

SENATE BILL No. 283

By Committee on Federal and State Affairs

1-21

1 AN ACT concerning gaming; relating to the Kansas expanded lottery act;
2 Kansas lottery and Kansas racing and gaming commission, rules and
3 regulations; authorizing sports wagering; ***{problem gambling and***
4 ***addictions grant fund, transfers and authorized uses;}*** creating the
5 sports wagering receipts fund, executive director of the Kansas lottery;
6 white collar crime fund, governor; ***combating white collar crimes and***
7 ***information technology scholarship fund, state board of regents;***
8 amending K.S.A. 46-2301, 74-8702, 74-8710, 74-8711, 74-8716, 74-
9 8718, 74-8733, 74-8734, 74-8751, 74-8752, 74-8757, 74-8758, 74-
10 8760, 74-8772***{, 79-4805}*** and 79-4806 and K.S.A. 2019 Supp. 21-
11 6403, 21-6507 and 21-6508 and repealing the existing sections.
12

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

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

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

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

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

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

30 (b) Sports wagering managers shall allow a person to restrict themself
31 from placing wagers with the operator, including wagering limits, and
32 shall take reasonable measures to prevent any such person from placing
33 such wagers. Upon the request of any such person, the operator shall
34 submit the restricted person's name and other pertinent information to the

1 Kansas racing and gaming commission. The executive director of the
2 commission may enter into a self-exclusion agreement with such person,
3 and disseminate such person's information to all other sports wagering
4 operators.

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

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

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

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

41 (e) As used in this section, "sporting facility" means an auto race
42 track facility or major multi-sport athletic complex as those terms are
43 defined in K.S.A. 2019 Supp. 12-17,162, and amendments thereto, that is

1 located in Wyandotte county with a minimum investment of \$50,000,000
2 and is in operation on the effective date of this act.

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

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

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

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

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

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

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

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

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

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

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

38 (4) ***prohibit any owner, officer, athlete, coach or other employee of***
39 ***a team and any director, officer or employee of a player or referee union***
40 ***from placing wagers on any sporting event overseen by such sports***
41 ***governing body. In determining which persons are excluded from***
42 ***placing wagers under this paragraph, sports wagering managers shall***
43 ***use publicly available information and any list of such persons that the***

1 *sports governing body may provide to the Kansas lottery and the Kansas*
2 *racing and gaming commission;*

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

5 (5)(6) prohibit any person known by the manager to have been
6 convicted of any felony or misdemeanor offense involving sports
7 wagering, including, but not limited to, the use of funds derived from
8 illegal activity to make any wager, placing any wager to conceal money
9 derived from illegal activity, the use of other individuals to place any
10 wager as part of any wagering scheme to circumvent any provision of
11 federal or state law and the use of false identification to facilitate the
12 placement of any wager or the collection of any prize in violation of
13 federal or state law, from placing wagers;

14 (6)(7) maintain the security of wagering data, customer data and other
15 confidential information from unauthorized access and dissemination,
16 except that nothing in this act shall preclude the use of internet or cloud-
17 based hosting of such data and information or disclosure as required by
18 court order, state or federal law or as otherwise required by this act; and

19 (7)(8) subject to Kansas lottery approval, establish sports wagering
20 rules that specify the amounts to be paid on winning sports wagers and the
21 effect of changes in the scheduling of an authorized sporting event subject
22 to sports wagering.

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

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

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

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

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

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

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

1 records of:

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

3 (2) ~~the amount and type of the bet;~~

4 (3) ~~the time the bet was placed;~~

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

6 (5) ~~the outcome of the bet; and~~

7 (6) ~~any records of abnormal betting activity.~~

8 (b) ~~Records required by subsection (a) shall be maintained for at least~~
9 ~~30 days after the sporting event occurs, unless the Kansas racing and~~
10 ~~gaming commission or the Kansas lottery contacts the sports wagering~~
11 ~~manager and has reason to believe irregularities may have occurred in~~
12 ~~regard to one or more particular wagering events, then such records shall~~
13 ~~be maintained for at least three years after the event occurs.~~

14 (c) ~~A sports wagering manager shall make such records available for~~
15 ~~inspection upon request of the Kansas lottery, the Kansas racing and~~
16 ~~gaming commission or as required by court order.~~

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

26 ~~New Sec. 9.~~ 8. (a) There is hereby established in the state treasury the
27 sports wagering receipts fund. Separate accounts shall be maintained in
28 such fund for receipt of moneys from sports wagering conducted by the
29 Kansas lottery through each lottery gaming facility manager. All
30 expenditures from the fund shall be made in accordance with appropriation
31 acts upon warrants of the director of accounts and reports issued pursuant
32 to vouchers approved by the executive director, or the executive director's
33 designee, for the purposes set forth in this act.

34 (b) All revenues from sports wagering conducted by the Kansas
35 lottery through lottery gaming facility managers shall be paid
36 electronically to the executive director. Such revenues shall be paid
37 weekly, or as soon as reasonably possible based on the sporting event and
38 the wager placed, but in no event prior to the completion and settling of all
39 bets for the sporting events for which wagers were placed. The executive
40 director shall remit all moneys received therefrom to the state treasurer in
41 accordance with of K.S.A. 75-4215, and amendments thereto. Upon
42 receipt of each such remittance, the state treasurer shall deposit the entire
43 amount in the state treasury and credit such remittance to the respective

1 account in the sports wagering receipts fund maintained for the lottery
2 gaming facility manager.

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

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

24 ~~New Sec. 10.~~ **9.** (a) There is hereby established in the state treasury
25 the white collar crime fund, which shall be administered by the governor.
26 All moneys credited to the white collar crime fund shall be expended only
27 for the purpose of investigating and prosecuting:

28 (1) Criminal offenses involving or facilitated by:

29 (A) The use of funds derived from illegal activity to make wagers;

30 (B) placing wagers to conceal money derived from illegal activity;

31 (C) the use of other individuals to place wagers as part of any
32 wagering scheme to circumvent any provision of federal or state law;

33 (D) the use of false identification to facilitate the placement of any
34 wager or the collection of any prize in violation of federal or state law;

35 (E) any other unlawful activity involving or facilitated by the placing
36 of wagers; or

37 (F) any other violation of the Kansas expanded lottery act; or

38 (2) any financial or economic crime involving any unauthorized
39 gambling.

40 (b) All expenditures from the fund shall be made in accordance with
41 appropriation acts upon warrants of the director of accounts and reports
42 issued pursuant to vouchers approved by the governor, or the governor's
43 designee, for the purposes set forth in this act.

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

13 ***(1) On July 1 of each year, or as soon thereafter as unencumbered***
14 ***funds are available, the director of accounts and reports shall transfer***
15 ***from the white collar crime fund to:***

16 ***(A) The fraud and abuse criminal prosecution fund established by***
17 ***K.S.A. 75-765, and amendments thereto, an amount equal to \$300,000;***
18 ***and***

19 ***(B) any special revenue fund or funds of the Kansas racing and***
20 ***gaming commission, an amount equal to \$450,000.***

21 ***(2) Upon making any such transfer pursuant to paragraph (1), the***
22 ***director of accounts and reports shall give notice thereof to the attorney***
23 ***general and the executive director of the Kansas racing and gaming***
24 ***commission, who shall make the proper entries on the records of their***
25 ***respective offices to show such transfers.***

26 ***New Sec. 10. (a) There is hereby established the combating white***
27 ***collar crimes and information technology scholarship fund to be***
28 ***administered by the state board of regents. Within the limits of moneys***
29 ***in the fund, a scholarship may be awarded to any qualified student. The***
30 ***amount of each scholarship shall be established annually by the state***
31 ***board of regents.***

32 ***(b) Applications for scholarships from the fund shall be in a form***
33 ***and manner as determined by the state board of regents. The***
34 ***determination of the individuals qualified for scholarships shall be made***
35 ***by the state board of regents and shall be awarded on a priority basis to***
36 ***qualified applicants that are attending a college or university that is***
37 ***located within Kansas. Any scholarship awarded by the state board of***
38 ***regents shall be subject to the applicant entering into an agreement with***
39 ***the state board of regents and subject to repayment for failure to***
40 ***complete the requirements of such agreement.***

41 ***(c) Upon the failure of any person to satisfy the obligation under***
42 ***any agreement entered into pursuant to this section, such person shall***
43 ***pay to the state board of regents an amount equal to the total amount of***

1 *money received by such person pursuant to such agreement plus*
2 *accrued interest at a rate that is equivalent to the interest rate applicable*
3 *to loans made under the federal PLUS program at the time such person*
4 *first entered into an agreement plus five percentage points. Installment*
5 *payments of such amounts may be made in accordance with rules and*
6 *regulations of the state board of regents, except that such installment*
7 *payments shall commence six months after the date of the action or*
8 *circumstances that cause the failure of the person to satisfy the*
9 *obligations of such agreements, as determined by the state board of*
10 *regents based upon the circumstances of each individual case. Amounts*
11 *paid to the state board of regents shall be deposited in the combating*
12 *white collar crimes and information technology scholarship fund.*

13 *(d) The state board of regents may adopt any rules and regulations*
14 *necessary to effectuate the provisions of this section.*

15 *(e) As used in this section, "qualified student" means any Kansas*
16 *resident enrolled in or admitted to an educational and training program*
17 *for combating white collar crimes or information technology that*
18 *addresses electronic security.*

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

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

24 (c) As used in this section:

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

30 (2) "Sports contest" means the same as that term is defined in K.S.A.
31 2019 Supp. 21-6507, and amendments thereto.

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

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

40 Sec. 13. K.S.A. 2019 Supp. 21-6403 is hereby amended to read as
41 follows: 21-6403. As used in K.S.A. 2019 Supp. 21-6403 through 21-
42 6409, and amendments thereto:

43 (a) "Bet" means a bargain in which the parties agree that, dependent

1 upon chance, one stands to win or lose something of value specified in the
2 agreement. A bet does not include:

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

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

13 (3) a lottery as defined in this section;

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

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

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

21 (7) tribal gaming;

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

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

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

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

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

32 *or*

33 (2) tribal gaming;

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

42 (1) Participants in any bingo game managed, operated or conducted
43 in accordance with the laws of the state of Kansas by any bona fide

1 nonprofit religious, charitable, fraternal, educational or veteran
2 organization licensed to manage, operate or conduct bingo games under
3 the laws of the state of Kansas and it shall be conclusively presumed that
4 such sums paid by or for such participants were intended by such
5 participants to be for the benefit of the sponsoring organizations for the use
6 of such sponsoring organizations in furthering the purposes of such
7 sponsoring organizations, as set forth in the appropriate paragraphs of
8 section 501(c) or (d) of the internal revenue code of 1986 and as set forth
9 in K.S.A. 79-4701, and amendments thereto;

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

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

15 (4) a person to participate in tribal gaming;

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

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

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

29 (3) no winning outcome is based:

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

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

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

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

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

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

42 (B) other machine, mechanical device, electronic device or other
43 contrivance including, but not limited to, roulette wheels and similar

1 devices, which are equipped with or designed to accommodate the addition
2 of a mechanism that enables accumulated credits to be removed, is
3 equipped with or designed to accommodate a mechanism to record the
4 number of credits removed or is otherwise designed, manufactured or
5 altered primarily for use in connection with gambling, and:

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

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

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

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

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

19 (2) "Gambling device" shall not include:

20 (A) Any machine, mechanical device, electronic device or other
21 contrivance used or for use by a licensee of the Kansas racing *and gaming*
22 commission, as authorized by law and rules and regulations adopted by the
23 *Kansas racing and gaming* commission, or by the Kansas lottery or
24 Kansas lottery retailers, as authorized by law and rules and regulations
25 adopted by the Kansas lottery commission;

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

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

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

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

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

41 (f) "gambling place" means any place, room, building, vehicle, tent or
42 location which is used, *except in accordance with the Kansas expanded*
43 *lottery act*, for any of the following: Making and settling bets; receiving,

1 holding, recording or forwarding bets or offers to bet; conducting lotteries;
2 or playing gambling devices. Evidence that the place has a general
3 reputation as a gambling place or that, at or about the time in question, it
4 was frequently visited by persons known to be commercial gamblers or
5 known as frequenters of gambling places is admissible on the issue of
6 whether it is a gambling place;

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

9 (h) "tribal gaming commission" means the same as in K.S.A. 74-
10 9802, and amendments thereto.

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

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

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

19 (3) accepting, agreeing to accept or soliciting by a sports participant
20 of any benefit from another person upon an understanding that such sports
21 participant will thereby be influenced not to give such participant's best
22 efforts in a sports contest; or

23 (4) accepting, agreeing to accept or soliciting by a sports official any
24 benefit from another person upon an understanding that such official will
25 perform such official's duties improperly.

26 (b) Sports bribery as defined in:

27 (1) Subsection (a)(1) or (a)(2) is a severity level 98, nonperson
28 felony; and

29 (2) Subsection (a)(3) or (a)(4) is a class A nonperson misdemeanor.

30 (c) As used in this section and K.S.A. 2019 Supp. 21-6508, and
31 amendments thereto:

32 (1) "Sports contest" means any professional or amateur sports or
33 athletic game or contest viewed by the public;

34 (2) "sports participant" means any person who participates or expects
35 to participate in a sports contest as a player, contestant or member of a
36 team, or as a coach, manager, trainer or other person directly associated
37 with a player, contestant or team; and

38 (3) "sports official" means any person who acts or expects to act in a
39 sports contest as an umpire, referee, judge or otherwise to officiate at a
40 sports contest.

41 Sec. 15. K.S.A. 2019 Supp. 21-6508 is hereby amended to read as
42 follows: 21-6508. (a) Tampering with a sports contest is seeking to
43 influence a sports participant or sports official, or tampering with any

1 animal or equipment or other thing involved in the conduct or operation of
2 a sports contest, in a manner known to be contrary to the rules and usages
3 governing such contest and with intent to influence the outcome of such
4 contest.

5 (b) Tampering with a sports contest is a severity level 98, nonperson
6 felony.

7 Sec. 16. K.S.A. 46-2301 is hereby amended to read as follows: 46-
8 2301. As used in ~~this act~~ *K.S.A. 46-2301 through 46-2304, and*
9 *amendments thereto, and section 12, and amendments thereto:*

10 (a) "Class III gaming" has the meaning provided by the Indian
11 gaming regulatory act (25 U.S.C. 2701 et seq.).

12 (b) "Gaming compact" means a tribal-state compact regarding class
13 III gaming as provided by section 11 of the Indian gaming regulatory act
14 (25 U.S.C. 2710).

15 (c) "Committee" or "joint committee" means the joint committee on
16 state-tribal relations.

17 Sec. 17. K.S.A. 74-8702 is hereby amended to read as follows: 74-
18 8702. As used in the Kansas lottery act, unless the context otherwise
19 requires:

20 (a) "Ancillary lottery gaming facility operations" means additional
21 non-lottery facility game products and services not owned and operated by
22 the state which may be included in the overall development associated
23 with the lottery gaming facility. Such operations may include, but are not
24 limited to, restaurants, hotels, motels, museums or entertainment facilities.

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

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

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

43 (e) "Gaming equipment" means any electric, electronic, computerized

1 or electromechanical machine, mechanism, supply or device or any other
2 equipment, ~~which~~ *that* is:

3 (1) Unique to the Kansas lottery and used pursuant to the Kansas
4 lottery act; ~~and~~

5 (2) integral to the operation of an electronic gaming machine or
6 lottery facility game; and

7 (3) affects the results of an electronic gaming machine or lottery
8 facility game by determining win or loss.

9 (f) "Gaming zone" means:

10 (1) The northeast Kansas gaming zone, which consists of Wyandotte
11 county;

12 (2) the southeast Kansas gaming zone, which consists of Crawford
13 and Cherokee counties;

14 (3) the south central Kansas gaming zone, which consists of
15 Sedgwick and Sumner counties; and

16 (4) the southwest Kansas gaming zone, which consists of Ford
17 county.

18 (g) "Gray machine" means any mechanical, electro-mechanical or
19 electronic device, capable of being used for gambling; that is:

20 (1) Not authorized by the Kansas lottery;

21 (2) not linked to a lottery central computer system;

22 (3) available to the public for play; or

23 (4) capable of simulating a game played on an electronic gaming
24 machine or any similar gambling game authorized pursuant to the Kansas
25 expanded lottery act.

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

32 (i) (1) "Instant bingo vending machine" means a machine or
33 electronic device that is purchased or leased by a licensee, as defined by
34 K.S.A. 2019 Supp. 75-5173, and amendments thereto, from a distributor
35 who has been issued a distributor registration certificate pursuant to K.S.A.
36 2019 Supp. 75-5184, and amendments thereto, or leased from the Kansas
37 lottery in fulfillment of the Kansas lottery's obligations under an
38 agreement between the Kansas lottery and a licensee entered into pursuant
39 to K.S.A. 2019 Supp. 75-5189, and amendments thereto, and the sole
40 purpose of which is to:

41 (A) Dispense a printed physical instant bingo ticket after a purchaser
42 inserts cash or other form of consideration into the machine; and

43 (B) allow purchasers to manually check the winning status of the

1 instant bingo ticket.

2 (2) "Instant bingo vending machine" shall not:

3 (A) Provide a visual or audio representation of a bingo card or an
4 electronic gaming machine;

5 (B) visually or functionally have the same characteristics of an
6 electronic instant bingo game or an electronic gaming machine;

7 (C) automatically determine or display the winning status of any
8 dispensed instant bingo ticket;

9 (D) extend or arrange credit for the purchase of an instant bingo
10 ticket;

11 (E) dispense any winnings;

12 (F) dispense any prize;

13 (G) dispense any evidence of a prize other than an instant bingo
14 ticket;

15 (H) provide free instant bingo tickets or any other item that can be
16 redeemed for cash; or

17 (I) dispense any other form of a prize to a purchaser.

18 All physical instant bingo tickets dispensed by an instant bingo vending
19 machine shall be purchased by a licensee, as defined by K.S.A. 2019 Supp.
20 75-5173, and amendments thereto, from a registered distributor.

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

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

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

27 ~~(l)~~(l) "Lottery facility games" means any electronic gaming machines
28 and any other games ~~which, as of January 1, 2007, that~~ are authorized to
29 be conducted or operated at ~~a tribal gaming facility, as defined in K.S.A.~~
30 ~~74-9802, and amendments thereto, located within the boundaries of this~~
31 ~~state~~ *any licensed gaming facility in the United States, except that the state*
32 *may also operate sports wagering as authorized by this act.*

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

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

42 ~~(o)~~(o) "Lottery gaming facility expenses" means normal business
43 expenses, as defined in the lottery gaming facility management contract,

1 associated with the ownership and operation of a lottery gaming facility.

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

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

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

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

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

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

28 (2) "Lottery machine" shall not mean:

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

31 (B) any nonprescription drug machine authorized under K.S.A. 65-
32 650, and amendments thereto;

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

35 (D) any machine excluded from the definition of gambling devices
36 under K.S.A. 21-4302(d), prior to its repeal, or K.S.A. 2019 Supp. 21-
37 6403, and amendments thereto;

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

40 (F) any lottery ticket vending machine; or

41 (G) any instant bingo vending machine.

42 ~~(t)~~ "Lottery retailer" means any person with whom the Kansas
43 lottery has contracted to sell lottery tickets or shares, or both, to the public.

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

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

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

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

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

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

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

18 (C) automatically determine or display the winning status of any
19 dispensed ticket;

20 (D) extend or arrange credit for the purchase of a ticket;

21 (E) dispense any winnings;

22 (F) dispense any prize;

23 (G) dispense any evidence of a prize other than the lottery ticket,
24 keno ticket, pull tab ticket or any free Kansas lottery ticket received as a
25 result of the purchase of another Kansas lottery ticket;

26 (H) provide free games or any other item that can be redeemed for
27 cash; or

28 (I) dispense any other form of a prize to a purchaser.

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

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

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

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

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

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

13 ~~(w)~~(y) "Organization licensee" has the meaning provided by K.S.A.
14 74-8802, and amendments thereto.

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

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

22 ~~(z)~~(bb) "Person" means any natural person, association, limited
23 liability company, corporation or partnership.

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

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

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

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

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

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

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

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

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

17 (kk) **"Sports governing body" means the organization that**
18 **prescribes the final rules and enforces codes of conduct with respect to a**
19 **sporting event and the participants in such event.**

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

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

33 ~~(H)~~(mm) "Sports wagering manager" means any lottery gaming
34 facility manager that has an approved management contract that provides
35 for management of sports wagering.

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

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

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

7 ~~(jj)(pp)~~**(qq)** "Vendor" means any person who has entered into a major
8 procurement contract with the Kansas lottery.

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

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

18 Sec. 18. K.S.A. 74-8710 is hereby amended to read as follows: 74-
19 8710. (a) The commission, upon the recommendation of the executive
20 director, shall adopt rules and regulations governing the establishment and
21 operation of a state lottery, sales of lottery tickets, *sports wagering* and the
22 operation of lottery gaming facilities and racetrack gaming facilities as
23 necessary to carry out the purposes of the Kansas lottery act and the
24 Kansas expanded lottery act. Temporary rules and regulations may be
25 adopted by the commission without being subject to the provisions and
26 requirements of K.S.A. 77-415 through 77-438, and amendments thereto,
27 but shall be subject to approval by the attorney general as to legality and
28 shall be filed with the secretary of state and published in the Kansas
29 register. Temporary and permanent rules and regulations may include, but
30 shall not be limited to:

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

36 (A) *Provide or be accompanied by any music or audio sound effects,*
37 *animated visual display or any audio or visual effects that portray,*
38 *simulate, emulate or resemble an electronic gaming machine;*

39 (B) *visually or functionally operate or appear to operate as an*
40 *electronic gaming machine or a facsimile thereof;*

41 (C) *extend or arrange credit for the purchase of a ticket;*

42 (D) *allow for the redemption of a lottery ticket other than at a lottery*
43 *retail location or a Kansas lottery office; or*

1 (E) *determine the winner of any game in less than four minutes from*
2 *the time the lottery ticket is purchased or acquired.*

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

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

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

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

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

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

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

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

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

21 (11) Information required to be submitted by vendors, in addition to
22 that required by K.S.A. 74-8705, and amendments thereto.

23 (12) The major procurement contracts or portions thereof to be
24 awarded to minority business enterprises pursuant to ~~subsection (a) of~~
25 K.S.A. 74-8705(a), and amendments thereto, and procedures for the award
26 thereof.

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

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

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

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

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

1 *limited to:*

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

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

6 *(C) provisions requiring sports wagering managers, if available by*
7 *reasonable efforts, to maintain records of at least all persons making*
8 *sports wagers in an aggregate amount of \$1,200 or more within any 24-*
9 *hour period of time for a minimum of 60 days and to make such records*
10 *available for inspection upon request of the Kansas lottery, the Kansas*
11 *racing and gaming commission or as required by court order;*

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

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

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

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

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

37 Sec. 19. K.S.A. 74-8711 is hereby amended to read as follows: 74-
38 8711. (a) There is hereby established in the state treasury the lottery
39 operating fund.

40 (b) Except as provided by K.S.A. 74-8724, *and amendments thereto,*
41 *and the Kansas expanded lottery act, ~~and amendments thereto,~~* the
42 executive director shall remit all moneys collected from the sale of lottery
43 tickets and shares and any other moneys received by or on behalf of the

1 Kansas lottery to the state treasurer in accordance with the provisions of
2 K.S.A. 75-4215, and amendments thereto. Upon receipt of each such
3 remittance, the state treasurer shall deposit the entire amount in the state
4 treasury to the credit of the lottery operating fund. Moneys credited to the
5 fund shall be expended or transferred only as provided by this act.
6 Expenditures from such fund shall be made in accordance with
7 appropriations acts upon warrants of the director of accounts and reports
8 issued pursuant to vouchers approved by the executive director or by a
9 person designated by the executive director.

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

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

20 (2) the payment of compensation to lottery retailers;

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

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

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

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

30 (7) transfers to the county reappraisal fund as prescribed by law.

31 (d) The director of accounts and reports shall transfer moneys in the
32 lottery operating fund to the state gaming revenues fund created by K.S.A.
33 79-4801, and amendments thereto, on or before the 15th day of each month
34 in an amount certified monthly by the executive director and determined as
35 follows, whichever is greater:

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

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

1 estimated returned tickets.

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

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

15 (f) *On July 1, 2021, and each July 1 thereafter, or as soon as moneys
16 are available:-*

17 ***(1) Of the first ~~\$750,000~~ \$1,550,000 credited to the lottery operating
18 fund from sports wagering revenues deposited in the lottery operating
19 fund, \$750,000 shall be transferred by the director of accounts and reports
20 from the lottery operating fund to the white collar crime fund established
21 in section ~~9~~ 9, and amendments thereto, and up to \$800,000 shall be
22 transferred to the horse fair racing benefit fund established in K.S.A. 74-
23 8838, and amendments thereto, until the unobligated principal balance
24 of the horse fair racing benefit fund equals \$1,000,000; and***

25 ***(2) of the remaining moneys, 33% shall be transferred by the
26 director of accounts and reports from the lottery operating fund to the
27 combating white collar crimes and information technology scholarship
28 fund established in section 10, and amendments thereto.***

29 Sec. 20. 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 (A) contracts or seeks to
41 contract with the state to supply gaming equipment, materials, tickets or
42 consulting services for use in the lottery or (B) is a lottery retailer or an
43 applicant for lottery retailer.

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

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

14 (1) Any lottery gaming facility manager, subcontractor or agent of a
15 lottery gaming facility manager, manufacturer or vendor of electronic
16 gaming machines, *an interactive sports wagering platform* or central
17 computer system provider, or any business ~~which~~ *that* sells goods or
18 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 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,
36 *an interactive sports wagering platform* or central computer system
37 provider.

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

1 director's, member's or employee's official duties.

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

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

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

11 Sec. 21. K.S.A. 74-8718 is hereby amended to read as follows: 74-
12 8718. (a) It is unlawful:

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

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

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

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

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

24 (B) *visually or functionally operates or appears to operate as an*
25 *electronic gaming machine or facsimile thereof;*

26 (C) *extends or arranges credit for the purchase of a ticket;*

27 (D) *allows for the redemption of a lottery ticket other than at a*
28 *lottery retail location or a Kansas lottery office;*

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

31 (F) *allows a player to play more than one game at a time for any one*
32 *device or any one player.*

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

35 (2) violation of this section is a severity level 9, nonperson felony
36 upon conviction for a second or subsequent offense.

37 Sec. 22. K.S.A. 74-8733 is hereby amended to read as follows: 74-
38 8733. (a) K.S.A. 74-8733 through 74-8773, *and amendments thereto, and*
39 *sections 1 through 10,* and amendments thereto, shall be known and may
40 be cited as the Kansas expanded lottery act. The Kansas expanded lottery
41 act shall be part of and supplemental to the Kansas lottery act.

42 (b) If any provision of this act or the application thereof to any person
43 or circumstance is held invalid, the invalidity shall not affect any other

1 provision or application of the act which can be given effect without the
2 invalid provision or application.

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

8 Sec. 23. K.S.A. 74-8734 is hereby amended to read as follows: 74-
9 8734. (a) The Kansas lottery may operate one lottery gaming facility in
10 each gaming zone.

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

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

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

37 (e) In determining whether to approve a management contract with a
38 prospective lottery gaming facility manager to manage a lottery gaming
39 facility or lottery gaming enterprise pursuant to this section, the
40 commission shall take into consideration the following factors: The size of
41 the proposed facility; the geographic area in which such facility is to be
42 located; the proposed facility's location as a tourist and entertainment
43 destination; the estimated number of tourists that would be attracted by the

1 proposed facility; the number and type of lottery facility games to be
2 operated at the proposed facility; and agreements related to ancillary
3 lottery gaming facility operations.

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

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

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

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

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

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

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

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

42 (3) establish a mechanism to facilitate payment of lottery gaming
43 facility expenses, payment of the lottery gaming facility manager's share of

1 the lottery gaming facility revenues and distribution of the state's share of
2 the lottery gaming facility revenues;

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

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

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

19 (7) incorporate terms and conditions for the ancillary lottery gaming
20 facility operations;

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

25 (9) include financing commitments for construction;

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

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

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

40 (13) include a provision for 2% of lottery gaming facility revenues,
41 ***and 2% of sports wagering revenues if such contract includes provisions***
42 ***for the operation and management of sports wagering,*** to be paid to the
43 problem gambling and addictions grant fund established by K.S.A. ~~2019~~

1 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 *and sports wagering*;

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 *and sports wagering revenues*;
9 enforcement of all state laws and maintenance of the integrity of gaming
10 operations; and

11 (19) include enforceable provisions: (A) Prohibiting the state, until
12 July 1, 2032, from: (i) Entering into management contracts for more than
13 four lottery gaming facilities or similar gaming facilities, one ~~to be~~-located
14 in the northeast Kansas gaming zone, one ~~to be~~-located in the south central
15 Kansas gaming zone, one ~~to be~~-located in the southwest Kansas gaming
16 zone and one ~~to be~~-located in the southeast Kansas gaming zone; (ii)
17 designating additional areas of the state where operation of lottery gaming
18 facilities or similar gaming facilities would be authorized; or (iii) operating
19 an aggregate of more than 2,800 electronic gaming machines at all
20 parimutuel licensee locations; and (B) requiring the state to repay to the
21 lottery gaming facility manager an amount equal to the privilege fee paid
22 by such lottery gaming facility manager, plus interest on such amount,
23 compounded annually at the rate of 10%, if the state violates the
24 prohibition provision described in *subparagraph* (A).

25 (i) *(1) Any management contract approved by the commission under*
26 *this section may include provisions for operating and managing sports*
27 *wagering by the lottery gaming facility manager in person at the lottery*
28 *gaming facility and via the lottery gaming facility through no more than*
29 *two interactive sports wagering platforms using the odds and wagers*
30 *authorized by the Kansas lottery.*

31 (2) *If a management contract includes provisions for sports*
32 *wagering, then such contract shall provide that the state shall retain 7.5%*
33 *{5.5%} of all sports wagering revenues received from wagers placed in*
34 *person at each lottery gaming facility and ~~10%~~ {8%} of all sports*
35 *wagering revenues received by each lottery gaming facility manager from*
36 *wagers placed on the interactive sports betting platform selected by the*
37 *lottery gaming facility manager and approved by the executive director.*

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

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

43 ~~(k)~~(l) A person who is the manager of the racetrack gaming facility in

1 a gaming zone shall not be eligible to be the manager of the lottery gaming
2 facility in the same zone.

3 ~~(h)~~(m) Management contracts authorized by this section may include
4 provisions relating to:

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

7 (2) minimum requirements for a lottery gaming facility manager to
8 provide qualified oversight, security and supervision of the lottery facility
9 games including the use of qualified personnel with experience in
10 applicable technology;

11 (3) eligibility requirements for employees, contractors or agents of a
12 lottery gaming facility manager who will have responsibility for or
13 involvement with actual gaming activities or for the handling of cash or
14 tokens;

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

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

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

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

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

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

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

41 (3) *If a lottery gaming facility manager agrees to manage sports*
42 *wagering, the Kansas lottery shall be the licensee or owner of all software*
43 *programs used in conducting sports wagering and the lottery gaming*

1 *facility manager, on behalf of the state, shall purchase or lease for the*
2 *Kansas lottery in the name of the Kansas lottery any equipment or other*
3 *property deemed necessary for the lottery gaming facility manager for*
4 *managing sports wagering at the lottery gaming facility. All sports*
5 *wagering shall be subject to the control of the Kansas lottery in*
6 *accordance with the Kansas expanded lottery act.*

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

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

21 Sec. 24. K.S.A. 74-8751 is hereby amended to read as follows: 74-
22 8751. (a) The Kansas racing and gaming commission, through *temporary*
23 *and permanent* rules and regulations, shall establish:

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

40 (2) a certification requirement, and enforcement procedure, for
41 those persons, including electronic gaming machine manufacturers,
42 technology providers and computer system providers, who propose to
43 contract with a lottery gaming facility manager, a racetrack gaming facility

1 manager or the state for the provision of goods or services related to a
 2 lottery gaming facility or racetrack gaming facility, including management
 3 services. Such certification requirements shall include compliance with
 4 such security, fitness and background investigations and standards of
 5 officers, directors, key gaming employees and persons directly or
 6 indirectly owning a ~~0.5%~~ 5% or more interest in such entity as the
 7 executive director of the Kansas racing and gaming commission deems
 8 necessary to determine whether such person's reputation, habits and
 9 associations pose a threat to the public interest of the state or to the
 10 reputation of or effective regulation and control of the lottery gaming
 11 facility or racetrack gaming facility. ~~Any person convicted of any felony, a~~
 12 ~~crime involving gambling or a crime of moral turpitude prior to applying~~
 13 ~~for a certificate hereunder or at any time thereafter shall be deemed unfit.~~
 14 If the executive director of the racing and gaming commission determines
 15 the certification standards of another state are comprehensive, thorough
 16 and provide similar adequate safeguards, the executive director may
 17 certify an applicant already certified in such state without the necessity of
 18 a full application and background check. ~~The Kansas racing and gaming~~
 19 ~~commission shall conduct the security, fitness and background checks~~
 20 ~~required pursuant to this subsection. Certification pursuant to this~~
 21 ~~subsection shall not be assignable or transferable;~~

22 ~~(e)~~ (3) (A) a certification requirement and enforcement procedure for:

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

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

32 (B) such certification requirement shall include compliance with such
 33 security, fitness and background investigations and standards as the
 34 executive director deems necessary to determine whether such person's
 35 reputation, habits or associations pose a threat to the public interest of the
 36 state or to the reputation of, or effective regulation and control of, sports
 37 wagering conducted by the lottery gaming facility. Such certification shall
 38 be valid for one year from the date of issuance;

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

43 ~~(+)~~(A) Has knowingly provided false or misleading material

1 information to the Kansas lottery or its employees; or

2 ~~(2)-(B)~~ has been convicted of a felony, gambling related offense or
3 any crime of moral turpitude; ~~and~~

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

8 ~~(1)-(A)~~ Has failed to notify the Kansas lottery about a material change
9 in ownership of the certificate holder, or any change in the directors or
10 officers thereof;

11 ~~(2)-(B)~~ is delinquent in remitting money owed to the Kansas lottery;

12 ~~(3)-(C)~~ has violated any provision of any contract between the Kansas
13 lottery and the certificate holder; or

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

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

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

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

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

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

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

30 Sec. 25. K.S.A. 74-8752 is hereby amended to read as follows: 74-
31 8752. (a) The executive director of the Kansas lottery and the executive
32 director of the Kansas racing and gaming commission, or their designees,
33 may observe and inspect all electronic gaming machines, lottery facility
34 games, *sports wagering operations*, lottery gaming facilities, racetrack
35 gaming facilities and all related equipment and facilities operated by a
36 lottery gaming facility manager or racetrack gaming facility manager.

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

40 (1) Examine, or cause to be examined by any agent or representative
41 designated by such executive director, any books, papers, records or
42 memoranda of any lottery gaming facility manager or racetrack gaming
43 facility manager, or of any business involved in electronic gaming

1 machines—~~or~~, lottery facility games *or sports wagering operations*
2 authorized pursuant to the Kansas expanded lottery act, for the purpose of
3 ascertaining compliance with any provision of the Kansas lottery act, the
4 Kansas expanded lottery act, or any rules and regulations adopted
5 thereunder;

6 (2) investigate alleged violations of the Kansas expanded lottery act
7 and alleged violations of any rules and regulations, orders and final
8 decisions of the Kansas lottery commission, the executive director of the
9 Kansas lottery, the Kansas racing and gaming commission or the executive
10 director of the Kansas racing and gaming commission;

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

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

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

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

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

42 (e) None of the information disclosed pursuant to subsection (b) or
43 (d) shall be subject to disclosure under the Kansas open records act,

1 K.S.A. 45-216 et seq., and amendments thereto.

2 Sec. 26. K.S.A. 74-8757 is hereby amended to read as follows: 74-
3 8757. (a) A person less than 21 years of age shall not be permitted in an
4 area where electronic gaming machines or lottery facility games are being
5 conducted, except for a person at least 18 years of age who is an employee
6 of the lottery gaming facility manager or the racetrack gaming facility
7 manager. No employee under age 21 shall perform any function involved
8 in gaming by the patrons.

9 (b) No person under age 21 shall:

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

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

14 Sec. 27. K.S.A. 74-8758 is hereby amended to read as follows: 74-
15 8758. (a) Except as authorized in subsection (c), it is unlawful for any
16 racetrack gaming facility manager, or any employee or agent thereof, to
17 allow any person to play an electronic gaming machine game at a
18 racetrack gaming facility, or share in winnings of such person, knowing
19 such person to be:

20 (1) Less than 21 years of age;

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

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

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

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

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

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

35 Violation of this subsection is a class A nonperson misdemeanor upon
36 conviction for a first offense. Violation of this subsection is a severity level
37 9, nonperson felony upon conviction for the second or a subsequent
38 offense.

39 (b) Except as authorized in subsection (c), it is unlawful for any
40 lottery gaming facility manager, or its employees or agents, to allow any
41 person to play electronic gaming machines or lottery facility games at a
42 lottery gaming facility or share in winnings of such person knowing such
43 person to be:

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

16 Violation of this subsection is a class A nonperson misdemeanor upon
17 conviction for a first offense. Violation of this subsection is a severity level
18 9, nonperson felony upon conviction for a second or subsequent offense.

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

30 Sec. 28. K.S.A. 74-8760 is hereby amended to read as follows: 74-
31 8760. (a) Except in accordance with rules and regulations of the Kansas
32 racing and gaming commission or by written authority from the executive
33 director of the Kansas racing and gaming commission in performing
34 installation, maintenance, inspection and repair services, it is a class A
35 nonperson misdemeanor for the following to place a wager on or play an
36 electronic gaming machine game or a lottery facility game at a lottery
37 gaming facility in this state: The executive director of the Kansas lottery, a
38 member of the Kansas lottery commission or any employee or agent of the
39 Kansas lottery; the executive director, a member or any employee or agent
40 of the Kansas racing and gaming commission; or the lottery gaming
41 facility manager or any employee of the lottery gaming facility manager.

42 (b) Except in accordance with rules and regulations of the Kansas
43 racing and gaming commission or by written authority from the executive

1 director of the Kansas racing and gaming commission in performing
2 installation, maintenance, inspection and repair services, it is a class A
3 nonperson misdemeanor for the following to place a ~~wager on or play an~~
4 ~~electronic gaming machine at a racetrack gaming facility in this state~~
5 ~~sports wager in the state:~~

6 (1) The executive director of the Kansas lottery, a member of the
7 Kansas lottery commission or any employee or agent of the Kansas lottery;

8 (2) the executive director, a member or any employee or agent of the
9 Kansas racing and gaming commission; ~~or the racetrack gaming facility~~
10 ~~manager or any employee of the racetrack gaming facility manager~~

11 (3) *a sports wagering manager; any director, officer, owner or*
12 *employee of such sports wagering manager or any relative living in the*
13 *same household as such persons who places any wager with the manager*
14 *at the manager's location or through the manager's interactive sports*
15 *wagering platform;*

16 (4) *an interactive sports wagering platform, any director, officer,*
17 *owner or employee of such platform or any relative living in the same*
18 *household as such persons who places any wager with the manager at the*
19 *manager's location or through the manager's interactive sports wagering*
20 *platform;*

21 (5) *any owner, officer, athlete, coach or other employee of a team; or*

22 (6) *any director, officer or employee of a player or referee union.*

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

25 (1) *As an agent or proxy for other persons;*

26 (2) *using funds derived from illegal activity;*

27 (3) *to conceal money derived from illegal activity;*

28 (4) *through the use of other individuals to place wagers as part of*
29 *any wagering scheme to circumvent any provision of federal or state law;*
30 *or*

31 (5) *using false identification to facilitate the placement of the wager*
32 *or the collection of any prize in violation of federal or state law.*

33 (d) It is a severity level 8, nonperson felony for any person playing or
34 using any electronic gaming machine in Kansas knowingly to:

35 (1) Use other than a lawful coin or legal tender of the United States of
36 America, or to use coin not of the same denomination as the coin intended
37 to be used in an electronic gaming machine, except that in the playing of
38 any electronic gaming machine or similar gaming device, it shall be lawful
39 for any person to use gaming billets, tokens or similar objects therein
40 which are approved by the Kansas racing and gaming commission;

41 (2) possess or use, while on premises where electronic gaming
42 machines are authorized pursuant to the Kansas expanded lottery act, any
43 cheating or thieving device, including, but not limited to, tools, wires,

1 drills, coins attached to strings or wires or electronic or magnetic devices
2 to facilitate removing from any electronic gaming machine any money or
3 contents thereof, except that a duly authorized agent or employee of the
4 Kansas racing and gaming commission, lottery gaming facility manager or
5 racetrack gaming facility manager may possess and use any of the
6 foregoing only in furtherance of the agent's or employee's employment at
7 the lottery gaming facility or racetrack gaming facility; or

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

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

21 Sec. 29. K.S.A. 74-8772 is hereby amended to read as follows: 74-
22 8772. The Kansas racing and gaming commission shall adopt such rules
23 and regulations as the commission deems necessary to carry out the duties
24 and functions of the commission pursuant to the Kansas expanded lottery
25 act. ~~Such Temporary rules and regulations may be adopted by the~~
26 *commission without being subject to the provisions and requirements of*
27 *K.S.A. 77-415 through 77-438, and amendments thereto, but shall be*
28 *subject to approval by the attorney general as to legality and shall be filed*
29 *with the secretary of state and published in the Kansas register. Temporary*
30 *and permanent rules and regulations shall include, but not be limited to,*
31 *rules and regulations:*

32 (a) Promoting the integrity of the gaming and finances of lottery
33 gaming facilities and racetrack gaming facilities and shall meet or exceed
34 industry standards for monitoring and controlling the gaming and finances
35 of lottery gaming facility operations and racetrack gaming facility
36 operations and shall give the Kansas racing and gaming commission
37 sufficient authority to monitor and control the gaming operation and to
38 ensure its integrity and security;

39 (b) prescribing the on-site security arrangements for lottery gaming
40 facilities and racetrack gaming facilities;

41 (c) requiring reporting of information about any lottery gaming
42 facility manager or racetrack gaming facility manager, and its employees,
43 vendors and finances, necessary or desirable to ensure the security of

1 lottery gaming facility and racetrack gaming facility operations. None of
2 the information disclosed pursuant to this subsection shall be subject to
3 disclosure under the Kansas open records act;

4 (d) requiring reporting and auditing of financial information of lottery
5 gaming facility managers and racetrack gaming facility managers,
6 including, but not limited to, the reporting of profits or losses incurred by
7 lottery gaming facility managers and racetrack gaming facility managers
8 and the reporting of such other information as the Kansas racing and
9 gaming commission requires to determine compliance with the Kansas
10 expanded lottery act and rules and regulations adopted hereunder. None of
11 the information disclosed pursuant to this subsection shall be subject to
12 disclosure under the Kansas open records act; and

13 (e) provisions for oversight of all lottery gaming facility operations
14 and racetrack gaming facility operations, including, but not limited to,
15 oversight of internal controls; oversight of security of facilities;
16 performance of background investigations, determination of qualifications
17 and credentialing of employees, contractors and agents of lottery gaming
18 facility managers, ancillary lottery gaming facility operations and
19 racetrack gaming facilities; auditing of lottery gaming facility revenues
20 and net electronic gaming machine income of racetrack gaming facilities;
21 enforcement of all state laws; and maintenance of the integrity of lottery
22 gaming facility and racetrack gaming facility operations.

23 *{Sec. 30. K.S.A. 79-4805 is hereby amended to read as follows: 79-
24 4805. (a) There is hereby established in the state treasury the problem
25 gambling and addictions grant fund. All moneys credited to such fund
26 shall be used only for the awarding of grants under this section. Such
27 fund shall be administered in accordance with this section and the
28 provisions of appropriation acts.*

29 *(b) All expenditures from the problem gambling and addictions
30 grant fund shall be made in accordance with appropriation acts upon
31 warrants of the director of accounts and reports issued pursuant to
32 vouchers approved in the manner prescribed by law.*

33 *(c) (1) There is hereby established a state grant program to provide
34 assistance for the direct treatment of persons diagnosed as suffering
35 from pathological gambling and to provide funding for research
36 regarding the impact of gambling on, prevention and recovery for the
37 residents of Kansas. Research grants awarded under this section may
38 include, but need not be limited to, grants for determining the
39 effectiveness of education and prevention efforts on the prevalence of
40 pathological gambling in Kansas. All grants shall be made after open
41 solicitation of proposals and evaluation of proposals against criteria
42 established in rules and regulations adopted by the secretary of the
43 Kansas department for aging and disability services. Both public and*

1 *private entities shall be eligible to apply for and receive grants under the*
 2 *provisions of this section. The secretary shall ensure that an adequate*
 3 *problem gambling treatment services network is available in Kansas to*
 4 *individuals seeking treatment for a pathological gambling disorder.*

5 **(2) Moneys in the problem gambling and addictions grant fund**~~may~~
 6 ~~shall be used to:~~

7 (A) *To fund a helpline with text messaging and chat capabilities; and*

8 (B) *for the treatment, research, education or prevention of*
 9 *pathological gambling.*

10 (3) *Moneys in the problem gambling and addictions grant fund that*
 11 *are not used for the purposes described in paragraph (2) shall be used to*
 12 **treat alcoholism, drug abuse and, other addictive behaviors** ~~and~~ *and other co-*
 13 *occurring behavioral health disorders.*

14 (d) *The secretary for aging and disability services is hereby*
 15 *authorized to receive moneys from any grants, gifts, contributions or*
 16 *bequests made for the purpose of funding grants under this section and*
 17 *to expend such moneys for the purpose for which received.*

18 (e) *All grants made in accordance with this section shall be made*
 19 *from the problem gambling and addictions grant fund. The secretary*
 20 *shall administer the provisions of this section and shall adopt rules and*
 21 *regulations establishing criteria for qualification to receive grants and*
 22 *such other matters deemed necessary by the secretary for the*
 23 *administration of this section. Such rules and regulations shall include,*
 24 *but need not be limited to, a requirement that each recipient of a grant to*
 25 *provide treatment for pathological gamblers report at least annually to*
 26 *the secretary the grantee's measurable achievement of specific outcome*
 27 *goals.*

28 (f) *For the purpose of this section, "pathological gambling" means*
 29 *the disorder by that name described in the most recent edition of the*
 30 *American psychiatric association's diagnostic and statistical manual.*

31 ~~(g) On the effective date of this act the director of accounts and~~
 32 ~~reports shall transfer all moneys in the problem gambling grant fund to the~~
 33 ~~problem gambling and addictions grant fund. Thereupon the problem~~
 34 ~~gambling grant fund shall be and is hereby abolished~~ *The problem*
 35 *gambling and addictions grant fund and any other moneys transferred*
 36 *pursuant to this section shall be used for the purposes set forth in this*
 37 *section and for no other governmental purposes. It is the intent of the*
 38 *legislature that the funds and the moneys deposited in this fund shall*
 39 *remain intact and inviolate for the purposes set forth in this section.*

40 ~~Sec. 30. {31.}~~ K.S.A. 79-4806 is hereby amended to read as follows:
 41 79-4806. On July 1 of each year or as soon thereafter as sufficient moneys
 42 are available, ~~\$80,000~~ \$100,000 credited to the state gaming revenues fund
 43 shall be transferred and credited to the problem gambling *and addictions*

1 grant fund established by K.S.A. 79-4805, and amendments thereto.

2 Sec. ~~31.~~ **{32.}** K.S.A. 46-2301, 74-8702, 74-8710, 74-8711, 74-8716,
3 74-8718, 74-8733, 74-8734, 74-8751, 74-8752, 74-8757, 74-8758, 74-
4 8760, 74-8772**{, 79-4805}** and 79-4806 and K.S.A. 2019 Supp. 21-6403,
5 21-6507 and 21-6508 are hereby repealed.

6 Sec. ~~32.~~ **{33.}** This act shall take effect and be in force from and after
7 its publication in the statute book.