

SENATE BILL No. 407

By Committee on Federal and State Affairs

2-2

10 AN ACT concerning parimutuel wagering, relating to takeout, amending
11 K.S.A. 74-8819 and repealing the existing section *[lotteries; relating*
12 *to the veterans benefit lottery game; concerning the takeout in*
13 *parimutuel wagering; amending K.S.A. 74-8711 and 74-8819 and*
14 *K.S.A. 2003 Supp. 74-8724 and repealing the existing sections].*
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16 *Be it enacted by the Legislature of the State of Kansas:*

17 *[Section 1. K.S.A. 74-8711 is hereby amended to read as fol-*
18 *lows: 74-8711. (a) There is hereby established in the state treasury*
19 *the lottery operating fund.*

20 *[(b) Except as provided by K.S.A. 2003 Supp. 74-8724, and amend-*
21 *ments thereto, the executive director shall remit all moneys collected*
22 *from the sale of lottery tickets and shares and any other moneys*
23 *received by or on behalf of the Kansas lottery to the state treasurer*
24 *in accordance with the provisions of K.S.A. 75-4215, and amend-*
25 *ments thereto. Upon receipt of each such remittance, the state trea-*
26 *surer shall deposit the entire amount in the state treasury to the*
27 *credit of the lottery operating fund. Moneys credited to the fund*
28 *shall be expended or transferred only as provided by this act. Ex-*
29 *penditures from such fund shall be made in accordance with ap-*
30 *propriations acts upon warrants of the director of accounts and*
31 *reports issued pursuant to vouchers approved by the executive di-*
32 *rector or by a person designated by the executive director.*

33 *[(c) Moneys in the lottery operating fund shall be used for:*

34 *[(1) The payment of expenses of the lottery, which shall include*
35 *all costs incurred in the operation and administration of the Kansas*
36 *lottery; all costs resulting from contracts entered into for the pur-*
37 *chase or lease of goods and services needed for operation of the*
38 *lottery, including but not limited to supplies, materials, tickets, in-*
39 *dependent studies and surveys, data transmission, advertising,*
40 *printing, promotion, incentives, public relations, communications*
41 *and distribution of tickets and shares; and reimbursement of costs*
42 *of facilities and services provided by other state agencies;*

43 *[(2) the payment of compensation to lottery retailers;*

1 *[(3) transfers of moneys to the lottery prize payment fund pur-*
2 *suant to K.S.A. 74-8712, and amendments thereto;*

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

5 *[(5) transfers to the state gaming revenues fund pursuant to sub-*
6 *section (d) of this section and as otherwise provided by law; and*

7 *[(6) transfers to the county reappraisal fund as prescribed by*
8 *law.*

9 *[(d) The director of accounts and reports shall transfer moneys*
10 *in the lottery operating fund to the state gaming revenues fund cre-*
11 *ated by K.S.A. 79-4801, and amendments thereto, on or before the*
12 *15th day of each month in an amount certified monthly by the ex-*
13 *ecutive director and determined as follows, whichever is greater:*

14 *[(1) An amount equal to the moneys in the lottery operating*
15 *fund in excess of those needed for the purposes described in sub-*
16 *sections (c)(1) through (c)(4); or*

17 *[(2) except for pull-tab lottery tickets and shares, an amount*
18 *equal to not less than 30% of total monthly revenues from the sales*
19 *of lottery tickets and shares less estimated returned tickets. In the*
20 *case of pull-tab lottery tickets and shares, an amount equal to not*
21 *less than 20% of the total monthly revenues from the sales of pull-*
22 *tab lottery tickets and shares less estimated returned tickets.*

23 *[Sec. 2. K.S.A. 2003 Supp. 74-8724 is hereby amended to read*
24 *as follows: 74-8724. (a) Notwithstanding any provision of law to the*
25 *contrary, The Kansas lottery commission shall establish an instant*
26 *lottery scratch-off game designated as the veterans benefit game,*
27 *which shall be conducted by the Kansas lottery. Tickets for the vet-*
28 *erans benefit game established by this section shall be offered for sale*
29 *only between May 1 through November 30, 2003, and May 1 through*
30 *November 30, 2004.*

31 *[(b) The Kansas lottery commission shall adopt rules and reg-*
32 *ulations governing the establishment of the veterans benefit game*
33 *pursuant to K.S.A. 74-8710, and amendments thereto, except that*
34 *subsection (b) of K.S.A. 74-8710, and amendments thereto, shall not*
35 *apply to the veterans benefit game established by this section.*

36 *[(c) Notwithstanding the provisions of K.S.A. 79-4801 et seq., and*
37 *K.S.A. 74-8711, and amendments thereto, All net profits, received from*
38 *the sale of veterans benefit game lottery tickets, materials and*
39 *games, as prescribed by rules and regulations adopted pursuant to*
40 *subsection (b) of this section, shall be deposited in the state treasury*
41 *and credited, as follows: (1) An amount equal to 50% of such net*
42 *profits to the national guard assistance account of the state general*
43 *fund of the state board of regents to be used for Kansas national*

1 *guard educational assistance act scholarships pursuant to K.S.A.*
2 *74-32,145 et seq., and amendments thereto, and (2) an amount equal*
3 *to 50% of such net profits to the soldiers' home fee fund and the*
4 *veterans' home fee fund in an amount or amounts determined by*
5 *the executive director of the Kansas commission on veterans affairs*
6 *to be used for operating expenditures and capital improvements for*
7 *the Kansas veterans' home, the Kansas soldiers' home and the state*
8 *veterans cemetery system.*

9 *[(d) The Kansas lottery commission shall change the design or*
10 *theme of the veterans benefit game regularly so that the game re-*
11 *mains competitive with the other instant lottery scratch-off games*
12 *offered by such commission. The tickets for the instant lottery game*
13 *authorized by this section shall clearly state that the profits derived*
14 *from the game shall be used to benefit veterans and veterans issues*
15 *in this state.]*

16 ~~Section 1.~~ **[Sec. 3.]** K.S.A. 74-8819 is hereby amended to read as
17 follows: 74-8819. (a) Organizations licensed pursuant to K.S.A. 74-8813
18 or 74-8814, and amendments thereto, may conduct parimutuel wagering
19 on the results of horse and greyhound races held on dates and at racetrack
20 facilities approved by the commission and on simulcast races as provided
21 by K.S.A. 74-8836, *and amendments thereto*. All persons participating in
22 such wagering shall be present within the confines of the approved race-
23 track facility.

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

32 (c) After wagering has been closed for each live race conducted by
33 the licensee, the organization licensee may deduct an amount not ex-
34 ceeding 18% of the total wagered in each parimutuel pool and the bal-
35 ance, less the breakage, shall be paid to holders of winning tickets for that
36 pool in accordance with procedures authorized by the commission. The
37 commission may authorize a higher amount not exceeding ~~22%~~ 25% to
38 be deducted from the total wagered in parimutuel pools for multiple and
39 exotic bets.

40 (d) From the amount deducted as provided in subsection (c), the
41 organization licensee shall pay the purses as provided in K.S.A. 74-8820,
42 and amendments thereto and the tax as specified in K.S.A. 74-8823, and
43 amendments thereto. The balance of the amount deducted shall be used

1 for the purposes of the organization licensee as such purposes have been
2 represented to the commission.

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

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

9 (g) All parimutuel tellers and clerks shall be employees of the organ-
10 ization licensee approved by the commission to conduct the parimutuel
11 wagering at a race meeting.

12 Sec. ~~2~~. **[4.]** K.S.A. ~~74-8819~~ **is [74-8711 and 74-8819 and K.S.A.**
13 **2003 Supp. 74-8724 are]** hereby repealed.

14 Sec. ~~3~~. **[5.]** This act shall take effect and be in force from and after
15 its publication in the statute book.