

Substitute for SENATE BILL No. 84

By Committee on Federal and State Affairs

3-1

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; authorizing uses of the
4 problem gambling and addictions grant fund; creating the sports
5 wagering receipts fund and the white collar crime fund; amending
6 K.S.A. 46-2301, 74-8702, 74-8710, 74-8711, 74-8716, 74-8718, 74-
7 8733, 74-8734, 74-8751, 74-8752, 74-8756, 74-8757, 74-8758, 74-
8 8760, 74-8772, 79-4805 and 79-4806 and K.S.A. 2020 Supp. 21-6403,
9 21-6507 and 21-6508 and repealing the existing sections.

10
11 *Be it enacted by the Legislature of the State of Kansas:*

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

15 (b) The Kansas lottery may offer sports wagering through lottery
16 gaming facility managers who have contracted with the Kansas lottery in
17 accordance with the Kansas expanded lottery act to manage sports
18 wagering on behalf of the Kansas lottery, including, but not limited to,
19 sports wagering through an interactive sports wagering platform or over
20 the internet or wireless services, as defined in K.S.A. 66-2019, and
21 amendments thereto, through websites and mobile device applications as
22 approved by the Kansas lottery.

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

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

1 New Sec. 3. (a) Each sports wagering manager shall be limited to
2 three interactive sports wagering platforms that shall be approved by the
3 executive director. Any interactive sports wagering platform approved by
4 the executive director shall be able to serve the public convenience and
5 promote sports wagering in accordance with marketing plans developed by
6 the Kansas lottery to offer sports wagers. Any sports wagering manager
7 may enter into a contract on behalf of the Kansas lottery with an approved
8 interactive sports wagering platform. Any such contract shall be approved
9 by the Kansas lottery.

10 (b) A sports wagering manager shall only accept wagers placed
11 through an interactive sports wagering platform from individuals who are
12 physically located within the state of Kansas at the time of submitting the
13 wager. Sports wagering conducted through an interactive sports wagering
14 platform shall be offered only as approved by the Kansas lottery and in
15 accordance with the provisions of the Kansas expanded lottery act.

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

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

37 (e) As used in this section, "sporting facility" means an auto race
38 track facility or major multi-sport athletic complex as those terms are
39 defined in K.S.A. 2020 Supp. 12-17,162, and amendments thereto, that is
40 located in Wyandotte county with a minimum investment of \$50,000,000
41 and is in operation on the effective date of this act.

42 New Sec. 4. (a) The Kansas racing and gaming commission shall
43 adopt rules and regulations regarding the advertisement of sports

1 wagering. Such rules and regulations shall be adopted on or before
2 October 31, 2021, and shall include, but not be limited to:

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

7 (2) disclosure in all such advertisements of the identity of the sports
8 wagering manager and any interactive sports wagering platform involved
9 in the subject matter of such advertisement, including allowing the use of
10 the company name, trade name and brand name of the sports wagering
11 manager or interactive sports wagering platform in such disclosure, in the
12 sole discretion of such sports wagering manager or interactive sports
13 wagering platform;

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

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

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

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

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

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

32 (2) prohibit an interactive sports wagering platform, any director,
33 officer, owner and employee of such platform and any relative living in the
34 same household as such persons from placing any wager through such
35 platform or at the manager's location, except that nothing in this paragraph
36 shall be construed to prohibit any such person from placing any wager
37 through a sports wagering manager or interactive sports wagering platform
38 with which such person has no affiliation;

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

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

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

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

15 (7) propose and comply with sports wagering rules that specify the
16 amounts to be paid on winning sports wagers and the effect of changes in
17 the scheduling of an authorized sporting event subject to sports wagering
18 as established by the Kansas lottery.

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

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

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

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

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

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

37 New Sec. 7. (a) For all persons making wagers in an aggregate
38 amount of \$10,000 or more within any 24-hour period of time, sports
39 wagering managers and such manager's respective interactive sports
40 wagering platforms, if available by commercially reasonable efforts, shall
41 maintain records of:

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

43 (2) the amount and type of the bet;

- 1 (3) the time the bet was placed;
- 2 (4) the location of the bet, including the IP address if applicable;
- 3 (5) the outcome of the bet; and
- 4 (6) any records of abnormal betting activity.

5 (b) Records required by subsection (a) shall be maintained for at least
6 30 days after the sporting event occurs, unless the Kansas racing and
7 gaming commission or the Kansas lottery contacts the sports wagering
8 manager and has reason to believe irregularities may have occurred in
9 regard to one or more particular wagering events, then such records shall
10 be maintained for at least three years after the event occurs.

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

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

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

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

42 (c) The executive director shall allow sports wagering managers to
43 carry over negative sports wagering revenues and apply such amounts to

1 returns filed for subsequent weeks. Sports wagering revenues for a week
2 will be considered negative if the sum of the winnings paid to patrons
3 wagering on such manager's sports wagering plus all voided wagers and
4 excise taxes on sports wagering paid pursuant to federal law, exceeds the
5 manager's total bets accepted from sports wagering by patrons. The
6 negative amount of sports wagering revenues may not be applied back to
7 an earlier week and moneys previously received by the Kansas lottery will
8 not be refunded unless the manager ceases to manage sports wagering and
9 the last return reported negative sports wagering revenues.

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

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

24 (1) Criminal offenses involving or facilitated by:

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

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

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

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

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

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

34 (2) any financial or economic crime involving any unauthorized
35 gambling.

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

40 (c) The attorney general and the executive director of the Kansas
41 racing and gaming commission annually, on or before August 1, shall
42 submit requests to the governor for the amount of such sums that they
43 consider necessary to carry out the purposes of the white collar crime fund.

1 The governor may certify to the director of accounts and reports amounts
2 to be transferred from the white collar crime fund to any special revenue
3 fund or funds of the attorney general and the Kansas racing and gaming
4 commission as deemed appropriate by the governor. Upon receipt of any
5 such certification, the director of accounts and reports shall transfer
6 amounts from the white collar crime fund to the special revenue fund or
7 funds of the attorney general and the Kansas racing and gaming
8 commission in accordance with such certification.

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

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

14 (c) As used in this section:

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

20 (2) "Sports contest" means the same as that term is defined in K.S.A.
21 2020 Supp. 21-6507, and amendments thereto.

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

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

30 Sec. 13. K.S.A. 2020 Supp. 21-6403 is hereby amended to read as
31 follows: 21-6403. As used in K.S.A. 2020 Supp. 21-6403 through 21-
32 6409, and amendments thereto:

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

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

42 (2) offers of purses, prizes or premiums to the actual contestants in
43 any bona fide contest for the determination of skill, speed, strength or

1 endurance or to the bona fide owners of animals or vehicles entered in
2 such a contest;

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

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

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

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

11 (7) tribal gaming;

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

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

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

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

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

22 *or*

23 (2) tribal gaming;

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

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

43 (2) participants in any lottery operated by the state pursuant to the

1 Kansas lottery act;

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

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

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

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

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

19 (3) no winning outcome is based:

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

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

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

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

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

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

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

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

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

43 (C) subassembly or essential part intended to be used in connection

1 with any such machine, mechanical device, electronic device or other
2 contrivance, but which is not attached to any such machine, mechanical
3 device, electronic device or other contrivance as a constituent part; or

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

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

9 (2) "Gambling device" ~~shall~~ *does* not include:

10 (A) Any machine, mechanical device, electronic device or other
11 contrivance used or for use by a licensee of the Kansas racing *and gaming*
12 commission, as authorized by law and rules and regulations adopted by the
13 *Kansas racing and gaming* commission, or by the Kansas lottery or
14 Kansas lottery retailers, as authorized by law and rules and regulations
15 adopted by the Kansas lottery commission;

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

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

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

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

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

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

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

42 (h) "tribal gaming commission" means the same as in K.S.A. 74-
43 9802, and amendments thereto.

1 Sec. 14. K.S.A. 2020 Supp. 21-6507 is hereby amended to read as
2 follows: 21-6507. (a) Sports bribery is:

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

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

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

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

16 (b) Sports bribery as defined in:

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

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

20 (c) As used in this section and K.S.A. 2020 Supp. 21-6508, and
21 amendments thereto:

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

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

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

31 Sec. 15. K.S.A. 2020 Supp. 21-6508 is hereby amended to read as
32 follows: 21-6508. (a) Tampering with a sports contest is seeking to
33 influence a sports participant or sports official, or tampering with any
34 animal or equipment or other thing involved in the conduct or operation of
35 a sports contest, in a manner known to be contrary to the rules and usages
36 governing such contest and with intent to influence the outcome of such
37 contest.

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

40 Sec. 16. K.S.A. 46-2301 is hereby amended to read as follows: 46-
41 2301. As used in ~~this act~~ *K.S.A. 46-2301 through 46-2304, and*
42 *amendments thereto, and section 12, and amendments thereto:*

43 (a) "Class III gaming" has the meaning provided by the Indian

1 gaming regulatory act~~(, 25 U.S.C. 2701 et seq.)~~.

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

4
5 (c) "Committee" or "joint committee" means the joint committee on
6 state-tribal relations.

7 Sec. 17. K.S.A. 74-8702 is hereby amended to read as follows: 74-
8 8702. As used in the Kansas lottery act, unless the context otherwise
9 requires:

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

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

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

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

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

36 (1) Unique to the Kansas lottery and used pursuant to the Kansas
37 lottery act; ~~and~~

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

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

42 (f) "Gaming zone" means:

43 (1) The northeast Kansas gaming zone, which consists of Wyandotte

1 county;

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

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

6 (4) the southwest Kansas gaming zone, which consists of Ford
7 county.

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

10 (1) Not authorized by the Kansas lottery;

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

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

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

16 (h) *"Interactive sports wagering platform" means an integrated*
17 *system of hardware, software and applications, including mobile*
18 *applications and servers, through which sports wagering may be made*
19 *available to persons physically located within the state of Kansas at the*
20 *time of submitting the wager to a sports wagering manager over the*
21 *internet or wireless services as defined in K.S.A. 66-2019, and*
22 *amendments thereto, including, but not limited to, through websites and*
23 *mobile device applications.*

24 (i) (1) "Instant bingo vending machine" means a machine or
25 electronic device that is purchased or leased by a licensee, as defined by
26 K.S.A. 2019 Supp. 75-5173, and amendments thereto, from a distributor
27 who has been issued a distributor registration certificate pursuant to K.S.A.
28 2019 Supp. 75-5184, and amendments thereto, or leased from the Kansas
29 lottery in fulfillment of the Kansas lottery's obligations under an
30 agreement between the Kansas lottery and a licensee entered into pursuant
31 to K.S.A. 2019 Supp. 75-5189, and amendments thereto, and the sole
32 purpose of which is to:

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

35 (B) allow purchasers to manually check the winning status of the
36 instant bingo ticket.

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

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

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

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

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

3 (E) dispense any winnings;

4 (F) dispense any prize;

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

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

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

10 All physical instant bingo tickets dispensed by an instant bingo vending
11 machine shall be purchased by a licensee, as defined by K.S.A. 2019 Supp.
12 75-5173, and amendments thereto, from a registered distributor.

13 ~~No~~ *Not* more than two instant bingo vending machines may be located
14 on the premises of each licensee location.

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

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

19 ~~(l)~~ *(l)* "Lottery facility games" means any electronic gaming machines
20 and any other games ~~which, as of January 1, 2007, that~~ are authorized to
21 be conducted or operated at a tribal gaming facility, as defined in K.S.A.
22 74-9802, and amendments thereto, located within the boundaries of this
23 state *any licensed gaming facility in the United States.*

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

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

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

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

41 ~~(q)~~ *(q)* "Lottery gaming facility manager" means a corporation,
42 limited liability company, resident Kansas American Indian tribe or other
43 business entity authorized to construct and manage, or manage alone,

1 pursuant to a lottery gaming facility management contract with the Kansas
2 lottery, and on behalf of the state, a lottery gaming enterprise and lottery
3 gaming facility.

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

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

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

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

19 (2) "Lottery machine" ~~shall~~ *does* not mean:

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

22 (B) any nonprescription drug machine authorized under K.S.A. 65-
23 650, and amendments thereto;

24 (C) any machine ~~which~~ *that* dispenses only bottled or canned soft
25 drinks, chewing gum, nuts or candies;

26 (D) any machine excluded from the definition of gambling devices
27 under K.S.A. 21-4302(d), prior to its repeal, or K.S.A. 2020 Supp. 21-
28 6403, and amendments thereto;

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

31 (F) any lottery ticket vending machine; or

32 (G) any instant bingo vending machine.

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

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

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

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

1 Kansas lottery ticket; and

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

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

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

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

9 (C) automatically determine or display the winning status of any
10 dispensed ticket;

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

12 (E) dispense any winnings;

13 (F) dispense any prize;

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

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

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

20 ~~No~~ Not more than two lottery ticket vending machines may be located
21 at each Kansas lottery retailer selling location.

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

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

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

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

43 (x) "Net electronic gaming machine income" means all cash or other

1 consideration utilized to play an electronic gaming machine operated at a
2 racetrack gaming facility, less all cash or other consideration paid out to
3 winning players as prizes.

4 ~~(w)(y)~~ "Organization licensee" ~~has the meaning provided by means~~
5 *the same as defined in K.S.A. 74-8802, and amendments thereto.*

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

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

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

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

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

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

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

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

35 ~~(ff)(hh)~~ "Returned ticket" means any ticket ~~which~~ *that* was transferred
36 to a lottery retailer, ~~which~~ was not sold by the lottery retailer and ~~which~~
37 was returned to the Kansas lottery for refund by issuance of a credit or
38 otherwise.

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

42 ~~(hh)(jj)~~ (1) *"Sporting event" means any amateur, professional or*
43 *collegiate sport or athletic event, motor race event, horse race or any*

1 *other event involving individual or team competition authorized by the*
2 *executive director that has not been completed at the time any wager is*
3 *placed on such event.*

4 (2) *"Sporting event" does not include any greyhound race or any*
5 ~~*sporting or athletic event played by individuals that are at the high school*~~
6 ~~*level or below*~~ ***{interscholastic sports event for kindergarten or any of the***
7 ***grades one through 12}***.

8 (kk) (1) *"Sports wagering" means placing a wager on one or more*
9 *sporting events, or any portion thereof, or on the individual performance*
10 *statistics of athletes participating in a sporting event, or combination of*
11 *sporting events, with the wagering made at or through a sports wagering*
12 *manager, including any interactive sports wagering platform of a sports*
13 *wagering manager approved by the Kansas lottery. "Sports wagering"*
14 *includes, but is not limited to, single-game wagers, teaser wagers, parlays,*
15 *over-under wagers, moneyline wagers, pools, exchange wagers, in-play*
16 *wagers, in-game wagers, proposition wagers and straight wagers.*

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

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

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

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

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

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

40 (kk)(qq) *"Video lottery machine" means any electronic video game*
41 *machine that, upon insertion of cash, is available to play or simulate the*
42 *play of a video game authorized by the commission, including, but not*
43 *limited to, bingo, poker, black jack and keno, and ~~which that~~ uses a video*

1 display and microprocessors and in which, by chance, the player may
2 receive free games or credits that can be redeemed for cash.

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

6 Sec. 18. K.S.A. 74-8710 is hereby amended to read as follows: 74-
7 8710. (a) The commission, upon the recommendation of the executive
8 director, shall adopt rules and regulations governing the establishment and
9 operation of a state lottery, sales of lottery tickets, *sports wagering* and the
10 operation of lottery gaming facilities and racetrack gaming facilities as
11 necessary to carry out the purposes of the Kansas lottery act and the
12 Kansas expanded lottery act. Temporary rules and regulations may be
13 adopted by the commission without being subject to the provisions and
14 requirements of K.S.A. 77-415 through 77-438, and amendments thereto,
15 but shall be subject to approval by the attorney general as to legality and
16 shall be filed with the secretary of state and published in the Kansas
17 register. Temporary and permanent rules and regulations may include, but
18 shall not be limited to:

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

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

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

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

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

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

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

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

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

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

- 1 (6) The method or methods to be used in selling tickets or shares.
- 2 (7) Additional qualifications for the selection of lottery retailers and
3 the amount of application fees to be paid by each.
- 4 (8) The amount and method of compensation to be paid to lottery
5 retailers, including special bonuses and incentives.
- 6 (9) Deadlines for claims for prizes by winners of each lottery game.
- 7 (10) Provisions for confidentiality of information submitted by
8 vendors pursuant to K.S.A. 74-8705, and amendments thereto.
- 9 (11) Information required to be submitted by vendors, in addition to
10 that required by K.S.A. 74-8705, and amendments thereto.
- 11 (12) The major procurement contracts or portions thereof to be
12 awarded to minority business enterprises pursuant to ~~subsection (a) of~~
13 K.S.A. 74-8705(a), and amendments thereto, and procedures for the award
14 thereof.
- 15 (13) Rules and regulations to implement, administer and enforce the
16 provisions of the Kansas expanded lottery act. Such rules and regulations
17 shall include, but not be limited to, rules and regulations ~~which~~ *that* govern
18 management contracts and ~~which~~ are designed to:
 - 19 (A) Ensure the integrity of electronic gaming machines ~~and~~, *sports*
20 *wagering*, other lottery facility games and the finances of lottery gaming
21 facilities and racetrack gaming facilities; and
 - 22 (B) *promote responsible gaming and* alleviate problem gambling,
23 including a requirement that each lottery gaming facility and each
24 racetrack gaming facility maintain a self-exclusion list by which
25 individuals may exclude themselves from access to electronic gaming
26 machines ~~and~~, *sports wagering and* other lottery facility games.
- 27 (14) The types of electronic gaming machines, lottery facility games
28 and electronic gaming machine games to be operated pursuant to the
29 Kansas expanded lottery act.
- 30 (15) *Rules and regulations to implement, administer and enforce*
31 *sports wagering. Such rules and regulations shall include, but not be*
32 *limited to:*
 - 33 (A) *Management contracts for sports wagering conducted by lottery*
34 *gaming facility managers;*
 - 35 (B) *provisions ensuring the integrity of sports wagering conducted in*
36 *the state;*
 - 37 (C) *permitting each lottery gaming facility manager, or such*
38 *manager's contracted parties, including any approved interactive sports*
39 *wagering platform, to have employees located outside the state of Kansas*
40 *so that all job functions will conform with 18 U.S.C. § 1081 et seq.;*
 - 41 (D) *permitting the establishment of online sports wagering accounts*
42 *held by a sports wagering manager as approved by the Kansas lottery and*
43 *preestablished online accounts from other states to be accessed within the*

1 *borders of Kansas so that revenue is recorded correctly and all other*
2 *Kansas online rules are followed; and*

3 *(E) allowing sports wagering managers to carry over negative*
4 *amounts to returns filed for subsequent weeks when sports wagering*
5 *revenues for a week are a negative number because the sum of the*
6 *winnings paid to patrons wagering on the manager's sports wagering plus*
7 *all voided wagers and excise taxes on sports wagering paid pursuant to*
8 *federal law exceeds the manager's total bets accepted from sports*
9 *wagering by patrons. The negative amounts of sports wagering revenues*
10 *may not be carried back to an earlier week and moneys previously*
11 *received by the lottery will not be refunded, except if the manager ceases*
12 *to manage sports wagering and the last return reported negative adjusted*
13 *gross receipts.*

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

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

23 Sec. 19. K.S.A. 74-8711 is hereby amended to read as follows: 74-
24 8711. (a) There is hereby established in the state treasury the lottery
25 operating fund.

26 (b) Except as provided by K.S.A. 74-8724, *and amendments thereto*,
27 ~~and the Kansas expanded lottery act, and amendments thereto~~, the
28 executive director shall remit all moneys collected from the sale of lottery
29 tickets and shares and any other moneys received by or on behalf of the
30 Kansas lottery to the state treasurer in accordance with the provisions of
31 K.S.A. 75-4215, and amendments thereto. Upon receipt of each such
32 remittance, the state treasurer shall deposit the entire amount in the state
33 treasury to the credit of the lottery operating fund. Moneys credited to the
34 fund shall be expended or transferred only as provided by this act.
35 Expenditures from such fund shall be made in accordance with
36 appropriations acts upon warrants of the director of accounts and reports
37 issued pursuant to vouchers approved by the executive director or by a
38 person designated by the executive director.

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

40 (1) The payment of expenses of the lottery, which shall include all
41 costs incurred in the operation and administration of the Kansas lottery; all
42 costs resulting from contracts entered into for the purchase or lease of
43 goods and services needed for operation of the lottery, including but not

1 limited to supplies, materials, tickets, independent studies and surveys,
2 data transmission, advertising, printing, promotion, incentives, public
3 relations, communications and distribution of tickets and shares; and
4 reimbursement of costs of facilities and services provided by other state
5 agencies;

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

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

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

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

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

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

17 (d) The director of accounts and reports shall transfer moneys in the
18 lottery operating fund to the state gaming revenues fund created by K.S.A.
19 79-4801, and amendments thereto, on or before the 15th day of each month
20 in an amount certified monthly by the executive director and determined as
21 follows, whichever is greater:

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

25 (2) except for pull-tab lottery tickets and shares, an amount equal to
26 not less than 30% of total monthly revenues from the sales of lottery
27 tickets and shares less estimated returned tickets. In the case of pull-tab
28 lottery tickets and shares, an amount equal to not less than 20% of the total
29 monthly revenues from the sales of pull-tab lottery tickets and shares less
30 estimated returned tickets.

31 (e) (1) Subject to the limitations set forth in paragraph (2),
32 commencing in fiscal year 2019, on or before the 10th day of each month,
33 the director of the lottery shall certify to the director of accounts and
34 reports all net profits from the sale of lottery tickets and shares via lottery
35 ticket vending machines. Of such certified amount, the director of
36 accounts and reports shall transfer 75% from the lottery operating fund to
37 the community crisis stabilization centers fund of the Kansas department
38 for aging and disability services and 25% from the lottery operating fund
39 to the clubhouse model program fund of the Kansas department for aging
40 and disability services.

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

1 (f) *On July 1, 2022, and each July 1 thereafter, or as soon as moneys*
2 *are available, the first \$750,000 credited to the lottery operating fund from*
3 *sports wagering revenues deposited in the lottery operating fund shall be*
4 *transferred by the director of accounts and reports from the lottery*
5 *operating fund to the white collar crime fund established in section 10,*
6 *and amendments thereto.*

7 Sec. 20. K.S.A. 74-8716 is hereby amended to read as follows: 74-
8 8716. (a) It is unlawful for the executive director, a member of the
9 commission or any employee of the Kansas lottery, or any person residing
10 in the household thereof to:

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

15 (2) accept or agree to accept any economic opportunity, gift, loan,
16 gratuity, special discount, favor or service, or hospitality other than food
17 and beverages, having an aggregate value of \$20 or more in any calendar
18 year from a person knowing that such person: (A) Contracts or seeks to
19 contract with the state to supply gaming equipment, materials, tickets or
20 consulting services for use in the lottery; or (B) is a lottery retailer or an
21 applicant for lottery retailer.

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

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

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

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

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

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

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

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

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

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

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

32 Sec. 21. K.S.A. 74-8718 is hereby amended to read as follows: 74-
33 8718. (a) It is unlawful:

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

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

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

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

42 (A) *Provides or is accompanied by any music or audio sound effects,*
43 *animated visual display or any audio or visual effects that portray,*

1 *simulate, emulate or resemble an electronic gaming machine;*

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

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

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

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

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

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

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

15 Sec. 22. K.S.A. 74-8733 is hereby amended to read as follows: 74-
16 8733. (a) K.S.A. 74-8733 through 74-8773, *and amendments thereto, and*
17 *sections 1 through 10,* and amendments thereto, shall be known and may
18 be cited as the Kansas expanded lottery act. The Kansas expanded lottery
19 act shall be *a part of and supplemental to the Kansas lottery act.*

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

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

29 Sec. 23. K.S.A. 74-8734 is hereby amended to read as follows: 74-
30 8734. (a) The Kansas lottery may operate one lottery gaming facility in
31 each gaming zone.

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

40 (c) The lottery commission shall adopt standards to promote the
41 integrity of the gaming and finances of lottery gaming facilities, which
42 shall apply to all management contracts, shall meet or exceed industry
43 standards for monitoring and controlling the gaming and finances of

1 gaming facilities and shall give the executive director sufficient authority
2 to monitor and control the gaming operation and to ensure its integrity and
3 security.

4 (d) The Kansas lottery commission may approve management
5 contracts with one or more prospective lottery gaming facility managers to
6 manage, or construct and manage, on behalf of the state of Kansas and
7 subject to the operational control of the Kansas lottery, a lottery gaming
8 facility or lottery gaming enterprise at specified destination locations
9 within the northeast, south central, southwest and southeast Kansas
10 gaming zones where the commission determines the operation of such
11 facility would promote tourism and economic development. The
12 commission shall approve or disapprove a proposed management contract
13 within 90 days after the deadline for receipt of proposals established
14 pursuant to subsection (b).

15 (e) In determining whether to approve a management contract with a
16 prospective lottery gaming facility manager to manage a lottery gaming
17 facility or lottery gaming enterprise pursuant to this section, the
18 commission shall take into consideration the following factors: The size of
19 the proposed facility; the geographic area in which such facility is to be
20 located; the proposed facility's location as a tourist and entertainment
21 destination; the estimated number of tourists that would be attracted by the
22 proposed facility; the number and type of lottery facility games to be
23 operated at the proposed facility; and agreements related to ancillary
24 lottery gaming facility operations.

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

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

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

36 (B) the prospective lottery gaming facility manager is not a resident
37 Kansas American Indian tribe and, at a minimum: (i) Has sufficient access
38 to financial resources to support the activities required of a lottery gaming
39 facility manager under the Kansas expanded lottery act; (ii) is current in
40 filing all applicable tax returns and in payment of all taxes, interest and
41 penalties owed to the state of Kansas and any taxing subdivision where
42 such prospective manager is located in the state of Kansas, excluding
43 items under formal appeal pursuant to applicable statutes; and (iii) has

1 three consecutive years' experience in the management of gaming which
2 would be class III gaming, as defined in K.S.A. 46-2301, and amendments
3 thereto, operated pursuant to state or federal law; and

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

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

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

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

20 (3) establish a mechanism to facilitate payment of lottery gaming
21 facility expenses, payment of the lottery gaming facility manager's share of
22 the lottery gaming facility revenues and distribution of the state's share of
23 the lottery gaming facility revenues;

24 (4) include a provision for the lottery gaming facility manager to pay
25 the costs of oversight and regulation of the lottery gaming facility manager
26 and the operations of the lottery gaming facility by the Kansas racing and
27 gaming commission;

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

30 (6) provide for the prospective lottery gaming facility manager, upon
31 approval of the proposed lottery gaming facility management contract, to
32 pay to the state treasurer a privilege fee of \$25,000,000 for the privilege of
33 being selected as a lottery gaming facility manager of a lottery gaming
34 facility in the northeast or south central Kansas gaming zone and
35 \$5,500,000 for the privilege of being selected as a lottery gaming facility
36 manager of a lottery gaming facility in the southeast or southwest Kansas
37 gaming zone. Such fee shall be deposited in the state treasury and credited
38 to the lottery gaming facility manager fund, which is hereby created in the
39 state treasury;

40 (7) incorporate terms and conditions for the ancillary lottery gaming
41 facility operations;

42 (8) designate as key employees, subject to approval of the executive
43 director, any employees or contractors providing services or functions

1 which are related to lottery facility games authorized by a management
2 contract;

3 (9) include financing commitments for construction;

4 (10) include a resolution of endorsement from the city governing
5 body, if the proposed facility is within the corporate limits of a city, or
6 from the county commission, if the proposed facility is located in the
7 unincorporated area of the county;

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

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

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

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

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

43 (16) (A) if the lottery gaming facility is located in the southeast or

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

11 (17) allow the lottery gaming facility manager to manage the lottery
12 gaming facility in a manner consistent with this act and applicable law, but
13 shall place full, complete and ultimate ownership and operational control
14 of the gaming operation of the lottery gaming facility with the Kansas
15 lottery. The Kansas lottery shall not delegate and shall explicitly retain the
16 power to overrule any action of the lottery gaming facility manager
17 affecting the gaming operation without prior notice. The Kansas lottery
18 shall retain full control over all decisions concerning lottery gaming
19 facility games *and sports wagering*;

20 (18) include provisions for the Kansas racing and gaming
21 commission to oversee all lottery gaming facility operations, including, but
22 not limited to: Oversight of internal controls; oversight of security of
23 facilities; performance of background investigations, determination of
24 qualifications and credentialing of employees, contractors and agents of
25 the lottery gaming facility manager and of ancillary lottery gaming facility
26 operations, as determined by the Kansas racing and gaming commission;
27 auditing of lottery gaming facility revenues *and sports wagering revenues*;
28 enforcement of all state laws and maintenance of the integrity of gaming
29 operations; and

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

1 (i) (1) Any management contract approved by the commission under
2 this section may include provisions for operating and managing sports
3 wagering by the lottery gaming facility manager in person at the lottery
4 gaming facility and via the lottery gaming facility through no more than
5 three interactive sports wagering platforms using the odds and wagers
6 authorized by the Kansas lottery.

7 (2) If a management contract includes provisions for sports
8 wagering, then such contract shall provide that:

9 (A) The state shall retain 5.5% of all sports wagering revenues
10 received from wagers placed in person at each lottery gaming facility and
11 8% of all sports wagering revenues received by each lottery gaming
12 facility manager from wagers placed on the interactive sports betting
13 platform selected by the lottery gaming facility manager and approved by
14 the executive director; and

15 (B) 2% of all sports wagering revenues shall be paid to the problem
16 gambling and addictions grant fund established by K.S.A. 79-4805, and
17 amendments thereto.

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

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

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

26 ~~(l)~~(m) Management contracts authorized by this section may include
27 provisions relating to:

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

30 (2) minimum requirements for a lottery gaming facility manager to
31 provide qualified oversight, security and supervision of the lottery facility
32 games including the use of qualified personnel with experience in
33 applicable technology;

34 (3) eligibility requirements for employees, contractors or agents of a
35 lottery gaming facility manager who will have responsibility for or
36 involvement with actual gaming activities or for the handling of cash or
37 tokens;

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

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

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

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

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

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

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

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

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

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

1 Sec. 24. K.S.A. 74-8751 is hereby amended to read as follows: 74-
2 8751. (a) The Kansas racing and gaming commission, through *temporary*
3 *and permanent* rules and regulations, shall establish:

4 ~~(a)(1)~~ A certification requirement, and enforcement procedure, for
5 officers, directors, key employees and persons directly or indirectly
6 owning a ~~0.5%~~ 5% or more interest in a lottery gaming facility manager or
7 racetrack gaming facility manager. Such certification requirement shall
8 include compliance with such security, fitness and background
9 investigations and standards as the executive director of the Kansas racing
10 and gaming commission deems necessary to determine whether such
11 person's reputation, habits or associations pose a threat to the public
12 interest of the state or to the reputation of or effective regulation and
13 control of the lottery gaming facility or racetrack gaming facility. ~~Any~~
14 ~~person convicted of any felony, a crime involving gambling or a crime of~~
15 ~~moral turpitude prior to applying for a certificate hereunder or at any time~~
16 ~~thereafter shall be deemed unfit. The Kansas racing and gaming~~
17 ~~commission shall conduct the security, fitness and background checks~~
18 ~~required pursuant to this subsection. Certification pursuant to this~~
19 ~~subsection shall not be assignable or transferable;~~

20 ~~(b)(2)~~ a certification requirement, and enforcement procedure, for
21 those persons, including electronic gaming machine manufacturers,
22 technology providers and computer system providers, who propose to
23 contract with a lottery gaming facility manager, a racetrack gaming facility
24 manager or the state for the provision of goods or services related to a
25 lottery gaming facility or racetrack gaming facility, including management
26 services. Such certification requirements shall include compliance with
27 such security, fitness and background investigations and standards of
28 officers, directors, key gaming employees and persons directly or
29 indirectly owning a ~~0.5%~~ 5% or more interest in such entity as the
30 executive director of the Kansas racing and gaming commission deems
31 necessary to determine whether such person's reputation, habits and
32 associations pose a threat to the public interest of the state or to the
33 reputation of or effective regulation and control of the lottery gaming
34 facility or racetrack gaming facility. ~~Any person convicted of any felony, a~~
35 ~~crime involving gambling or a crime of moral turpitude prior to applying~~
36 ~~for a certificate hereunder or at any time thereafter shall be deemed unfit.~~
37 If the executive director of the racing and gaming commission determines
38 the certification standards of another state are comprehensive, thorough
39 and provide similar adequate safeguards, the executive director may
40 certify an applicant already certified in such state without the necessity of
41 a full application and background check. ~~The Kansas racing and gaming~~
42 ~~commission shall conduct the security, fitness and background checks~~
43 ~~required pursuant to this subsection. Certification pursuant to this~~

1 ~~subsection shall not be assignable or transferable;~~

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

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

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

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

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

23 ~~(1)(A) Has knowingly provided false or misleading material~~
 24 ~~information to the Kansas lottery or its employees; or~~

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

27 ~~(4)(5) provisions for suspension, revocation or nonrenewal of a~~
 28 ~~certification required by subsection (a)-~~or (b)~~(1) or (2) upon a finding that~~
 29 ~~the certificate holder, an officer or director thereof or a person directly or~~
 30 ~~indirectly owning a-~~0.5%~~ 5% or more interest therein:~~

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

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

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

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

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

42 ~~(A) Knowingly provided false or misleading material information to~~
 43 ~~the Kansas lottery, the Kansas racing and gaming commission or to the~~

1 *employees of either;*

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

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

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

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

10 Sec. 25. K.S.A. 74-8752 is hereby amended to read as follows: 74-
11 8752. (a) The executive director of the Kansas lottery and the executive
12 director of the Kansas racing and gaming commission, or their designees,
13 may observe and inspect all electronic gaming machines, lottery facility
14 games, *sports wagering operations*, lottery gaming facilities, racetrack
15 gaming facilities and all related equipment and facilities operated by a
16 lottery gaming facility manager or racetrack gaming facility manager.

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

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

29 (2) investigate alleged violations of the Kansas expanded lottery act
30 and alleged violations of any rules and regulations, orders and final
31 decisions of the Kansas lottery commission, the executive director of the
32 Kansas lottery, the Kansas racing and gaming commission or the executive
33 director of the Kansas racing and gaming commission;

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

43 (4) inspect and approve, prior to publication or distribution, all

1 advertising by a lottery gaming facility manager or racetrack gaming
2 facility manager which includes any reference to the Kansas lottery; and

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

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

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

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

25 Sec. 26. K.S.A. 74-8756 is hereby amended to read as follows: 74-
26 8756. (a) Wagers shall be received only from a person at the location
27 where the electronic gaming machine or lottery facility game is authorized
28 pursuant to the Kansas expanded lottery act. No person present at such
29 location shall place or attempt to place a wager on behalf of another person
30 who is not present at such location.

31 (b) No employee or contractor of, or other person who has any legal
32 affiliation with, a racetrack gaming facility manager shall loan money to or
33 otherwise extend credit to patrons of the parimutuel licensee.

34 (c) (1) *Except as otherwise provided*, no employee or contractor of, or
35 other person who has any legal affiliation with, a lottery gaming facility
36 manager shall loan money to or otherwise extend credit to patrons of a
37 lottery gaming facility.

38 (2) *A patron of a lottery gaming facility may fund an account held by*
39 *a sports wagering manager for the payment of sports wagers and pay for*
40 *sports wagers through the use of:*

41 (A) *Cash and cash equivalents;*

42 (B) *electronic bank transfers of money, including transfers through*
43 *third parties;*

- 1 (C) *bank and wire transfers of money;*
2 (D) *debit and credit cards;*
3 (E) *online and mobile application payment systems that support*
4 *online money transfers;*
5 (F) *promotional funds provided by a lottery gaming facility manager;*
6 *and*
7 (G) *any other payment method approved by the Kansas lottery.*

8 (3) *Nothing in this subsection shall be construed to prohibit any*
9 *sports wagering manager from obtaining insurance or check guarantee*
10 *services to protect against any loss as a result of any check that is returned*
11 *or otherwise not honored due to a stop payment order or nonsufficient*
12 *funds.*

13 (d) Violation of this section is a class A nonperson misdemeanor upon
14 a conviction for a first offense. Violation of this section is a severity level
15 9, nonperson felony upon conviction for a second or subsequent offense.

16 Sec. 27. K.S.A. 74-8757 is hereby amended to read as follows: 74-
17 8757. (a) A person less than 21 years of age shall not be permitted in an
18 area where electronic gaming machines or lottery facility games are being
19 conducted, except for a person at least 18 years of age who is an employee
20 of the lottery gaming facility manager or the racetrack gaming facility
21 manager. No employee under age 21 shall perform any function involved
22 in gaming by the patrons.

23 (b) No person under ~~age~~ 21 years of age shall:

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

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

28 Sec. 28. K.S.A. 74-8758 is hereby amended to read as follows: 74-
29 8758. (a) Except as authorized in subsection (c), it is unlawful for any
30 racetrack gaming facility manager, or any employee or agent thereof, to
31 allow any person to play an electronic gaming machine game at a
32 racetrack gaming facility, or share in winnings of such person, knowing
33 such person to be:

34 (1) Less than 21 years of age;

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

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

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

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

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

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

6 Violation of this subsection is a class A nonperson misdemeanor upon
7 conviction for a first offense. Violation of this subsection is a severity level
8 9, nonperson felony upon conviction for the second or a subsequent
9 offense.

10 (b) Except as authorized in subsection (c), it is unlawful for any
11 lottery gaming facility manager, or its employees or agents, to allow any
12 person to play electronic gaming machines or lottery facility games at a
13 lottery gaming facility or share in winnings of such person knowing such
14 person to be:

15 (1) Under 21 years of age;

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

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

20 (4) an employee or agent of the lottery gaming facility manager;

21 (5) an officer or employee of a vendor contracting with the Kansas
22 lottery to supply gaming equipment to the Kansas lottery for use in the
23 operation of any electronic gaming machine or lottery facility game
24 conducted pursuant to the Kansas expanded lottery act;

25 (6) a spouse, child, stepchild, brother, stepbrother, sister, stepsister,
26 parent or stepparent of a person described in subsection (b)(2); *or* (b)(3);
27 ~~(b)(4) or (b)(5)~~; or

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

30 Violation of this subsection is a class A nonperson misdemeanor upon
31 conviction for a first offense. Violation of this subsection is a severity level
32 9, nonperson felony upon conviction for a second or subsequent offense.

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

1 Sec. 29. K.S.A. 74-8760 is hereby amended to read as follows: 74-
2 8760. (a) Except in accordance with rules and regulations of the Kansas
3 racing and gaming commission or by written authority from the executive
4 director of the Kansas racing and gaming commission in performing
5 installation, maintenance, inspection and repair services, it is a class A
6 nonperson misdemeanor for the following to place a wager on or play an
7 electronic gaming machine game or a lottery facility game at a lottery
8 gaming facility in this state: The executive director of the Kansas lottery, a
9 member of the Kansas lottery commission or any employee or agent of the
10 Kansas lottery; the executive director, a member or any employee or agent
11 of the Kansas racing and gaming commission; or the lottery gaming
12 facility manager or any employee of the lottery gaming facility manager.

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

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

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

25 (3) *a sports wagering manager; any director; officer; owner or*
26 *employee of such sports wagering manager or any relative living in the*
27 *same household as such persons who places any wager with the manager*
28 *at the manager's location or through the manager's interactive sports*
29 *wagering platform;*

30 (4) *an interactive sports wagering platform, any director; officer;*
31 *owner or employee of such platform or any relative living in the same*
32 *household as such persons who places any wager with the manager*
33 *through such platform or at the manager's location, except that nothing in*
34 *this paragraph shall be construed to prohibit any such person from*
35 *placing any wager through a sports wagering manager or interactive*
36 *sports wagering platform with which such person has no affiliation;*

37 (5) *any owner; officer; athlete, coach or other employee of a team or*
38 *any person participating as an individual in any sporting event; or*

39 (6) *any director; officer or employee of a player or referee union.*

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

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

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

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

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

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

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

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

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

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

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

38 Sec. 30. K.S.A. 74-8772 is hereby amended to read as follows: 74-
 39 8772. **{On or before January 1, 2023,}** the Kansas racing and gaming
 40 commission shall adopt such **{ permanent }** rules and regulations as the
 41 commission deems necessary to carry out the duties and functions of the
 42 commission pursuant to the Kansas expanded lottery act. ~~Such Temporary~~
 43 ~~rules and regulations may be adopted by the commission without being~~

1 *subject to the provisions and requirements of K.S.A. 77-415 through 77-*
2 *438, and amendments thereto, but shall be subject to approval by the*
3 *attorney general as to legality and shall be filed with the secretary of state*
4 *and published in the Kansas register. Temporary and permanent rules and*
5 *regulations shall include, but not be limited to, rules and regulations:*

6 (a) Promoting the integrity of the gaming and finances of lottery
7 gaming facilities and racetrack gaming facilities and shall meet or exceed
8 industry standards for monitoring and controlling the gaming and finances
9 of lottery gaming facility operations and racetrack gaming facility
10 operations and shall give the Kansas racing and gaming commission
11 sufficient authority to monitor and control the gaming operation and to
12 ensure its integrity and security;

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

15 (c) requiring reporting of information about any lottery gaming
16 facility manager or racetrack gaming facility manager, and its employees,
17 vendors and finances, necessary or desirable to ensure the security of
18 lottery gaming facility and racetrack gaming facility operations. None of
19 the information disclosed pursuant to this subsection shall be subject to
20 disclosure under the Kansas open records act;

21 (d) requiring reporting and auditing of financial information of lottery
22 gaming facility managers and racetrack gaming facility managers,
23 including, but not limited to, the reporting of profits or losses incurred by
24 lottery gaming facility managers and racetrack gaming facility managers
25 and the reporting of such other information as the Kansas racing and
26 gaming commission requires to determine compliance with the Kansas
27 expanded lottery act and rules and regulations adopted hereunder. None of
28 the information disclosed pursuant to this subsection shall be subject to
29 disclosure under the Kansas open records act; and

30 (e) provisions for oversight of all lottery gaming facility operations
31 and racetrack gaming facility operations, including, but not limited to,
32 oversight of internal controls; oversight of security of facilities;
33 performance of background investigations, determination of qualifications
34 and credentialing of employees, contractors and agents of lottery gaming
35 facility managers, ancillary lottery gaming facility operations and
36 racetrack gaming facilities; auditing of lottery gaming facility revenues
37 and net electronic gaming machine income of racetrack gaming facilities;
38 enforcement of all state laws; and maintenance of the integrity of lottery
39 gaming facility and racetrack gaming facility operations.

40 Sec. 31. K.S.A. 79-4805 is hereby amended to read as follows: 79-
41 4805. (a) There is hereby established in the state treasury the problem
42 gambling and addictions grant fund. All moneys credited to such fund
43 shall be used only for the awarding of grants under this section. Such fund

1 shall be administered in accordance with this section and the provisions of
2 appropriation acts.

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

7 (c) (1) There is hereby established a state grant program to provide
8 assistance for the direct treatment of persons diagnosed as suffering from
9 pathological gambling and to provide funding for research ~~regarding the~~
10 ~~impact of gambling on, prevention and recovery for the~~ residents of
11 Kansas. Research grants awarded under this section may include, but need
12 not be limited to, grants for determining the effectiveness of education and
13 prevention efforts on the prevalence of pathological gambling in Kansas.
14 All grants shall be made after open solicitation of proposals and evaluation
15 of proposals against criteria established in rules and regulations adopted by
16 the secretary of the Kansas department for aging and disability services.
17 Both public and private entities shall be eligible to apply for and receive
18 grants under the provisions of this section. *The secretary shall ensure that*
19 *an adequate problem gambling treatment services network is available in*
20 *Kansas to individuals seeking treatment for a pathological gambling*
21 *disorder.*

22 (2) Moneys in the problem gambling and addictions grant fund ~~may~~
23 ~~shall be used to:~~

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

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

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

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

35 (e) All grants made in accordance with this section shall be made
36 from the problem gambling and addictions grant fund. The secretary shall
37 administer the provisions of this section and shall adopt rules and
38 regulations establishing criteria for qualification to receive grants and such
39 other matters deemed necessary by the secretary for the administration of
40 this section. Such rules and regulations shall include, but need not be
41 limited to, a requirement that each recipient of a grant to provide treatment
42 for pathological gamblers report at least annually to the secretary the
43 grantee's measurable achievement of specific outcome goals.

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

4 (g) ~~On the effective date of this act the director of accounts and~~
5 ~~reports shall transfer all moneys in the problem gambling grant fund to the~~
6 ~~problem gambling and addictions grant fund. Thereupon the problem-~~
7 ~~gambling grant fund shall be and is hereby abolished~~ *The problem*
8 *gambling and addictions grant fund and any other moneys transferred*
9 *pursuant to this section shall be used for the purposes set forth in this*
10 *section and for no other governmental purposes. It is the intent of the*
11 *legislature that the funds and the moneys deposited in this fund shall*
12 *remain intact and inviolate for the purposes set forth in this section.*

13 Sec. 32. K.S.A. 79-4806 is hereby amended to read as follows: 79-
14 4806. On July 1 of each year or as soon thereafter as sufficient moneys are
15 available, ~~\$80,000~~ *\$100,000* credited to the state gaming revenues fund
16 shall be transferred and credited to the problem gambling *and addictions*
17 grant fund established by K.S.A. 79-4805, and amendments thereto.

18 Sec. 33. K.S.A. 46-2301, 74-8702, 74-8710, 74-8711, 74-8716, 74-
19 8718, 74-8733, 74-8734, 74-8751, 74-8752, 74-8756, 74-8757, 74-8758,
20 74-8760, 74-8772, 79-4805 and 79-4806 and K.S.A. 2020 Supp. 21-6403,
21 21-6507 and 21-6508 are hereby repealed.

22 Sec. 34. This act shall take effect and be in force from and after its
23 publication in the statute book.