both the
recognized horsemen's group and the recognized greyhound owners'
group, if the simulcast is a horse race and the licensee does not conduct or
is not currently conducting live horse races. That portion of simulcast
purse money determined to be used for horse purses shall be apportioned
by the commission to the various horse race meetings held in any calendar
year based upon the number of live horse race dates comprising such horse
race meetings in the preceding calendar year.

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

1. If a simulcasting licensee has a license to conduct live horse races
and the simulcasting licensee displays a simulcast horse race: (A) All
breakage proceeds shall be remitted by the licensee to the commission not
later than the 15th day of the month following the race from which the
breakage is derived and the commission shall remit any such proceeds
received to the state treasurer in accordance with the provisions of K.S.A.
75-4215, and amendments thereto. Upon receipt of each such remittance,
the state treasurer shall deposit the entire amount in the state treasury to
the credit of the Kansas horse breeding development fund created by K.S.A. 74-8829, and amendments thereto; and (B) all unclaimed ticket proceeds shall be remitted by the licensee to the commission on the 61st day after the end of the calendar year and the commission shall remit any such proceeds received to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kansas horse breeding development fund created by K.S.A. 74-8829, and amendments thereto.

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

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

(4) If a simulcasting licensee has a license to conduct live racing of only greyhounds and the simulcasting licensee displays a simulcast horse race: (A) All breakage proceeds shall be remitted by the licensee to the commission not later than the 15th day of the month following the race from which the breakage is derived and the commission shall remit any such proceeds received to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kansas horse breeding development fund created by K.S.A. 74-8829, and amendments thereto; and (B) all unclaimed ticket proceeds shall be remitted by the licensee to the commission on the 61st day after the end of the calendar year and the commission shall remit any such proceeds received to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury to the credit of the Kansas horse breeding development fund created by K.S.A. 74-8829, and amendments thereto.

(i) The commission may approve a request by two or more simulcasting licensees to combine wagering pools within the state of Kansas pursuant to rules and regulations adopted by the commission.
(j) (1) The commission may authorize any simulcasting licensee to participate in an interstate combined wagering pool with one or more other racing jurisdictions.

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

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

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

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

(6) The participation by a simulcasting licensee in a combined interstate wagering pool does not cause that licensee to be considered to be doing business in any jurisdiction other than the jurisdiction in which the licensee is physically located.

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

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

New Sec. 7. There is hereby established in the state treasury the Kansas horse council fund which shall be administered by the Kansas
racing and gaming commission and which shall be funded by 0.50% of net electronic gaming machine income as provided in section 5, and amendments thereto. All expenditures from this fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive director of the Kansas racing and gaming commission. The moneys credited to this fund shall be used for the development, promotion and representation of the equine industry in Kansas and shall be distributed to the Kansas horse council by contract with the Kansas racing and gaming commission for these purposes.

Sec. 8. K.S.A. 74-8741, 74-8744, 74-8746, 74-8747 and 74-8836 are hereby repealed.

Sec. 9. This act shall take effect and be in force from and after its publication in the statute book.