

SENATE BILL No. 170

By Committee on Federal and State Affairs

2-2

9 AN ACT concerning lotteries; concerning electronic gaming, lottery fa-
10 cility games and other lottery games; amending K.S.A. 74-8702, 74-
11 8710 and 74-8723 and K.S.A. 2004 Supp. 19-101a and 74-8711 and
12 repealing the existing sections; also repealing K.S.A. 2004 Supp. 19-
13 101k.

14
15 *Be it enacted by the Legislature of the State of Kansas:*

16 Section 1. K.S.A. 74-8702 is hereby amended to read as follows: 74-
17 8702. As used in the Kansas lottery act, unless the context otherwise
18 requires:

19 (a) "Commission" means the Kansas lottery commission.

20 (b) "Executive director" means the executive director of the Kansas
21 lottery.

22 ~~(c) "Gaming equipment" means any electric, electronic or mechani-~~
23 ~~cal device or other equipment unique to the Kansas lottery used directly~~
24 ~~in the operation of any lottery and in the determination of winners pur-~~
25 ~~suant to this act. "Gaming equipment" means any electric, electronic,~~
26 ~~computerized or electromechanical machine, mechanism, supply or device~~
27 ~~or any other equipment, which is: (1) Unique to the Kansas lottery and~~
28 ~~used pursuant to the Kansas lottery act; and (2) integral to the operation~~
29 ~~of an electronic gaming machine or lottery facility game; and (3) affects~~
30 ~~the results of an electronic gaming machine or lottery facility game by~~
31 ~~determining win or loss.~~

32 (d) "Kansas lottery" means the state agency created by this act to
33 operate a lottery or lotteries pursuant to this act.

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

36 (f) "Lottery" or "state lottery" means the lottery or lotteries operated
37 pursuant to this act.

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

- 1 (2) “Major procurement” shall not mean any product, service or other
2 matter covered by or addressed in the Kansas gaming act or a manage-
3 ment contract executed pursuant to the Kansas gaming act.
- 4 (h) “Person” means any natural person, association, *limited liability*
5 *company*, corporation or partnership.
- 6 (i) “Prize” means any prize paid directly by the Kansas lottery pur-
7 suant to ~~its~~ *the Kansas lottery act or the Kansas gaming act or any rules*
8 *and regulations adopted pursuant to either act.*
- 9 (j) “Share” means any intangible manifestation authorized by the
10 Kansas lottery to prove participation in a lottery game, *except as provided*
11 *by the Kansas gaming act.*
- 12 (k) “Lottery ticket” or “ticket” means any tangible evidence issued
13 by the Kansas lottery to prove participation in a lottery game *other than*
14 *a lottery facility game.*
- 15 (l) “Vendor” means any person who has entered into a major pro-
16 curement contract with the Kansas lottery.
- 17 (m) “Returned lottery ticket” means any *lottery ticket* which was
18 transferred to a lottery retailer, which was not sold by the lottery retailer
19 and which was returned to the Kansas lottery for refund by issuance of a
20 credit or otherwise.
- 21 (n) “Video lottery machine” means any electronic video game ma-
22 chine that, upon insertion of cash, is available to play or simulate the play
23 of a video game authorized by the commission, including but not limited
24 to bingo, poker, black jack and keno, and which uses a video display and
25 microprocessors and in which, by chance, the player may receive free
26 games or credits that can be redeemed for cash.
- 27 (o) (1) “Lottery ticket machine” means any *lottery ticket vending* ma-
28 ~~chine or device that allows a player to insert cash or other form of con-~~
29 ~~sideration and may deliver as the result of an element of chance, regard-~~
30 ~~less of the skill required by the player, a prize or evidence of a prize,~~
31 ~~including, but not limited to:~~
- 32 ~~—(A)—Any machine or device in which the prize or evidence of a prize~~
33 ~~is determined by both chance and the player’s or players’ skill, including,~~
34 ~~but not limited to, any machine or device on which a lottery game or~~
35 ~~lottery games, such as poker or blackjack, are played;~~
- 36 ~~—(B)—any machine or device in which the prize or evidence of a prize~~
37 ~~is determined only by chance, including, but not limited to, any slot ma-~~
38 ~~chine or bingo machine; or~~
- 39 ~~—(C)—any lottery ticket vending machine, such as a keno ticket vending~~
40 ~~machine, pull-tab vending machine or an instant bingo vending machine~~
41 ~~including, but not limited to, a keno ticket machine, pull-tab vending~~
42 ~~machine or an instant bingo machine.~~
- 43 (2) “Lottery ticket machine” shall not mean:

- 1 (A) Any food vending machine defined by K.S.A. 36-501, and amend-
2 ments thereto;
- 3 (B) any nonprescription drug machine authorized under K.S.A. 65-
4 650, and amendments thereto;
- 5 (C) any machine which dispenses only bottled or canned soft drinks,
6 chewing gum, nuts or candies; ~~or~~
- 7 (D) any machine excluded from the definition of gambling devices
8 under subsection (d) of K.S.A. 21-4302, and amendments thereto; or
- 9 (E) *any electronic gaming machine or lottery facility game operated*
10 *in accordance with the provisions of the Kansas gaming act.*
- 11 (p) *“Electronic gaming machine” means any electronic, electrome-*
12 *chanical, video or computerized device, contrivance or machine author-*
13 *ized by the Kansas lottery which, upon insertion of cash, tokens, electronic*
14 *cards or any consideration, is available to play, operate or simulate the*
15 *play of a game authorized by the Kansas lottery pursuant to the Kansas*
16 *gaming act, including, but not limited to, bingo, poker, blackjack, keno*
17 *and slot machines, and which may deliver or entitle the player operating*
18 *the machine to receive cash, tokens, merchandise or credits that may be*
19 *redeemed for cash. Electronic gaming machines may use bill validators*
20 *and may be single-position reel-type, single or multi-game video and sin-*
21 *gle-position multi-game video electronic games, including, but not limited*
22 *to, poker, blackjack and slot machines.*
- 23 (q) *“Progressive electronic game” means a game played on an elec-*
24 *tronic gaming machine for which the payoff increases uniformly as the*
25 *game is played and for which the jackpot, determined by application of*
26 *a formula to the income of independent, local or interlinked electronic*
27 *gaming machines, may be won.*
- 28 (r) *“Token” means a representative of value, of metal or other mate-*
29 *rial, which is not legal tender, redeemable for cash only by the issuing*
30 *lottery gaming facility manager and which is issued and sold by a lottery*
31 *gaming facility manager for the sole purpose of playing an electronic*
32 *gaming machine or lottery facility game.*
- 33 (s) *“Lottery gaming facility” means a state-owned building and as-*
34 *sociated parking and adjacent real and personal property within which a*
35 *state-operated lottery gaming enterprise is housed.*
- 36 (t) *“Lottery gaming enterprise” means an entertainment enterprise*
37 *which includes lottery facility games authorized by the Kansas gaming*
38 *act and other businesses operated within a lottery gaming facility.*
- 39 (u) *“Lottery gaming facility manager” means a corporation, limited*
40 *liability company or other business entity authorized to construct and*
41 *manage, or manage alone, pursuant to a management contract with the*
42 *Kansas lottery, and on behalf of the state, a lottery gaming enterprise and*
43 *lottery gaming facility.*

- 1 (v) “Accelerated lottery gaming facility net payment” means the ad-
2 vanced payment to the state treasurer of a portion of the state’s future
3 share of residual lottery gaming facility revenues upon the final authori-
4 zation and approval of a management contract with a lottery gaming
5 facility manager for the construction of a lottery gaming facility and man-
6 agement of a lottery gaming enterprise pursuant to the Kansas gaming
7 act.
- 8 (w) “Lottery gaming facility revenues” means the total revenues from
9 lottery gaming facility games at a lottery gaming facility after all related prizes
10 are paid.
- 11 (x) “Residual lottery gaming facility revenues” means the balance of
12 the lottery gaming facility revenues in each account in the lottery gaming
13 facility fund established in subsection (a) of section 8, and amendments
14 thereto, after the transfer to an operating account for the payment of
15 lottery gaming facility expenses and interest on bonds, as described in
16 subsection (b) of section 8, and amendments thereto.
- 17 (y) “Lottery gaming facility expenses” means normal business ex-
18 penses, as defined by the executive director pursuant to generally accepted
19 accounting principles (GAAP), associated with the ownership and oper-
20 ation of a lottery gaming facility and enterprise.
- 21 (z) “Lottery facility games” mean any electronic gaming machines
22 and any other lottery games in the form of Class II or III gaming which,
23 as of May 1, 2003, are authorized to be conducted or operated at a tribal
24 gaming facility, as defined in K.S.A. 74-9802, and amendments thereto,
25 located within the boundaries of this state, but shall not include lottery
26 ticket machines.
- 27 (aa) “Ancillary lottery gaming facility operations” means additional
28 non-lottery facility game products and services not owned and operated
29 by the state which may be included in the overall development associated
30 with the lottery gaming facility. Such operations may include, but are not
31 limited to, restaurants, hotels, motels, museums or entertainment facilities.
32 Such operations conducted on state-owned property shall pay reasonable
33 compensation to the state for the use of the space.
- 34 (bb) “Certificate of authorization” means a written approval of the
35 executive director authorizing a prospective lottery gaming facility man-
36 ager to proceed with county approval under section 5, and amendments
37 thereto, and any applicable county or city planning and zoning require-
38 ments for the establishment of a lottery gaming facility pursuant to the
39 Kansas gaming act. No prospective lottery gaming facility manager shall
40 seek the approval under section 5, and amendments thereto, unless such
41 prospective manager holds a certificate or temporary certificate of
42 authorization.
- 43 (cc) “Management contract” means a contract, subcontract or collat-

1 *eral agreement between the state and a lottery gaming facility manager*
2 *for the management of a lottery gaming facility and the related lottery*
3 *gaming enterprise owned and operated by the state, negotiated and signed*
4 *by the executive director and signed by the governor. Management con-*
5 *tracts shall not be subject to the provisions of K.S.A. 75-3738 through 75-*
6 *3744, and amendments thereto, or to any statutory provision regulating*
7 *major procurements.*

8 New Sec. 2. (a) Sections 2 through 24, and amendments thereto,
9 shall be known and may be cited as the Kansas gaming act. The Kansas
10 gaming act shall be part of and supplemental to the Kansas lottery act.

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

15 New Sec. 3. (a) The executive director shall issue a certificate of
16 authorization to each prospective lottery gaming facility manager which
17 meets the necessary requirements established by the executive director
18 and as set forth herein. The executive director shall select as prospective
19 lottery gaming facility managers only such entities as the executive direc-
20 tor deems best able to serve the interests of the state of Kansas, the public
21 good and convenience. In the selection of lottery gaming facility man-
22 agers, the executive director shall consider factors such as financial re-
23 sponsibility, integrity, reputation, experience and such other factors as
24 the executive director deems appropriate.

25 (b) The executive director may charge an administrative application
26 fee. Such fee shall be submitted with the application for a certificate of
27 authorization and shall be reasonably related to the actual costs of pro-
28 cessing the application.

29 (c) To receive a certificate of authorization, a prospective lottery gam-
30 ing facility manager shall, at a minimum:

31 (1) Have sufficient access to financial resources to support the activ-
32 ities required of a lottery gaming facility manager under the Kansas gam-
33 ing act;

34 (2) be current in filing all applicable tax returns and in payment of
35 all taxes, interest and penalties owed to the state of Kansas and any taxing
36 subdivision where such prospective manager is located in the state of
37 Kansas, excluding items under formal appeal pursuant to applicable stat-
38 utes; and

39 (3) have three consecutive years experience in the management of a
40 gaming-related facility operated pursuant to state or federal law.

41 (d) Subject to the requirements of this section, a certificate of au-
42 thorization shall not be unreasonably withheld. The executive director
43 shall issue a temporary certificate of authorization for the purpose of

1 proceeding under section 5, and amendments thereto, to a prospective
2 lottery gaming facility manager if: (1) The executive director believes such
3 manager will meet the appropriate requirements for a certificate of au-
4 thorization; (2) the prospective manager and the principals, officers and
5 directors, of such prospective manager, have completed acceptable back-
6 ground investigations by federal or state authorities; and (3) a complete
7 review of the application for a certificate cannot be completed within 30
8 days of the application filing.

9 (e) The lottery gaming facility manager shall conspicuously display
10 any certificate of authorization at the lottery gaming facility where the
11 lottery gaming facility manager is authorized to manage, on behalf of the
12 state, lottery facility games.

13 New Sec. 4. (a) The executive director, with the approval of the Kan-
14 sas lottery commission, may enter into a management contract with a
15 prospective lottery gaming facility manager holding a certificate of au-
16 thorization to construct and manage, or manage alone, on behalf of the
17 state of Kansas, a lottery gaming facility or lottery gaming enterprise at
18 specified destination locations in the state where the executive director
19 determines the operation of such facility would promote tourism and
20 economic development if it is in a county where a proposition submitted
21 pursuant to section 5, and amendments thereto, has been approved by
22 the voters of such county. Approval of a management contract by the
23 executive director and the commission shall not be unreasonably with-
24 held. Action on a management contract shall be taken within 60 days of
25 approval by the voters of the county, unless extended by agreement of
26 the proposed manager and the commission.

27 (b) In determining whether to enter into a management contract with
28 a prospective lottery gaming facility manager to manage a lottery gaming
29 facility or lottery gaming enterprise pursuant to this section, the executive
30 director shall take into consideration the following factors: The size of the
31 proposed facility; the geographic area in which such facility is to be lo-
32 cated; the proposed facility's location as a tourist and entertainment des-
33 tination; the estimated number of tourists that would be attracted by the
34 proposed facility; the number and type of lottery facility games to be
35 operated at the proposed facility; and such other factors as the executive
36 director deems appropriate. In order to facilitate competition among lot-
37 tery gaming facilities and to increase gaming revenues to the state, no
38 lottery gaming facility manager may hold management contracts for two
39 or more lottery gaming facilities which are located within 20 miles of one
40 another within the state of Kansas. In addition, no management contract
41 shall be awarded for a lottery gaming facility located within Johnson,
42 Wyandotte, Douglas, Shawnee, Leavenworth or Miami counties in Kansas
43 to any owner, operator or manager of any casino or other gaming estab-

- 1 lishment which is in operation and located within Buchanan, Cass, Clay,
2 Jackson, Johnson, Lafayette, Platte and Ray counties in Missouri.
- 3 (c) All management contracts authorized under this section shall:
- 4 (1) Have a minimum initial term of five years and a maximum initial
5 term of seven years from the date of opening of the lottery gaming facility;
6 (2) establish a mechanism to facilitate payment of lottery gaming fa-
7 cility expenses, payment of the lottery gaming facility manager's share of
8 the residual lottery gaming facility revenues and distribution of the state's
9 share of the residual lottery gaming facility revenues;
- 10 (3) establish the types of lottery facility games to be installed in such
11 facility;
- 12 (4) fix the number of electronic gaming machines, which shall not be
13 less than 300;
- 14 (5) establish the maximum construction cost or purchase cost of the
15 lottery gaming facility and the mechanism for recovering those costs from
16 the state's share of the residual lottery gaming facility revenues and trans-
17 fer of ownership of such facility to the state;
- 18 (6) calculate the accelerated lottery gaming facility net payment by
19 multiplying the maximum number of electronic gaming machines au-
20 thorized for and located in the facility by \$15,000 per machine;
- 21 (7) specify the mechanism for recovering the accelerated lottery gam-
22 ing facility net payment from the state's share of the residual lottery gam-
23 ing facility revenues;
- 24 (8) specify that financing for construction and operation of the lottery
25 gaming facility on behalf of the state and of the payment to the state of
26 other sums required by the management contract is to be arranged by
27 the lottery gaming facility manager and that the state shall cooperate in
28 the financing by executing all necessary security interests for the construc-
29 tion, equipping and operation of the lottery gaming facility;
- 30 (9) incorporate terms and conditions for the ancillary lottery gaming
31 facility operations; and
- 32 (10) designate as key employees, subject to approval of the executive
33 director, any employees or contractors providing services or functions
34 which are related to lottery facility games authorized by a management
35 contract.
- 36 (d) Any management contract under which the accelerated lottery
37 gaming facility net payment has not been paid to the state treasurer within
38 180 days of the date of the management contract shall be null and void.
- 39 (e) Management contracts authorized by this section may include
40 provisions relating to:
- 41 (1) Accounting procedures to determine the lottery gaming facility
42 revenues, unclaimed prizes and credits;
- 43 (2) minimum requirements for a lottery gaming facility manager to

1 provide qualified oversight, security and supervision of the lottery facility
2 games including the use of qualified personnel with experience in appli-
3 cable technology;

4 (3) eligibility requirements for employees, contractors or agents of a
5 lottery gaming facility manager who will have responsibility for or involve-
6 ment with actual gaming activities or for the handling of cash or tokens;

7 (4) background investigations to be performed by the Kansas lottery;

8 (5) licensure requirements of any employee, contractor or agent as
9 provided by the Kansas gaming act or rules and regulations adopted pur-
10 suant thereto;

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

13 (7) any other provision deemed necessary by the parties, including
14 such other terms and restrictions as necessary to conduct any lottery fa-
15 cility game in a legal and fair manner.

16 (f) A management contract shall not constitute property, nor shall it
17 be subject to attachment, garnishment or execution, nor shall it be alien-
18 able or transferable, except upon approval by the executive director, nor
19 shall it be subject to being encumbered or hypothecated. No interest in
20 the management contract shall descend by the laws of testate or intestate
21 devolution, but any interest shall cease and expire upon the death of the
22 lottery gaming facility manager or all interest holders in such manager,
23 except that executors, administrators or representatives of the estate of
24 any deceased lottery gaming facility manager and the trustee of any in-
25 solvent or bankrupt lottery gaming facility manager may continue to op-
26 erate pursuant to the management contract under order of the approp-
27 riate court for no longer than one year after the death, bankruptcy or
28 insolvency of such manager.

29 (g) (1) The Kansas lottery shall be the licensee and owner of all soft-
30 ware programs used at a lottery gaming facility for any lottery facility
31 game.

32 (2) A lottery gaming facility manager, on behalf of the state, shall
33 purchase or lease for the Kansas lottery all lottery facility games. The
34 lottery gaming facility manager shall be entitled to reimbursement from
35 the state for all out-of-pocket expenses related to purchasing, leasing and
36 installing such games. The Kansas lottery shall be the owner of all lottery
37 facility games, except for those leased by the state or leased by the lottery
38 gaming facility manager on behalf of the state, and all lottery facility
39 games shall be subject to the ultimate control of the Kansas lottery in
40 accordance with this act.

41 New Sec. 5. Lottery gaming facilities shall be operated by the Kansas
42 lottery pursuant to the Kansas gaming act only in counties where, in ac-
43 cordance with this section, the qualified voters of the county in which the

1 lottery gaming facility is proposed to be located have voted to permit
2 operation of such a lottery gaming facility at specified locations within the
3 county as follows:

4 (a) The board of county commissioners of any county may submit, by
5 resolution, and shall submit upon presentation of a petition filed in ac-
6 cordance with this section, to the qualified voters of the county a prop-
7 osition to permit the operation of lottery gaming facilities within the
8 county. The proposition shall be submitted to the voters, as specified in
9 the resolution or petition, either at a special election called by the board
10 of county commissioners for that purpose and held not less than 90 days
11 after the date on which the resolution is adopted or the petition is certified
12 as sufficient by the county election officer or at the next general election.

13 (b) A petition to submit a proposition pursuant to this section shall
14 be filed with the county election officer. The petition shall be signed by
15 qualified voters of the county equal in number to not less than 10% of
16 the voters of the county who voted for the office of secretary of state at
17 the last preceding general election at which such office was elected. The
18 following shall appear on the petition: "We request an election to deter-
19 mine whether the operation of lottery gaming facilities by the Kansas
20 lottery shall be permitted in _____ county."

21 (c) Upon the adoption of a resolution or the submission of a valid
22 petition calling for an election pursuant to this section, the county election
23 officer shall cause the following proposition to be placed on the ballot at
24 the election called for that purpose: "Shall the operation of lottery gaming
25 facilities by the Kansas lottery be permitted in _____ county?"

26 (d) Any election called pursuant to this section shall be conducted,
27 and the votes counted and canvassed, in the manner provided by law for
28 question submitted elections of the county. The county election officer
29 shall transmit a copy of the certification of the results of the election to
30 the executive director. If a majority of the votes cast and counted at such
31 election is in favor of permitting the operation of such lottery gaming
32 facilities within the county, the executive director may approve manage-
33 ment contracts pursuant to the Kansas gaming act for operation of such
34 facilities within the county. If a majority of the votes cast and counted at
35 an election is against permitting the operation of such machines and
36 games within the county, the executive director shall not approve any
37 management contract for the operation of such facilities within the
38 county.

39 (e) If at any election provided for by this section, a majority of the
40 votes cast and counted is against the proposition permitting the operation
41 of such facilities in the county pursuant to the Kansas gaming act, another
42 election submitting the same proposition shall not be held for at least
43 four years from the date of such election.

1 (f) A lottery gaming facility shall comply with any planning and zoning
2 regulations of the city or county in which it is to be located. The executive
3 director shall not contract with any prospective lottery gaming facility
4 manager for the operation and management of such lottery gaming facility
5 unless such manager first receives any necessary approval under planning
6 and zoning requirements of the city or county in which it is to be located.

7 New Sec. 6. (a) Electronic gaming machines operated pursuant to
8 this act, including those operated as lottery facility games, shall:

9 (1) Pay out an average of not less than 87% of the amount wagered
10 over the life of the machine;

11 (2) be directly linked to a central lottery communications system to
12 provide monitoring, auditing and other available program information to
13 the Kansas lottery;

14 (3) be on-line and in constant communication with a central com-
15 puter situated at a location determined by the executive director; and

16 (4) be subject to deactivation at any time by order of the executive
17 director.

18 (b) The communications systems selected by the executive director
19 shall not limit participation to only one electronic gaming machine man-
20 ufacturer, distributor, supplier or provider. The lottery gaming facility
21 manager shall lease or purchase for the Kansas lottery and at the lottery
22 gaming facility's expense all equipment necessary to implement such cen-
23 tral communications and auditing functions.

24 (c) No employee, contractor or other person who has any legal affil-
25 iation with a lottery gaming facility manager shall loan money to or oth-
26 erwise extend credit to patrons of a location where electronic gaming
27 machines or lottery facility games are situated.

28 New Sec. 7. (a) Each specific type of electronic gaming machine and
29 lottery facility game shall be approved by the Kansas lottery. The Kansas
30 lottery shall examine prototypes of electronic gaming machines and lot-
31 tery facility games and shall notify the lottery gaming facility manager
32 which types of electronic gaming machines or lottery facility games are
33 in compliance with the requirements of this act. The use of progressive
34 electronic gaming machines is expressly permitted.

35 (b) No electronic gaming machine or lottery facility game shall be
36 operated pursuant to this act unless the executive director first issues a
37 certificate for such machine or game authorizing its use at a specified
38 location. Each electronic gaming machine and lottery facility game shall
39 have such certificate prominently displayed thereon. Any electronic gam-
40 ing machine or lottery facility game which does not display the certificate
41 required by this section is contraband and a public nuisance subject to
42 confiscation by any law enforcement officer.

43 (c) The executive director shall require any manufacturer, supplier,

1 provider, lottery gaming facility manager or other person seeking the
2 examination and certification of electronic gaming machines or lottery
3 facility games to pay the anticipated actual costs of the examination in
4 advance. After the completion of the examination, the executive director
5 shall refund any overpayment or charge and collect amounts sufficient to
6 reimburse the executive director for any underpayment of actual costs.
7 The executive director may contract for the examination of electronic
8 gaming machines and lottery facility games required by this section, and
9 may rely upon testing done by or for other states regulating electronic
10 gaming machines or lottery facility games, if the executive director deems
11 such testing to be reliable and in the best interest of the state of Kansas.

12 New Sec. 8. (a) There is hereby established in the state treasury the
13 lottery gaming facility fund (LGFF). A separate account for each lottery
14 gaming facility manager shall be maintained in the LGFF for receipt of
15 lottery gaming facility revenues from each respective manager. The lot-
16 tery gaming facility manager shall remit daily all lottery gaming facility
17 revenues to the state treasurer. Upon receipt of the remittance, the state
18 treasurer shall deposit the entire amount in the state treasury and credit
19 it to the respective account maintained for such manager in the LGFF.

20 (b) Upon receipt of each remittance under subsection (a), the state
21 treasurer shall immediately transfer 50% of the lottery gaming facility
22 revenues received from the remitting facility manager into a separate state
23 lottery gaming facility operating account (LGFOA) to be used by such
24 manager for the payment of all lottery gaming facility expenses, including
25 all interest on any bonds issued pursuant to section 9, and amendments
26 thereto. On a monthly basis, a transfer in the amount of the monthly
27 interest then due on the bonds shall occur from the LGFOA to the debt
28 retirement account established in section 8(c)(ii)(A), and amendments
29 thereto.

30 (c) On a monthly basis, the treasurer shall transfer the residual lottery
31 gaming facility revenues in each account in the LGFF as follows:

32 (i) To the lottery gaming facility manager, 25%; and

33 (ii) to a trust fund account to be established within the state's funds,
34 75%, to be used exclusively for the necessary and appropriate funding for
35 elementary, secondary and higher education. For each lottery gaming
36 facility, the state shall maintain a lottery gaming facility debt retirement
37 account (LGFDR) for the payment of any bonds, and interest thereon,
38 issued pursuant to section 9, and amendments thereto. Interest on such
39 bonds shall be payable from the LGFDRA out of the funds transferred
40 from the LGFOA pursuant to section 8(b), and amendments thereto. To
41 the extent principal on such bonds remains unpaid, the state treasurer
42 first shall transfer to the LGFDRA out of the state's share of the residual
43 lottery gaming facility revenues as provided in section 8(c)(ii), and amend-

1 ments thereto, such sums as are necessary to pay scheduled principal then
2 due. Thereafter, the balance of the residual lottery gaming facility reve-
3 nues shall be transferred to the trust fund account as provided in section
4 8(c)(ii).

5 (d) On a monthly basis, the executive director and the lottery gaming
6 facility manager shall reconcile the amounts deposited into the LGFOA
7 for the lottery gaming facility manager's payment of the projected lottery
8 gaming facility expenses and bond interest with the actual lottery gaming
9 facility expenses and bond interest accrued. After completion of the rec-
10 onciliation, the state shall transfer any amount remaining in the LGFOA
11 to the LGFF to be distributed in the manner provided in section 8(c),
12 and amendments thereto. If funds in the LGFOA are insufficient to pay
13 lottery gaming facility expenses and bond interest accrued, the state and
14 the lottery gaming facility manager shall transfer to the LGFOA, in the
15 respective shares provided in section 8(c), and amendments thereto, the
16 sums necessary to reconcile such insufficiency and balance the LGFOA.

17 New Sec. 9. (a) The Kansas development finance authority is hereby
18 authorized to issue revenue bonds, including refunding revenue bonds,
19 in amounts sufficient to pay the development and construction costs as-
20 sociated with a lottery gaming facility and the amount of the accelerated
21 lottery gaming facility net payment, plus all amounts required for the costs
22 of bond issuance and any required reserves on the bonds. The bonds, and
23 interest thereon, issued pursuant to this section shall be payable from the
24 debt retirement account established in section 8(c), and amendments
25 thereto.

26 (b) The provisions of subsection (a) of K.S.A. 74-8905, and amend-
27 ments thereto, shall not prohibit the issuance of bonds by the Kansas
28 development finance authority for the purposes of this section and any
29 such issuance of bonds is exempt from the provisions of subsection (a) of
30 K.S.A. 74-8905, and amendments thereto, which would operate to pre-
31 clude such issuance.

32 (c) Revenue bonds, including refunding revenue bonds, issued here-
33 under shall not constitute an indebtedness of the state of Kansas, nor
34 shall they constitute indebtedness within the meaning of any constitu-
35 tional or statutory provision limiting the incurring of indebtedness.

36 (d) Revenue bonds, including refunding revenue bonds, issued here-
37 under and the income derived therefrom shall be exempt from all state,
38 county and municipal taxation in the state of Kansas, except Kansas estate
39 taxes.

40 New Sec. 10. (a) The executive director, or the executive director's
41 designee, may observe and inspect all electronic gaming machines, lottery
42 facility games, lottery gaming facilities and all related equipment and fa-
43 cilities operated by a lottery gaming facility manager.

- 1 (b) In addition to the powers granted pursuant to K.S.A. 74-8704 and
2 sections 3 and 4, and amendments thereto, the executive director shall
3 have the power to:
- 4 (1) Examine, or cause to be examined by any agent or representative
5 designated by the executive director, any books, papers, records or mem-
6 oranda of any lottery facility gaming manager, or of any business involved
7 in electronic gaming machines or lottery facility games authorized pur-
8 suant to the Kansas gaming act, for the purpose of ascertaining compli-
9 ance with any provision of the Kansas lottery act, the Kansas gaming act,
10 or any rules and regulations adopted thereunder;
- 11 (2) investigate alleged violations of the Kansas gaming act and alleged
12 violations of any rules and regulations, orders and final decisions of the
13 commission or the executive director;
- 14 (3) request a court to issue subpoenas to compel access to or for the
15 production of any books, papers, records or memoranda in the custody
16 or control of any lottery gaming facility manager related to the manage-
17 ment of the lottery gaming facility, or to compel the appearance of any
18 lottery gaming facility manager for the purpose of ascertaining compli-
19 ance with the provisions of the Kansas lottery act and the Kansas gaming
20 act or rules and regulations adopted thereunder;
- 21 (4) inspect and approve, prior to publication or distribution, all ad-
22 vertising by a lottery gaming facility manager which includes any refer-
23 ence to the Kansas lottery; and
- 24 (5) take any other action as may be reasonable or appropriate to en-
25 force the provisions of the Kansas gaming act and any rules and regula-
26 tions, orders and final decisions of the executive director or the
27 commission.
- 28 (c) Appropriate security measures shall be required in any and all
29 areas where electronic gaming machines and other lottery facility games
30 authorized pursuant to the Kansas gaming act are located or operated.
31 The executive director shall approve all such security measures.
- 32 (d) The executive director shall require an annual audit of the elec-
33 tronic gaming machine operations and lottery facility games of each lot-
34 tery gaming facility manager contracting with the Kansas lottery. Such
35 audit shall be conducted by a licensed accounting firm approved by the
36 executive director. Such audit shall be conducted at the expense of the
37 lottery.
- 38 (e) None of the information disclosed pursuant to this section shall
39 be subject to disclosure under the Kansas open records act, K.S.A. 45-
40 216 et seq., and amendments thereto.
- 41 New Sec. 11. (a) Wagers shall be received only from a person at the
42 location where the electronic gaming machine or lottery facility game is
43 authorized pursuant to the Kansas gaming act. No person present at such

1 location shall place or attempt to place a wager on behalf of another
2 person who is not present at such location.

3 (b) Violation of this section is a class A non-person misdemeanor
4 upon a conviction for a first offense. Violation of this section is a severity
5 level 9, non-person felony upon conviction for a second or subsequent
6 offense.

7 New Sec. 12. (a) Except as authorized in subsection (c), it is unlawful
8 for any lottery gaming facility manager, or its employees or agents, to
9 allow any person to play electronic gaming machines or lottery facility
10 games or share in winnings of a person knowing such person to be:

11 (1) Under 21 years of age;

12 (2) the executive director, a member of the commission or an em-
13 ployee of the Kansas lottery;

14 (3) an employee or agent of the lottery gaming facility manager;

15 (4) an officer or employee of a vendor contracting with the Kansas
16 lottery to supply gaming equipment to the Kansas lottery for use in the
17 operation of any electronic gaming machine or lottery facility game con-
18 ducted pursuant to the Kansas gaming act;

19 (5) a spouse, child, stepchild, brother, stepbrother, sister, stepsister,
20 parent or stepparent of a person described in subsection (a)(2), (a)(3) or
21 (a)(4); or

22 (6) a person who resides in the same household as any person de-
23 scribed by subsection (a)(2), (a)(3) or (a)(4).

24 (b) Violation of subsection (a) is a class A non-person misdemeanor
25 upon conviction for a first offense. Violation of subsection (a) is a severity
26 level 9, non-person felony upon conviction for a second or subsequent
27 offense.

28 (c) The executive director may authorize in writing any employee of
29 the Kansas lottery and any employee of a lottery vendor to play an elec-
30 tronic gaming machine or a lottery facility game authorized pursuant to
31 the Kansas gaming act to verify the proper operation thereof with respect
32 to security and contract compliance. Any prize awarded as a result of such
33 play shall become the property of the Kansas lottery and be added to the
34 prize pools of subsequent lottery games. No money or merchandise shall
35 be awarded to any employee of the Kansas lottery playing an electronic
36 gaming machine or lottery facility game pursuant to this subsection.

37 New Sec. 13. A person under age 21 shall not be permitted in an
38 area of any location where any electronic gaming machine or lottery fa-
39 cility game authorized pursuant to the Kansas gaming act is being oper-
40 ated or conducted, except for a person at least 18 years of age who is an
41 employee of the lottery gaming facility manager. No employee under age
42 21 shall perform any function involved in gaming by patrons. No person
43 under age 21 shall be permitted to make a wager on an electronic gaming

1 machine or lottery facility game authorized pursuant to the Kansas gam-
2 ing act.

3 New Sec. 14. Except for persons acting in accordance with rules and
4 regulations of the Kansas lottery or by written authority of the executive
5 director in performing installation, maintenance, inspection and repair
6 services, any person who, with the intent to manipulate the outcome, pay
7 out or operation of an electronic gaming machine or lottery facility game,
8 manipulates the outcome, pay out or operation of an electronic gaming
9 machine or lottery facility game by physical, electrical or mechanical
10 means shall be guilty of a severity level 8, non-person felony.

11 New Sec. 15. (a) Except in accordance with rules and regulations of
12 the Kansas lottery or by written authority from the executive director in
13 performing installation, maintenance, inspection and repair services, it is
14 a class A non-person misdemeanor for the executive director, the com-
15 mission or any employee or agent of the commission, or the lottery gam-
16 ing facility manager or any employee of such manager, to knowingly, while
17 in Kansas, place a wager on or bet or play an electronic gaming machine
18 or other lottery facility game authorized pursuant to the Kansas gaming
19 act.

20 (b) It is a class A non-person misdemeanor for any member, em-
21 ployee or appointee of the commission to knowingly accept any compen-
22 sation, gift, loan, entertainment, favor or service from any lottery gaming
23 facility manager.

24 (c) It is a severity level 8, non-person felony for any person playing
25 or using any electronic gaming machine or lottery facility game in Kansas
26 knowingly to:

27 (1) Use other than a lawful coin or legal tender of the United States
28 of America, or to use coin not of the same denomination as the coin
29 intended to be used in an electronic gaming machine or lottery facility
30 game; except that in the playing of any electronic gaming machine, lottery
31 facility game or similar gaming device, it shall be lawful for any person
32 to use gaming billets, tokens or similar objects therein which are approved
33 by the Kansas lottery;

34 (2) use gaming billets, tokens or similar objects in a lottery gaming
35 facility other than in the facility for which the billet, token or similar object
36 was approved;

37 (3) possess or use, while on the premises of a lottery gaming facility,
38 or any location where electronic gaming machines or other lottery facility
39 games are authorized pursuant to this act, any cheating or thieving device,
40 including, but not limited to, tools, wires, drills, coins attached to strings
41 or wires or electronic or magnetic devices to facilitate removing from any
42 electronic gaming machine or lottery facility game or any money or con-
43 tents thereof;

1 (4) possess or use while on the premises of a lottery gaming facility,
2 or any location where electronic gaming machines or other lottery facility
3 games are authorized pursuant to the Kansas gaming act, any key or de-
4 vice designed for the purpose of, or suitable for, opening or entering any
5 electronic gaming machine, lottery facility game or similar gaming device
6 or drop box.

7 (d) Any duly authorized agent or employee of the commission or a
8 lottery gaming facility manager may possess and use any of the devices
9 described in paragraphs (3) and (4) of subsection (c) in furtherance of
10 inspection or testing as provided in the Kansas gaming act or in further-
11 ance of such person's employment at any location where electronic gam-
12 ing machines, lottery facility games or other lottery games are authorized
13 pursuant to the Kansas gaming act.

14 New Sec. 16. Each lottery gaming facility manager shall post one or
15 more signs at the location where such manager operates electronic gam-
16 ing machines or lottery facility games to inform patrons of the toll-free
17 number available to provide information and referral services regarding
18 compulsive or problem gambling. The text shall be determined by the
19 secretary of the department of social and rehabilitation services. Failure
20 by a lottery gaming facility manager to post and maintain such signs shall
21 be cause for the imposition of a fine not to exceed \$500 per day.

22 New Sec. 17. Pursuant to section 2 of the federal act entitled "An
23 Act to Prohibit Transportation of Gambling Devices in Interstate and
24 Foreign Commerce," 15 U.S.C. 1171 through 1777, the state of Kansas,
25 acting by and through the duly elected and qualified members of the
26 legislature, does hereby in this section, and in accordance with and in
27 compliance with the provisions of section 2 of such federal act, declare
28 and proclaim that it is exempt from the provision of section 2 of such
29 federal act to the extent that such gambling devices as described therein
30 are being transported to or from the Kansas lottery or to or from a lottery
31 gaming facility manager at a location within the state of Kansas where
32 electronic gaming machines or lottery facility games are authorized pur-
33 suant to the Kansas gaming act.

34 New Sec. 18. No taxes, fees, charges, transfers or distributions, other
35 than those provided for in the Kansas gaming act, shall be made or levied
36 by any city, county or other municipality from or against net machine
37 income or lottery gaming facility revenue derived from electronic gaming
38 machines and lottery facility games operated pursuant to this act.

39 New Sec. 19. All sales of electronic gaming machine games and lot-
40 tery facility games authorized by the Kansas gaming act shall be exempt
41 from sales taxes imposed pursuant to K.S.A. 12-187 *et seq.* and 79-3601
42 *et seq.*, and amendments thereto.

43 New Sec. 20. Each lottery gaming facility manager shall hold the

1 executive director, the commission and the state harmless from and de-
2 fend any and all claims which may be asserted against the executive di-
3 rector, the commission and the state, or the agents or employees thereof,
4 arising from the operation of electronic gaming machines, lottery facility
5 games or other lottery-type games pursuant to the Kansas gaming act.
6 This section may be satisfied by procurement of insurance as a lottery
7 gaming facility expense of the lottery gaming facility naming the executive
8 director, the commission and the state as additional insured parties. The
9 provisions of this section shall not apply to any claims arising from a
10 negligent act or omission or willful or malicious misconduct of the exec-
11 utive director, the commission or the state, or the agents or employees
12 thereof.

13 New Sec. 21. As a condition precedent to contracting for the privi-
14 lege of being a lottery gaming facility manager, such manager shall file
15 with the secretary of state of this state a written and irrevocable consent
16 that any action or garnishment proceeding may be commenced against
17 such manager in the proper court of any county in this state by the service
18 of process on a resident agent, and stipulating and agreeing that such
19 service shall be valid and binding as if service had been made upon such
20 manager. Such written consent shall state that the courts of this state have
21 jurisdiction over the person of the lottery gaming facility manager and are
22 the proper and convenient forum for such action and shall waive the right
23 to request a change of jurisdiction or venue to a court outside this state
24 and that all actions arising under this act and commenced by such man-
25 ager shall be brought in this state's courts as the proper and convenient
26 forum. Such consent shall be executed by the lottery gaming facility man-
27 ager and, if a corporation, by the president and secretary of such corporate
28 manager. Such consent shall be accompanied by a certified copy of the
29 order or resolution of the board of directors, trustees or managers au-
30 thORIZING the president and secretary to execute the same.

31 New Sec. 22. The Kansas gaming act, lottery gaming facility man-
32 agers and management contracts under the Kansas gaming act shall not
33 be subject to the provisions of and restrictions on major procurement
34 contracts, including, but not limited to, the provisions of K.S.A. 74-8705,
35 and amendments thereto.

36 New Sec. 23. The sale or service by lottery gaming facility managers
37 or ancillary lottery gaming facility operations and the consumption by
38 patrons of lottery gaming facilities of alcohol, liquor, wine, spirits, cereal
39 malt beverages and other intoxicating liquors is hereby permitted upon
40 and in lottery gaming facilities and ancillary lottery gaming facility oper-
41 ations. The provisions of K.S.A. 41-719, and amendments thereto, relating
42 to alcoholic liquor shall not be applicable to lottery gaming facilities and
43 ancillary lottery gaming facility operations.

1 Sec. 24. K.S.A. 74-8710 is hereby amended to read as follows: 74-
2 8710. (a) The commission, upon the recommendation of the executive
3 director, shall adopt rules and regulations governing the establishment
4 and operation of a state lottery, *sales of lottery tickets and the operation*
5 *of lottery gaming facilities* as necessary to carry out the purposes of ~~this~~
6 *the Kansas lottery act and the Kansas gaming act*. Temporary rules and
7 regulations may be adopted by the commission without being subject to
8 the provisions and requirements of K.S.A. 77-415 through 77-438, and
9 amendments thereto, but shall be subject to approval by the attorney
10 general as to legality and shall be filed with the secretary of state and
11 published in the Kansas register. Temporary and permanent rules and
12 regulations may include but shall not be limited to:

13 (1) Subject to the provisions of subsection (c), the types of lottery
14 games to be conducted, including but not limited to instant lottery, on-
15 line and traditional games, but not including games on ~~video lottery elec-~~
16 *tronic gaming machines or lottery machines facility games*.

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

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

23 (4) The frequency of the drawings or selections of winning tickets or
24 shares.

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

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

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

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

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

33 (10) Provisions for confidentiality of information submitted by ven-
34 dors pursuant to K.S.A. 74-8705, and amendments thereto.

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

37 (12) The major procurement contracts or portions thereof to be
38 awarded to minority business enterprises pursuant to subsection (a) of
39 K.S.A. 74-8705, and amendments thereto, and procedures for the award
40 thereof.

41 (13) *Rules and regulations to implement, administer and enforce the*
42 *provisions of the Kansas gaming act*.

43 (14) *The types of electronic gaming machines and lottery facility*

1 *games to be operated pursuant to the Kansas gaming act.*

2 (b) No new lottery game shall commence operation after the effective
3 date of this act unless first approved by the governor or, in the governor's
4 absence or disability, the lieutenant governor. *This subsection shall not*
5 *be construed to require approval of games played on an electronic gaming*
6 *machine or lottery facility games.*

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

11 Sec. 25. K.S.A. 2004 Supp. 74-8711 is hereby amended to read as
12 follows: 74-8711. (a) There is hereby established in the state treasury the
13 lottery operating fund.

14 (b) Except as provided by K.S.A. 2004 Supp. 74-8724 *and the Kansas*
15 *gaming act*, and amendments thereto, the executive director shall remit
16 all moneys collected from the sale of lottery tickets and shares and any
17 other moneys received by or on behalf of the Kansas lottery to the state
18 treasurer in accordance with the provisions of K.S.A. 75-4215, and
19 amendments thereto. Upon receipt of each such remittance, the state
20 treasurer shall deposit the entire amount in the state treasury to the credit
21 of the lottery operating fund. Moneys credited to the fund shall be ex-
22 pended or transferred only as provided by this act. Expenditures from
23 such fund shall be made in accordance with appropriations acts upon
24 warrants of the director of accounts and reports issued pursuant to vouch-
25 ers approved by the executive director or by a person designated by the
26 executive director.

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

28 (1) The payment of expenses of the lottery, which shall include all
29 costs incurred in the operation and administration of the Kansas lottery;
30 all costs resulting from contracts entered into for the purchase or lease
31 of goods and services needed for operation of the lottery, including but
32 not limited to supplies, materials, tickets, independent studies and sur-
33 veys, data transmission, advertising, printing, promotion, incentives, pub-
34 lic relations, communications and distribution of tickets and shares; and
35 reimbursement of costs of facilities and services provided by other state
36 agencies;

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

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

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

42 (5) transfers to the state gaming revenues fund pursuant to subsection
43 (d) of this section and as otherwise provided by law; and

- 1 (6) transfers to the county reappraisal fund as prescribed by law.
- 2 (d) The director of accounts and reports shall transfer moneys in the
3 lottery operating fund to the state gaming revenues fund created by
4 K.S.A. 79-4801, and amendments thereto, on or before the 15th day of
5 each month in an amount certified monthly by the executive director and
6 determined as follows, whichever is greater:
- 7 (1) An amount equal to the moneys in the lottery operating fund in
8 excess of those needed for the purposes described in subsections (c)(1)
9 through (c)(4); or
- 10 (2) except for pull-tab lottery tickets and shares, an amount equal to
11 not less than 30% of total monthly revenues from the sales of lottery
12 tickets and shares less estimated returned tickets. In the case of pull-tab
13 lottery tickets and shares, an amount equal to not less than 20% of the
14 total monthly revenues from the sales of pull-tab lottery tickets and shares
15 less estimated returned tickets.
- 16 Sec. 26. K.S.A. 74-8723 is hereby amended to read as follows: 74-
17 8723. (a) The Kansas lottery and the office of executive director of the
18 Kansas lottery, established by K.S.A. 74-8703, and amendments thereto,
19 and the Kansas lottery commission, created by K.S.A. 74-8709, and
20 amendments thereto, shall be and hereby are abolished on July 1, ~~2008~~
21 2015.
- 22 (b) This section shall be part of and supplemental to the Kansas lot-
23 tery act.
- 24 Sec. 27. K.S.A. 2004 Supp. 19-101a is hereby amended to read as
25 follows: 19-101a. (a) The board of county commissioners may transact all
26 county business and perform all powers of local legislation and adminis-
27 tration it deems appropriate, subject only to the following limitations,
28 restrictions or prohibitions:
- 29 (1) Counties shall be subject to all acts of the legislature which apply
30 uniformly to all counties.
- 31 (2) Counties may not consolidate or alter county boundaries.
- 32 (3) Counties may not affect the courts located therein.
- 33 (4) Counties shall be subject to acts of the legislature prescribing
34 limits of indebtedness.
- 35 (5) In the exercise of powers of local legislation and administration
36 authorized under provisions of this section, the home rule power con-
37 ferred on cities to determine their local affairs and government shall not
38 be superseded or impaired without the consent of the governing body of
39 each city within a county which may be affected.
- 40 (6) Counties may not legislate on social welfare administered under
41 state law enacted pursuant to or in conformity with public law No. 271—
42 74th congress, or amendments thereof.
- 43 (7) Counties shall be subject to all acts of the legislature concerning

1 elections, election commissioners and officers and their duties as such
2 officers and the election of county officers.

3 (8) Counties shall be subject to the limitations and prohibitions im-
4 posed under K.S.A. 12-187 to 12-195, inclusive, and amendments thereto,
5 prescribing limitations upon the levy of retailers' sales taxes by counties.

6 (9) Counties may not exempt from or effect changes in statutes made
7 nonuniform in application solely by reason of authorizing exceptions for
8 counties having adopted a charter for county government.

9 (10) No county may levy ad valorem taxes under the authority of this
10 section upon real property located within any redevelopment project area
11 established under the authority of K.S.A. 12-1772, and amendments
12 thereto, unless the resolution authorizing the same specifically authorized
13 a portion of the proceeds of such levy to be used to pay the principal of
14 and interest upon bonds issued by a city under the authority of K.S.A.
15 12-1774, and amendments thereto.

16 (11) Counties shall have no power under this section to exempt from
17 any statute authorizing or requiring the levy of taxes and providing sub-
18 stitute and additional provisions on the same subject, unless the resolution
19 authorizing the same specifically provides for a portion of the proceeds
20 of such levy to be used to pay a portion of the principal and interest on
21 bonds issued by cities under the authority of K.S.A. 12-1774, and amend-
22 ments thereto.

23 (12) Counties may not exempt from or effect changes in the provi-
24 sions of K.S.A. 19-4601 through 19-4625, and amendments thereto.

25 (13) Except as otherwise specifically authorized by K.S.A. 12-1,101
26 through 12-1,109, and amendments thereto, counties may not levy and
27 collect taxes on incomes from whatever source derived.

28 (14) Counties may not exempt from or effect changes in K.S.A. 19-
29 430, and amendments thereto.

30 (15) Counties may not exempt from or effect changes in K.S.A. 19-
31 302, 19-502b, 19-503, 19-805 or 19-1202, and amendments thereto.

32 (16) (A) Counties may not exempt from or effect changes in K.S.A.
33 13-13a26, and amendments thereto.

34 (B) This provision shall expire on June 30, ~~2005~~ 2006.

35 (17) (A) Counties may not exempt from or effect changes in K.S.A.
36 71-301a, and amendments thereto.

37 (B) This provision shall expire on June 30, ~~2005~~ 2006.

38 (18) Counties may not exempt from or effect changes in K.S.A. 19-
39 15,139, 19-15,140 and 19-15,141, and amendments thereto.

40 (19) Counties may not exempt from or effect changes in the provi-
41 sions of K.S.A. 12-1223, 12-1225, 12-1225a, 12-1225b, 12-1225c and 12-
42 1226, and amendments thereto, or the provisions of K.S.A. 12-1260
43 through 12-1270 and 12-1276, and amendments thereto.

- 1 (20) Counties may not exempt from or effect changes in the provi-
2 sions of K.S.A. 19-211, and amendments thereto.
- 3 (21) Counties may not exempt from or effect changes in the provi-
4 sions of K.S.A. 19-4001 through 19-4015, and amendments thereto.
- 5 (22) Counties may not regulate the production or drilling of any oil
6 or gas well in any manner which would result in the duplication of reg-
7 ulation by the state corporation commission and the Kansas department
8 of health and environment pursuant to chapter 55 and chapter 65 of the
9 Kansas Statutes Annotated and any rules and regulations adopted pur-
10 suant thereto. Counties may not require any license or permit for the
11 drilling or production of oil and gas wells. Counties may not impose any
12 fee or charge for the drilling or production of any oil or gas well.
- 13 (23) Counties may not exempt from or effect changes in K.S.A. 79-
14 41a04, and amendments thereto.
- 15 (24) Counties may not exempt from or effect changes in K.S.A. 79-
16 1611, and amendments thereto.
- 17 (25) Counties may not exempt from or effect changes in K.S.A. 79-
18 1494, and amendments thereto.
- 19 (26) Counties may not exempt from or effect changes in subsection
20 (b) of K.S.A. 19-202, and amendments thereto.
- 21 (27) Counties may not exempt from or effect changes in subsection
22 (b) of K.S.A. 19-204, and amendments thereto.
- 23 (28) Counties may not levy or impose an excise, severance or any
24 other tax in the nature of an excise tax upon the physical severance and
25 production of any mineral or other material from the earth or water.
- 26 (29) Counties may not exempt from or effect changes in K.S.A. 79-
27 2017 or 79-2101, and amendments thereto.
- 28 (30) Counties may not exempt from or effect changes in K.S.A. 2-
29 3302, 2-3305, 2-3307, 2-3318, 17-5904, 17-5908, 47-1219, 65-171d; *or*
30 65-1,178 through 65-1,199 ~~or K.S.A. 1998 Supp. 17-5909~~, and amend-
31 ments thereto.
- 32 (31) Counties may not exempt from or effect changes in K.S.A. 2004
33 Supp. 80-121, and amendments thereto.
- 34 (32) Counties may not exempt from or effect changes in K.S.A. 19-
35 228, and amendments thereto.
- 36 (33) Counties may not exempt from or effect changes in the wireless
37 enhanced 911 act or in the provisions of K.S.A. 12-5301 through 12-5308,
38 and amendments thereto.
- 39 (34) Counties may not exempt from or effect changes in K.S.A. 2004
40 Supp. 26-601, and amendments thereto.
- 41 (35) *Counties may not exempt from or effect changes in the Kansas*
42 *lottery act.*
- 43 (36) *Counties may not exempt from or effect changes in the Kansas*

1 *gaming act.*

2 (b) Counties shall apply the powers of local legislation granted in
3 subsection (a) by resolution of the board of county commissioners. If no
4 statutory authority exists for such local legislation other than that set forth
5 in subsection (a) and the local legislation proposed under the authority
6 of such subsection is not contrary to any act of the legislature, such local
7 legislation shall become effective upon passage of a resolution of the
8 board and publication in the official county newspaper. If the legislation
9 proposed by the board under authority of subsection (a) is contrary to an
10 act of the legislature which is applicable to the particular county but not
11 uniformly applicable to all counties, such legislation shall become effec-
12 tive by passage of a charter resolution in the manner provided in K.S.A.
13 19-101b, and amendments thereto.

14 (c) Any resolution adopted by a county which conflicts with the re-
15 strictions in subsection (a) is null and void.

16 Sec. 28. K.S.A. 74-8702, 74-8710 and 74-8723 and K.S.A. 2004 Supp.
17 19-101a, 74-8711 and 19-101k are hereby repealed.

18 Sec. 29. This act shall take effect and be in force from and after its
19 publication in the Kansas register.