

MINUTES OF THE HOUSE TOURISM COMMITTEE.

The meeting was called to order by Chairperson Carol E. Beggs at 3:35 p.m. on February 18, 2002 in Room 243-N of the Capitol.

All members were present except: Rep. Jeff Peterson

Committee staff present: Hank Avila, Research Department
Russell Mills, Research Department
Bob Nugent, Revisor of Statutes
Carol Doel, Committee Secretary

Conferees appearing before the committee: Keith Kocher, Asst. Attorney General, Kansas Lottery
Jim Giordono, Internal Auditor, Kansas Lottery

Others attending: See attached list

Each member was supplied with a copy of the Senate balloon for **HB 2183** for review prior to the meeting of February 20th. (Attachment 1)

Keith Kocher, Assistant Attorney General, Kansas Lottery and Jim Giordono, Internal Auditor, Kansas Lottery were available for continued education and discussion of electronic gaming.

Mr. Kocher explained that electronic gaming equipment means any electronic, video or computerized device which to play on the insertion of cash, tokens or electronic cards and may entitle the player to cash, tokens, merchandise or credits that may be redeemed for cash. This does not include table games such as blackjack, craps and poker.

Bob Nugent from the revisor's office was available with an explanation of the difference between video lottery and electronic gaming machines. He stated that our video lottery machine definition is pretty old and it doesn't encompass the latest technology that is being used. Our definition calls expressly for the use of cash. It is a cash in, credit or cash out machine. The more modern machines can use a token or something representative of cash. A video lottery machine is centrally controlled by the lottery. The computer that controls it is centrally located while under the bill the electronic gaming machine is controlled by computer that is at the site. The difference is more technological rather than legal.

Members of the committee requested a matrix of each bill be submitted for review as well as also requesting a copy of the AG opinions on Indian Compacts.

Approval of minutes

Chairman Beggs asked for a motion for approval of the minutes of February 13th. Rep. Ethel Peterson made a motion to approve the minutes as read. The motion was seconded by Rep. Levinson. Motion passed.

The meeting was adjourned. Next meeting will be February 20th in Room 243-N

HOUSE TOURISM COMMITTEE GUEST LIST

DATE Feb. 18 = 2002

NAME	REPRESENTING
Dave Holbas	Hein Law firm
Scott Anglemyer	KDOC#H
Audrey Shaw	Kearney Law Office
John Peterson	Ks Government Consulting
Keith Kocher	Ks Lottery
Phil Wilkes	KDOR
PHILIP HURLEY	PAT HURLEY & Co.
Jim Edward	KOCI
Trista Beadles	Office of the Governor
D. Ford	KSC
Ray Cox	Kep 397 ^A Dist
Alexis O. Thompson	Stand Up For KS,
Scott Heidner	IGT
Kathy Dammor	KCK
Jan Fisher	PMWA
Shirley Z...	Ks Clubs & Assoc
J. Chubb	Ks Am. Legion
BOB ALDERSON	KGA

HOUSE BILL No. 2183

By Committee on Tourism

1-26

9 AN ACT concerning racing and gaming; concerning electronic gaming
10 machines; amending K.S.A. 74-8702 and K.S.A. ~~2000~~ 2001 Supp. 19-101a
11 and 74-8723 and repealing the existing sections. 2001
12

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

14 Section 1. K.S.A. 74-8702 is hereby amended to read as follows: 74-
15 8702. As used in ~~this act~~ *the Kansas lottery act and sections 2 through*
16 *24, and amendments thereto*, unless the context otherwise requires:

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

18 (b) "Executive director" means the executive director of the Kansas
19 lottery.

20 ~~(c) "Gaming equipment" means any electric, electronic or mechani-~~
21 ~~cal device or other equipment unique to the Kansas lottery used directly~~
22 ~~in the operation of any lottery and in the determination of winners pur-~~
23 ~~suant to this act.~~

24 (c) "Gaming equipment" means any electric, electronic, computerized
25 or electromechanical machine, mechanism, supply or device or other
26 equipment unique to the Kansas lottery used pursuant to sections 2
27 through 24, and amendments thereto, or which is integral to the operation
28 of an electronic gaming machine or affects the results of an electronic
29 gaming machine by determining win or loss.

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

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

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

36 (g) "Major procurement" means any gaming product or service, in-
37 cluding but not limited to facilities, advertising and promotional services,
38 annuity contracts, prize payment agreements, consulting services, equip-
39 ment, tickets and other products and services unique to the Kansas lot-
40 tery, but not including materials, supplies, equipment and services com-
41 mon to the ordinary operations of state agencies.

42 (h) "Person" means any natural person, association, *limited liability*
43 *company*, corporation or partnership.

1 (i) "Prize" means any prize paid directly by the Kansas lottery pur-
2 suant to its rules and regulations.

3 (j) "Share" means any intangible manifestation authorized by the
4 Kansas lottery to prove participation in a lottery game.

5 (k) "Ticket" means any tangible evidence issued by the Kansas lottery
6 to prove participation in a lottery game.

7 (l) "Vendor" means any person who has entered into a major pro-
8 curement contract with the Kansas lottery.

9 (m) "Returned ticket" means any ticket which was transferred to a
10 lottery retailer, which was not sold by the lottery retailer and which was
11 returned to the Kansas lottery for refund by issuance of a credit or
12 otherwise.

13 (n) (1) "Video lottery machine" means any electronic video game
14 machine that, upon insertion of cash, is available to play or simulate the
15 play of a video game authorized by the commission, including but not
16 limited to bingo, poker, black jack and keno, and which uses a video
17 display and microprocessors and in which, by chance, the player may
18 receive free games or credits that can be redeemed for cash.

19 (2) "Video lottery machine" shall not mean an electronic gaming ma-
20 chine as defined by this section.

21 (o) "Electronic card" means a card purchased from a lottery gaming
22 machine operator for use on an electronic gaming machine.

23 (p) (1) "Electronic gaming machine" means any electronic, electro-
24 mechanical, video or computerized device, contrivance or machine au-
25 thorized by the commission which, upon the insertion of cash, tokens,
26 electronic cards or any consideration, is available to play, operate or sim-
27 ulate the play of, a game authorized by the commission at a parimutuel
28 licensee location, including but not limited to, bingo, poker, blackjack,
29 keno and slot machines and which may deliver or entitle the player op-
30 erating the machine to receive cash, tokens, merchandise or credits that
31 may be redeemed for cash. Electronic gaming machines may use bill val-
32 idators and may be single-position reel-type, single or multi-game video
33 and single-position multigame video electronic games including, but not
34 limited to, bingo, poker, blackjack, keno and slot machines. Electronic
35 gaming machines shall be linked to a central computer at the parimutuel
36 licensee location for purposes of security, monitoring and auditing.

37 (2) "Electronic gaming machine" shall not include any casino table
38 game, such as craps, poker, blackjack, roulette, keno, layout, numbers,
39 tickets, baccarat, Klondike table, punchboard, punch cards, faro layout,
40 ticket or pull tab or video lottery machine.

41 (q) "Key gaming employee" means any natural person 21 years of age
42 or older employed by or under contract with a lottery gaming machine
43 operator or employed by or under contract with a person providing on

1 or off-site management or employee-related services to the lottery gaming
2 machine operator including, but not limited to: (1) Gaming operator man-
3 ager and assistant manager; (2) facilities operator manager; (3) electronic
4 games manager; (4) accounting department personnel; (5) count room
5 employees; (6) cage department employees, including cashiers and main
6 bank employees; (7) vault department employees; (8) approvers of credit;
7 (9) surveillance department employees; (10) security department employ-
8 ees; (11) floor managers; (12) electronic gaming device technicians; (13)
9 custodians of electronic gambling devices, including persons with access
10 to cash and accounting records within such devices; (14) collection per-
11 sonnel; (15) internal auditors of the lottery gaming machine operator; and
12 (16) any employee whose total cash compensation is in excess of \$50,000
13 per year.

14 (r) "Lottery gaming machine operator" means any parimutuel li-
15 censee with which the executive director has contracted for the placement
16 of an electronic gaming machine pursuant to this act.

17 (s) "Net machine income" means the total of all cash and the face
18 value of all tokens or electronic cards placed in an electronic gaming
19 machine less cash, merchandise or credits that may be redeemed for cash
20 paid to players as winnings.

21 (t) "Organizational licensee" means an organizational licensee as de-
22 fined by K.S.A. 74-8802, and amendments thereto.

23 (†)(u) "Parimutuel licensee" means a facility owner licensee or a fa-
24 cility manager licensee, as defined by K.S.A. 74-8802, and amendments
25 thereto.

26 (†)(v) "Parimutuel licensee location" means a racetrack facility lo-
27 cated on or immediately adjacent to the real estate of a parimutuel licensee
28 where live horse racing or live greyhound racing has been authorized or
29 for which application for authorization is pending prior to February 1,
30 2000, to be conducted pursuant to the Kansas parimutuel racing act. A
31 parimutuel licensee location may include any of the existing structures
32 located on the real estate where the live horse racing or live greyhound
33 racing is authorized to be conducted or any other structures that may be
34 constructed on or immediately adjacent to such real estate.

35 (†)(w) "Progressive game" means a game played on an electronic
36 gaming device on which the payoff increases uniformly as the electronic
37 gaming device is played and on which the jackpot, determined by appli-
38 cation of a formula to the income of independent, local or interlinked
39 electronic gaming devices, may be won.

40 (†)(x) "Technology provider" means any person or entity other than
41 a lottery gaming machine operator that designs, manufactures, installs,
42 operates, distributes, supplies or replaces an electronic gaming machine
43 for sale, lease or use in accordance with this act.

1 ~~(x)~~(y) "Token" means a metal or other representative of value, which
2 is not legal tender, redeemable for cash only by the issuing lottery gaming
3 machine operator at its parimutuel licensee location and issued and sold
4 by a lottery gaming machine operator for the sole purpose of playing an
5 electronic gaming machine.

6 New Sec. 2. (a) Sections 2 through 24, and amendments thereto,
7 shall be known as the Kansas gaming revenue recovery act and shall be
8 part of and supplemental to the Kansas lottery act.

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

14 New Sec. 3. (a) Subject to the provisions of this act, the executive
15 director shall contract with parimutuel licensees for the operation and
16 management of electronic gaming machines at parimutuel licensee lo-
17 cations in the state of Kansas. The executive director shall contract only
18 with parimutuel licensees in counties in which a proposition submitted
19 pursuant to section 5, and amendments thereto, has been approved by
20 the voters of such county.

21 (b) The lottery gaming machine operator shall purchase a license for
22 all software programs used by such lottery gaming machine operator to
23 operate electronic gaming machines. The cost of such license shall be
24 paid by the operator, but shall be owned by the Kansas lottery. The Kan-
25 sas lottery shall be the licensee of all such software programs and shall
26 sublicense such software programs to each lottery gaming machine op-
27 erator. Electronic gaming machines purchased or leased by the lottery
28 gaming machine operator at its own expense may be installed, operated
29 or managed, owned or leased by a lottery gaming machine operator or
30 by a technology provider under contract with the lottery gaming machine
31 operator as provided by this act. Such machines shall be subject to the
32 ultimate control of the Kansas lottery in accordance with this act. Each
33 specific type of electronic gaming machine shall be approved by the Kan-
34 sas lottery in accordance with K.S.A. 74-8710, and amendments thereto.
35 The use of progressive electronic gaming machines is expressly permitted.

36 (c) Each contract between the executive director and a lottery gaming
37 machine operator shall provide that the Kansas lottery receive all of the
38 net machine income derived from the operation of electronic gaming
39 machines at the parimutuel licensee location.

40 (d) The initial term of such contract shall be not less than the re-
41 maining term of the Kansas lottery and shall renew with each extension
42 of the Kansas lottery as provided in K.S.A. 74-8723, and amendments
43 thereto.

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1 (e) Contracts authorized by this section may include provisions relat-
2 ing to:

3 (1) Accounting procedures to determine the net machine income,
4 unclaimed merchandise and credits.

5 (2) The location and operation of electronic gaming machines at the
6 parimutuel licensee location. Except as provided by this act, the days and
7 hours of operation and the number of such electronic gaming machines
8 shall not be restricted.

9 (3) Minimum requirements for an electronic gaming machine oper-
10 ator to provide qualified oversight, security and supervision of the oper-
11 ation of electronic gaming machines at the parimutuel licensee location,
12 including the use of qualified personnel with experience in applicable
13 technology.

14 (4) The eligibility requirements for employees of a lottery gaming
15 machine operator who will have responsibility for the handling of cash or
16 tokens. Such requirements may include a background investigation per-
17 formed by the Kansas racing and gaming commission and that any key
18 gaming employee shall be licensed as provided in section 22, and amend-
19 ments thereto.

20 (5) Provision for termination of the contract by either party for cause,
21 including but not limited to, failure of the lottery gaming machine oper-
22 ator to maintain a parimutuel license in accordance with K.S.A. 74-
23 8801 *et seq.*, and amendments thereto, failure of the lottery gaming ma-
24 chine operator to collect and remit net machine income pursuant to
25 ~~section 8~~ and amendments thereto.

— this act

26 (6) Any other provision deemed necessary by the parties pursuant to
27 this section.

28 (f) The Kansas lottery shall examine prototypes of electronic gaming
29 machines and shall notify the Kansas racing and gaming commission
30 which types of electronic gaming machines are in compliance with the
31 requirements of this act.

32 (g) No electronic gaming machine shall be operated pursuant to this
33 act unless the executive director of the Kansas racing and gaming com-
34 mission first issues a certificate for such machine authorizing its use at a
35 specified parimutuel licensee facility. Each machine shall have the cer-
36 tificate prominently displayed thereon. Any machine which does not dis-
37 play the certificate required by this section is contraband and a public
38 nuisance subject to confiscation by any law enforcement officer.

39 (h) The executive director shall require any manufacturer, supplier,
40 provider, lottery gaming machine operator or other person seeking the
41 examination and certification of electronic gaming machines to pay the
42 anticipated actual costs of the examination in advance. After the comple-
43 tion of the examination, the executive director shall refund any over-

1 payment or charge and collect amounts sufficient to reimburse the ex-
2 ecutive director for any underpayment of actual costs. The executive
3 director may contract for the examination of electronic gaming machines
4 as required by this subsection, and may rely upon testing done by or for
5 other states regulating electronic gaming machines, if the executive di-
6 rector deems such testing to be reliable and in the best interest of the
7 state of Kansas.

8 (i) Electronic gaming machines operated pursuant to this act shall:

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

10 (2) be linked to a central communications system to provide auditing
11 and other program information as approved by the commission. The com-
12 munications systems certified by the commission may not limit partici-
13 pation to only one electronic gaming machine manufacturer, distributor,
14 supplier or provider; and

15 (3) be on-line and in constant communication with a central com-
16 puter located in an office located at the parimutuel licensee location. The
17 electronic gaming machine operator shall purchase at its expense for the
18 Kansas lottery all gaming equipment as is necessary to implement such
19 central communications and auditing functions.

20 New Sec. 4. In addition to the powers granted pursuant to K.S.A.
21 74-8704 and section 3, and amendments thereto, the executive director
22 shall have the power to:

23 (a) Enter into contracts with parimutuel licensees for placement, re-
24 placement and operation of electronic gaming machines at parimutuel
25 licensee locations. Such contracts shall be subject to rules and regulations
26 adopted pursuant to the Kansas lottery act and this act but shall not be
27 subject to the provisions of K.S.A. 75-3738 through 75-3744, and amend-
28 ments thereto.

29 (b) Examine or cause to be examined by any agent or representative
30 designated by the executive director any books, papers, records or mem-
31 oranda of any gaming machine operator for the purpose of ascertaining
32 compliance with the provisions of the Kansas lottery act or this act or
33 rules and regulations adopted thereunder.

34 (c) Issue subpoenas to compel access to or for the production of any
35 books, papers, records or memoranda in the custody or control of any
36 lottery gaming machine operator, or to compel the appearance of any
37 lottery gaming machine operator for the purpose of ascertaining compli-
38 ance with the provisions of this act or rules and regulations adopted here-
39 under. Subpoenas issued under the provisions of this subsection may be
40 served upon natural persons and corporations in the manner provided in
41 K.S.A. 60-304, and amendments thereto, for the service of process by any
42 officer authorized to serve subpoenas in civil actions or by the executive
43 director or an agent or representative designated by the executive direc-

or such operator's agents or employees
or such operator's agents or employees

1 tor. In the case of the refusal of any person to comply with any such
2 subpoena, the executive director may make application to the district
3 court of any county where such books, papers, records, memoranda or
4 person is located for an order to comply.

5 (d) Inspect and view the operation of all machines, systems or facil-
6 ities where electronic gaming machines controlled and operated by the
7 Kansas lottery are located.

8 (e) Inspect and approve, prior to publication or distribution, all ad-
9 vertising by a lottery gaming machine operator which includes any refer-
10 ence to the Kansas lottery.

11 New Sec. 5. (a) Electronic gaming machines shall be operated pur-
12 suant to this act only in counties where, in accordance with this section,
13 the qualified voters of the county have voted to permit operation of elec-
14 tronic gaming machines at parimutuel racetracks within the county.

15 (b) The board of county commissioners of any county in which a
16 parimutuel licensee is located, by resolution, may submit and upon pres-
17 entation of a petition filed in accordance with subsection (c), shall submit
18 to the qualified voters of the county a proposition to permit the operation
19 of electronic gaming machines at parimutuel racetracks within the county.
20 The proposition shall be submitted to the voters either in a countywide
21 special election called by the board of county commissioners for that
22 purpose and held not less than 90 days after the resolution is adopted or
23 the petition is filed or at the next general election as shall be specified by
24 the board of county commissioners or in the petition, as the case may be.

25 (c) A petition to submit a proposition to the qualified voters of a
26 county pursuant to this section shall be filed with the county election
27 officer. The petition shall be signed by qualified voters of the county equal
28 in number to not less than 10% of the voters of the county who voted for
29 the office of secretary of state at the last preceding general election at
30 which such office was elected. The following shall appear on the petition:
31 "We request an election to determine whether the operation of electronic
32 gaming machines by the Kansas lottery shall be permitted at parimutuel
33 racetracks in _____ county."

34 (d) Upon the adoption of a resolution or the submission of a valid
35 petition calling for an election pursuant to this section, the county election
36 officer shall cause the following proposition to be placed on the ballot at
37 the election called for that purpose: "Shall the operation of electronic
38 gaming machines by the Kansas lottery be permitted at parimutuel race-
39 tracks in _____ county?"

40 (e) If a majority of the votes cast and counted at such election is in
41 favor of the proposition, the Kansas lottery shall enter a contract with
42 parimutuel licensees to operate such games. If a majority of the votes cast
43 and counted at an election under this section is against the proposition,

1 the Kansas lottery shall not operate such games. The county election
2 officer shall transmit a copy of the certification of the results of the elec-
3 tion to the executive director of the lottery and the executive director of
4 the racing and gaming commission.

5 (f) The election provided for by this section shall be conducted, and
6 the votes counted and canvassed, in the manner provided by law for
7 question submitted elections of the county.

8 (g) If in any election provided for by this section a majority of the
9 votes cast and counted is against permitting the operation of electronic
10 gaming machines in the county, another election submitting the issue of
11 the operation of electronic gaming machines in the county shall not be
12 held for at least two years from the date of such election.

13 New Sec. 6. (a) All purse supplements paid pursuant to this act shall
14 be in accordance with the point schedule in effect on January 1, 1999, at
15 the parimutuel licensee location in Sedgwick county. All purse supple-
16 ments paid pursuant to this section shall be in addition to purses and
17 supplements paid under K.S.A. 74-8801 et seq., and amendments thereto.

18 (b) No electronic gaming machine shall be operated pursuant to this
19 act unless the facility in which the electronic gaming machine is operated
20 displays live and simulcast parimutuel races on video terminals and has
21 installed parimutuel windows for wagering on parimutuel races

and conducts live racing programs, in
accordance with the requirements of this
section, during the week in which any
electronic gaming machine is operated

22 (c) Except as provided in subsection (d) of this section, no electronic
23 gaming machine shall be operated at the following locations unless:

24 (1) During the first full calendar year and each year thereafter in
25 which electronic gaming machines are operated, the parimutuel licensee
26 shall conduct at the parimutuel licensee location in Sedgwick county at
27 least eight live racing programs each calendar week for the number of
28 weeks equal to or greater than the number of weeks raced during the
29 1998 calendar year with at least 13 live races conducted each program.

eight

30 (2) During the first full calendar year and each year thereafter in
31 which electronic gaming machines are operated, the parimutuel licensee
32 shall conduct at the parimutuel licensee location in Wyandotte county at
33 least ~~seven~~ live racing programs each calendar week for the number of
34 weeks equal to or greater than the number of weeks raced during the
35 1998 calendar year with at least 13 live races conducted each program
36 and also shall conduct at least 60 days of live horse racing with a minimum
37 of seven live thoroughbred and three live quarterhorse races per day.

greyhound

38 (3) During the first full calendar year and each year thereafter in
39 which electronic gaming machines are operated, the parimutuel licensee
40 shall conduct at the parimutuel licensee location in Crawford county live
41 racing the number of days agreed upon by the organization licensee and
42 the parimutuel licensee but not less than 150 days, comprised of at least
43 ~~seven~~ live racing programs each calendar week with at least 13 live races

eight

1 conducted each program.

2 (d) The Kansas racing and gaming commission may provide excep-
3 tions to the requirements of subsection (c) for a parimutuel licensee con-
4 ducting live racing when events beyond the control of the licensee may
5 render racing impossible or impractical. Such events shall include any
6 natural or man-made disaster, shortage of qualified racing animals due to
7 kennel sickness or state imposed limitations on operations.

8 New Sec. 7. (a) There is hereby created the state technologically lit-
9 erate work force development fund in the state treasury. All moneys cred-
10 ited to such fund shall be expended or transferred only for the purposes
11 and in the manner provided by this act and all expenditures from the state
12 technologically literate workforce development fund shall be made in ac-
13 cordance with appropriation acts. All moneys credited to such fund shall
14 be allocated and credited monthly to the funds and in the amounts spec-
15 ified by this act except that the total of the amounts credited to such
16 funds in any one fiscal year pursuant to this section shall not exceed
17 \$25,000,000. All amounts credited to such fund in any one fiscal year
18 which are in excess of \$25,000,000 shall be transferred and credited to
19 the economic development initiatives fund created by K.S.A. 79-4804,
20 and amendments thereto, on July 15, 2002, and June 25, 2003, and each
21 year thereafter on June 25.

22 Moneys in the state technologically literate workforce development
23 fund shall be used for the purposes of:

24 (1) Funding the K through 12 technology fund at the department of
25 education;

26 (2) enhancing funding for instructional and technology equipment for
27 colleges and universities, community colleges and vocational-technical
28 schools under the control of the Kansas board of regents, Washburn uni-
29 versity and schools under the control of the board of education of any
30 school district; and

31 (3) funding for Kan-Ed internet backbone project.

32 The director of accounts and reports shall disburse funds in accordance
33 with appropriations made therefor to colleges and universities under the
34 control of the Kansas board of regents, Washburn university, community
35 colleges and vocational-technical schools under the supervision of the
36 Kansas board of regents and the board of education of any school district.
37 The legislature may appropriate only those moneys in the state techno-
38 logically literate workforce development fund as of December 31 of each
39 year preceding the legislative session in which such appropriation is to be
40 made. Such moneys shall not be used to replace property taxes or general
41 fund support for activities, services, supplies, maintenance, salaries, ben-
42 efits, equipment, facilities or other purposes existing and funded by fed-
43 eral, state or local moneys as of July 1, 2001.

1 (b) There is hereby created in the state treasury the live horse racing
2 purse supplement fund. Moneys available in such fund shall be paid to
3 parimutuel licensees for distribution as purse supplements in accordance
4 with rules and regulations of the Kansas racing and gaming commission.
5 Such rules and regulations shall provide that an amount equal to 20% of
6 the moneys in the live horse racing purse supplement fund shall be trans-
7 ferred to the horse breeding development fund created pursuant to
8 K.S.A. 74-8829, and amendments thereto, to be expended as provided
9 therein. The balance in such fund shall be expended upon recommen-
10 dation of the respective thoroughbred and quarterhorse breed organiza-
11 tions with the approval of the Kansas racing and gaming commission.

12 (c) There is hereby created in the state treasury the live dog racing
13 purse supplement fund. Moneys available in such fund shall be paid to
14 parimutuel licensees for distribution as purse supplements in accordance
15 with rules and regulations of the Kansas racing and gaming commission.
16 Such rules and regulations shall provide that, in addition to purse sup-
17 plements paid to winners of live dog races at each parimutuel licensee
18 location, the lottery gaming machine operator at the parimutuel licensee
19 location shall pay to each winner that is a Kansas-whelped greyhound an
20 additional amount equal to \$60 per point for each point awarded to the
21 winner. Such rules and regulations also shall provide that a portion of the
22 moneys available in such fund, in an amount not to exceed 20% of such
23 fund shall be transferred to the greyhound breeding development fund
24 created pursuant to K.S.A. 74-8831, and amendments thereto, to be ex-
25 pended as provided therein.

26 (d) There is hereby created in the state treasury the electronic gaming
27 machine operation and regulatory fund. Moneys in such fund shall be
28 used to pay for the expenses of the Kansas lottery and the Kansas racing
29 and gaming commission attributable to the operation and regulation of
30 electronic gaming machines. Unless otherwise provided by law, moneys
31 in such fund may be expended only pursuant to appropriation and moneys
32 in excess of those appropriated to the Kansas lottery and the Kansas racing
33 and gaming commission shall be transferred to the state gaming revenues
34 fund and expended as provided by appropriation.

35 New Sec. 8. (a) There is hereby created in the state treasury the
36 electronic gaming machine fund. The executive director shall collect and
37 remit to the state treasurer not less than once each week all net machine
38 income received from lottery gaming machine operators to be credited
39 to the electronic gaming machine fund. Separate accounts shall be main-
40 tained in the electronic gaming machine fund for receipt of funds from
41 each lottery gaming machine operator. Not less than once each week, the
42 state treasurer shall distribute from the total receipts credited to each

Each lottery machine gaming operator shall
remit all net machine income to the executive
director not less than once each week.

1-11

1 (1) One percent to the electronic gaming machine operation and reg-
2 ulatory fund;

3 (2) one-fourth percent to the state gaming revenues fund to be ex-
4 pended in accordance with appropriation acts which may include transfers
5 to the problem gambling grant fund created pursuant to K.S.A. 79-4805,
6 and amendments thereto;

7 (3) three and one-half percent to the live horse racing purse suppl-
8 ment fund established pursuant to section 7, and amendments thereto.
9 Such moneys shall be distributed from the separate horse purse suppl-
10 ment accounts maintained pursuant to subsection (b) of section 7, and
11 amendments thereto, in accordance with rules and regulations of the
12 Kansas racing and gaming commission. Not less than \$1,600,000 shall be
13 guaranteed annually by parimutuel licensees to be charged against the
14 accounts of such licensees on a pro rata basis. The revenues dedicated to
15 purse supplements shall be distributed into separate quarterhorse and
16 thoroughbred accounts, with each year's percentage calculated on an av-
17 erage of the preceding three years' live starters in Kansas;

18 (4) ~~three and one-half~~ percent, plus an amount equal to \$60 per point
19 for each point awarded the preceding week at the parimutuel licensee
20 location to winners of live races that are Kansas-whelped greyhounds, to
21 the live dog racing purse supplement fund established pursuant to section
22 7, and amendments thereto, to be distributed in accordance with the
23 provisions of section 7, and amendments thereto, and the rules and reg-
24 ulations of the Kansas racing and gaming commission; and

25 (5) twenty percent to the Kansas education enhancement fund estab-
26 lished pursuant to section 7, and amendments thereto.

27 (b) After the distribution of moneys pursuant to subsection (a), the
28 state treasurer shall remit the balance in the account for each lottery
29 gaming machine operator to such lottery gaming machine operator not
30 less than once each week. From the moneys received pursuant to this
31 subsection, the lottery gaming machine operator shall pay the organiza-
32 tion licensee such amounts as are agreed to by the organization licensee
33 and the lottery gaming machine operator.

34 New Sec. 9. The Kansas lottery commission, upon the recommen-
35 dation of the executive director, shall adopt rules and regulations neces-
36 sary to carry out the purposes of this act. Temporary rules and regulations
37 may be adopted by the commission without being subject to the provi-
38 sions and requirements of K.S.A. 77-415 through 77-438, and amend-
39 ments thereto, but shall be subject to approval by the attorney general as
40 to legality and shall be filed with the secretary of state and published in
41 the Kansas register. Temporary and permanent rules and regulations may
42 include but shall not be limited to electronic gaming machines operated
43 at parimutuel licensee locations.

seven

1 New Sec. 10. (a) Except as provided in subsection (c), it is unlawful
2 for any parimutuel licensee to allow any person to play electronic gaming
3 machines or share in winnings of a person knowing such person to be:

4 (1) Under 21 years of age;

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

7 (3) an officer or employee of a vendor contracting with the Kansas
8 lottery to supply gaming equipment or tickets to the Kansas lottery for
9 use in the operation of any lottery conducted pursuant to this act;

10 (4) a spouse, child, stepchild, brother, stepbrother, sister, stepsister,
11 parent or stepparent of a person described by subsection (a)(2) or (3); or

12 (5) a person who resides in the same household as any person de-
13 scribed by subsection (a)(2) or (3).

14 (b) Violation of subsection (a) is a class A nonperson misdemeanor
15 upon conviction for a first offense. Violation of subsection (a) is a severity
16 level 9, nonperson felony upon conviction for a second or subsequent
17 offense.

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

26 New Sec. 11. A parimutuel licensee shall post one or more signs on
27 licensed premises at points of entry to the areas where electronic gaming
28 machines are located to inform patrons of the toll-free number available
29 to provide information and referral services regarding compulsive or
30 problem gaming. The text shall be determined by the secretary of the
31 department of social and rehabilitation services. Failure by the parimutuel
32 licensee to post and maintain such signs shall be cause for the imposition
33 of a fine not to exceed \$500 per day.

34 New Sec. 12. Each lottery gaming machine operator shall provide
35 access for the executive director or the executive director's designee or
36 the commission and its designated employees to all its records and the
37 physical premises where the electronic gaming machine activities occur
38 for the purpose of monitoring or inspecting the electronic gaming ma-
39 chines and gaming equipment. None of the information disclosed pur-
40 suant to this subsection shall be subject to disclosure under the Kansas
41 open records act, K.S.A. 45-216 et seq., and amendments thereto.

42 New Sec. 13. (a) Wagers shall be received only from a person present
at a parimutuel licensee location. No person present at a parimutuel li-

1 licensee location shall place or attempt to place a wager on behalf of an-
2 other person who is not present at a parimutuel licensee location.

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

6 New Sec. 14. A person under age 21 shall not be permitted in an
7 area of a parimutuel licensee location where gaming is being conducted,
8 except for a person at least 18 years of age who is an employee of the
9 parimutuel licensee. No employee under age 21 shall perform any func-
10 tion involved in gaming by the patrons. No person under age 21 shall be
11 permitted to make a wager on an electronic gaming machine.

12 New Sec. 15. If a disagreement arises between the executive director
13 and the Kansas racing and gaming commission with regard to their re-
14 spective duties or responsibilities in carrying out the purposes of the Kan-
15 sas lottery act, such disagreement shall be resolved by the governor in a
16 manner not inconsistent with the provisions of such act.

17 New Sec. 16. Pursuant to section 2 of the federal act entitled "An
18 Act to Prohibit Transportation of Gambling Devices in Interstate and
19 Foreign Commerce," 15 U.S.C. 1171 through 1177, the legislature of the
20 state of Kansas hereby declares and proclaims that it is exempt from the
21 provision of section 2 of such act to the extent that such gambling devices
22 are being transported to or from a licensed gaming machine operator at
23 a parimutuel licensee location within the state of Kansas.

24 New Sec. 17. Except for persons acting in accordance with the rules
25 and regulations of the Kansas lottery and the Kansas racing and gaming
26 commission in performing installation, maintenance and repair services,
27 any person who, with the intent to manipulate the outcome, pay-off or
28 operation of an electronic gaming machine, manipulates the outcome,
29 pay-off or operation of an electronic gaming machine by physical, elec-
30 trical or mechanical means shall be guilty of a severity level 8, nonperson
31 felony.

32 New Sec. 18. Nothing in this act shall restrict the jurisdiction of the
33 Kansas racing and gaming commission to regulate activities conducted at
34 parimutuel licensee facilities including the premises on which electronic
35 gaming machines are operated. The days and hours of operation and the
36 number of electronic gaming machines shall not be restricted unless oth-
37 erwise authorized by this act.

38 New Sec. 19. All sales of electronic gaming machine games shall be
exempt from sales taxes imposed pursuant to K.S.A. 12-187 *et seq.* and
79-3601 *et seq.*, and amendments thereto.

41 New Sec. 20. (a) The Kansas racing and gaming commission and its
42 designated employees may observe and inspect all electronic gaming fa-
43 cilities operated by licensees.

1-14

1 (b) The Kansas racing and gaming commission may examine, or cause
 2 to be examined by any agent or representative designated by the com-
 3 mission, any books, papers, records or memoranda of any licensee, or of
 4 any racetrack or business involved in electronic gaming for the purpose
 5 of ascertaining compliance with any provision of this act or any rule and
 6 regulation adopted hereunder.

7 (c) The Kansas racing and gaming commission may adopt rules and
 8 regulations with respect to security, safety and honest conduct at all par-
 9 imutuel licensee locations.

10 (d) The Kansas racing and gaming commission shall have the power
 11 to investigate alleged violations of this act and any rules and regulations.

12 (e) The Kansas racing and gaming commission shall have the power
 13 to authorize security measures required in any areas where electronic
 14 gaming machines are located.

15 (f) The Kansas racing and gaming commission shall have the power
 16 to take any other action as may be reasonable or appropriate to enforce
 17 the provisions of this act and any rules and regulations.

18 (g) The Kansas racing and gaming commission shall require an annual
 19 audit of the electronic gaming machine operations of each lottery gaming
 20 machine operator contracting with the Kansas lottery. Such audit shall be
 21 conducted by a licensed accounting firm approved by the Kansas racing
 22 and gaming commission. Such audit shall be conducted at the expense of
 23 the lottery gaming machine operator to which such audit applies.

24 (h) Following completion of three years from the date upon which
 25 electronic gaming machines begin operation by each lottery gaming ma-
 26 chine operator pursuant to contract with the Kansas lottery, the Kansas
 27 racing and gaming commission shall prepare an economic impact report
 28 for the Kansas legislature detailing the costs and benefits of lottery gaming
 29 machine operations. The report shall be filed with the president of the
 30 senate and speaker of the house prior to the first legislative session fol-
 31 lowing completion of the report. Such report shall include information
 32 on the use or distribution of net and gross machine income received from
 33 the electronic gaming machine operations of each lottery gaming machine
 34 operator, including comparable electronic gaming machine operations in
 35 states within as close proximity to Kansas as possible, competitive market
 36 analysis, tax benefits, payroll, capital investment and such other matters
 37 that the Kansas racing and gaming commission may require. The Kansas
 38 racing and gaming commission may contract for the services of such in-
 39 dependent professionals as may be required to complete such report.
 40 Expenses for such report shall be paid pursuant to appropriation from
 41 the electronic gaming machine operation and regulatory fund.

42 New Sec. 21. (a) It is a class A nonperson misdemeanor for any mem-
 43 ber, employee or appointee of the lottery commission or the Kansas rac-

1 ing and gaming commission, including stewards and racing judges, know-
2 ingly to:

3 (1) participate in the operation of or have a financial interest in any
4 business which has been issued a concessionaire license, racing or wa-
5 gering or electronic gaming machine equipment or services license, fa-
6 cility owner license or facility manager license, or any business which sells
7 goods or services to an organization licensee;

8 (2) participate directly or indirectly as an owner, operator, manager
9 or consultant in electronic gaming in Kansas;

10 (3) place a wager on or bet or play an electronic gaming machine at
11 a parimutuel licensee location in Kansas;

12 (4) accept any compensation, gift, loan, entertainment, favor or serv-
13 ice from any licensee, except such suitable facilities and services within a
14 racetrack facility operated by an organization licensee as may be required
15 to facilitate the performance of the member's, employee's or appointee's
16 official duties;

17 (5) enter into any business dealing, venture or contract with an owner
18 or lessee of a parimutuel licensee location in Kansas; or

19 (6) engage in any activity described in subsection (1), (2), (4) or (5)
20 within two years from the last day of service as such member, employee
21 or appointee.

22 (b) It is a class A nonperson misdemeanor for any member, employee
23 or appointee of the Kansas racing and gaming commission, including
24 stewards and racing judges, knowingly to violate any of the provisions of
25 subsection (a).

26 (c) It is a severity level 8, nonperson felony for any person playing or
27 using any electronic gaming machine at a parimutuel licensee location in
28 Kansas knowingly to:

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

35 (2) possess or use, while on the premises of a parimutuel licensee
36 location any cheating or thieving device, including but not limited to,
37 tools, wires, drills, coins attached to strings or wires or electronic or mag-
38 netic devices to facilitate removing from any electronic gaming machine
39 any money or contents thereof, except that a duly authorized employee
40 of the lottery commission, Kansas racing and gaming commission or a
41 parimutuel licensee may possess and use any of the foregoing only in
42 furtherance of the employee's employment at the parimutuel licensee
43 location; or

1 (3) possess or use, while on the premises of any parimutuel licensee
2 location any key or device designed for the purpose of or suitable for
3 opening or entering any electronic gaming machine or similar gaming
4 device or drop box. An authorized employee of the lottery commission,
5 Kansas racing and gaming commission or a parimutuel licensee may pos-
6 sess and use any such key or device only in furtherance of the employee's
7 employment at the parimutuel licensee location.

8 New Sec. 22. (a) No organization licensee or facility manager li-
9 censee shall permit any business not owned and operated by the organ-
10 ization licensee to provide electronic gaming machine equipment or serv-
11 ices, as designated by the Kansas racing and gaming commission, to an
12 organization licensee unless such business has been issued an electronic
13 gaming machine equipment or services license by the Kansas racing and
14 gaming commission. Such equipment and services include, but are not
15 limited to, surveillance, electronic computer components, random num-
16 ber generator or cabinet thereof and token redemption equipment or
17 services.

18 (b) Businesses required to be licensed pursuant to this section shall
19 apply for electronic gaming machine equipment or services licenses in a
20 manner and upon forms prescribed and furnished by the Kansas racing
21 and gaming commission. The Kansas racing and gaming commission shall
22 require disclosure of information about the owners and officers of each
23 applicant and shall require such owners, officers and employees to submit
24 to fingerprinting. Electronic gaming machine equipment or services li-
25 censes shall be issued for a period of time established by the Kansas racing
26 and gaming commission but not to exceed 10 years. The Kansas racing
27 and gaming commission shall establish a schedule of application fees and
28 license fees for racing or wagering or electronic gaming machine equip-
29 ment or services licenses based upon the type and size of business. The
30 application fee shall not be refundable if the business fails to qualify for
31 a license. If the application fee is insufficient to pay the reasonable ex-
32 penses of processing the application and investigating the applicant's qual-
33 ifications for licensure, the Kansas racing and gaming commission shall
34 require the applicant to pay to the Kansas racing and gaming commission,
35 at such times and in such form as required by the Kansas racing and
36 gaming commission, any additional amounts necessary to pay such ex-
37 penses. No license shall be issued to an applicant until the applicant has
38 paid such additional amounts in full, and such amounts shall not be re-
39 fundable except to the extent that they exceed the actual expenses of
40 processing the application and investigating the applicant's qualifications
41 for licensure.

42 (c) The Kansas racing and gaming commission may require applicants
43 as a condition of licensure to consent to allow agents of the Kansas bureau

1 of investigation or security personnel of the Kansas racing and gaming
2 commission to search without warrant the licensee's premises and per-
3 sonal property and the persons of its owners, officers and employees while
4 engaged in the licensee's business within the racetrack facility or adjacent
5 facilities under the control of the organization licensee for the purpose
6 of investigating criminal violations of this act or violations of rules and
7 regulations of the Kansas racing and gaming commission.

8 (d) Action taken by the Kansas racing and gaming commission con-
9 cerning the license of an electronic gaming machine equipment or serv-
10 ices business shall be in accordance with the Kansas administrative pro-
11 cedure act. The Kansas racing and gaming commission may refuse to issue
12 an electronic gaming machine equipment or services license to any busi-
13 ness if any person who owns a 5% or more interest in such business, any
14 person who is an officer of such business or any person employed by such
15 business within the racetrack facility:

16 (1) If within the last five years, (A) has been convicted of a felony in
17 a court of the United States or any state or territory of the United States
18 or has been adjudicated as a juvenile of an act which, if committed by an
19 adult, would constitute a felony or (B) has been convicted of two or more
20 acts of violence in a court of the United States or any state or territory of
21 the United States; (C) has been convicted of a violation of any law of the
22 United States or any state or territory of the United States involving gam-
23 bling or controlled substances or has been adjudicated as a juvenile an
24 act which, if committed by an adult, would constitute such a violation;

25 (2) fails to disclose any material fact or provides information, knowing
26 such information to be false, in connection with the application for the
27 license;

28 (3) has been found by the Kansas racing and gaming commission to
29 have violated any provision of this act or any rule and regulation of the
30 Kansas racing and gaming commission;

31 (4) is not current in filing all applicable tax returns and in payment
32 of all taxes, interest and penalties owed to the state and any political
33 subdivision thereof, excluding items under formal appeal pursuant to ap-
34 plicable statutes; or

35 (5) has had any occupation or gaming license revoked, suspended or
36 denied.

37 (e) The Kansas racing and gaming commission may suspend or re-
38 voke the electronic gaming machine equipment or services license of any
39 business for any reason which would justify refusal to issue such a license.
40 Proceedings to suspend or revoke such license shall be conducted by the
41 Kansas racing and gaming commission or its appointed hearing officer in
42 accordance with the provisions of the Kansas administrative procedure
43 act.

1 (f) The Kansas racing and gaming commission may provide by rules
 2 and regulations for the temporary suspension of an electronic gaming
 3 machine equipment or services license by summary adjudicative pro-
 4 ceedings in accordance with the Kansas administrative procedure act
 5 upon finding that there is probable cause to believe that grounds exist for
 6 a permanent suspension or revocation of such license. Such suspension
 7 shall be for a period not exceeding 30 days. Upon expiration of such
 8 suspension, the license shall be restored unless the license has been sus-
 9 pended or revoked as a result of proceedings conducted pursuant to sub-
 10 section (e).

11 (g) The Kansas racing and gaming commission may provide by rules
 12 and regulations for the licensure of key gaming employees. Such rules
 13 and regulations may specify employment application forms, fees and pro-
 14 cedures for suspension or revocation of any key gaming employee license.

15 New Sec. 23. No taxes, fees, charges, transfers or distributions, other
 16 than those provided for in this act, shall be made or levied on or against
 17 the net machine income of the Kansas lottery by any city, county or other
 18 political or taxing subdivision of the state.

19 New Sec. 24. Each lottery gaming machine operator shall hold the
 20 state, the executive director of the Kansas lottery, the Kansas lottery com-
 21 mission, the executive director of the Kansas racing and gaming commis-
 22 sion and the Kansas racing and gaming commission harmless from and
 23 defend and pay for the defense of any and all claims which may be as-
 24 serted against the state, the executive director, the Kansas lottery com-
 25 mission, the executive director of the Kansas racing and gaming commis-
 26 sion, the Kansas racing and gaming commission or any employee of the
 27 state arising from electronic gaming machines located at the parimutuel
 28 licensee location of that lottery gaming machine operator. The provisions
 29 of this section shall not apply to any claims arising from the negligence
 30 or willful misconduct of the executive director, the Kansas lottery com-
 31 mission, the executive director of the Kansas racing and gaming commis-
 32 sion, the Kansas racing and gaming commission, the state or the employ-
 33 ees thereof.

34 Sec. 25. K.S.A. ~~2000~~ Supp. 19-101a is hereby amended to read as
 35 follows: 19-101a. (a) The board of county commissioners may transact all
 36 county business and perform all powers of local legislation and adminis-
 37 tration it deems appropriate, subject only to the following limitations,
 38 restrictions or prohibitions:

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39 (1) Counties shall be subject to all acts of the legislature which apply
 40 uniformly to all counties.

41 (2) Counties may not consolidate or alter county boundaries.

42 (3) Counties may not affect the courts located therein.

43 (4) Counties shall be subject to acts of the legislature prescribing

1 limits of indebtedness.

2 (5) In the exercise of powers of local legislation and administration
3 authorized under provisions of this section, the home rule power con-
4 ferred on cities to determine their local affairs and government shall not
5 be superseded or impaired without the consent of the governing body of
6 each city within a county which may be affected.

7 (6) Counties may not legislate on social welfare administered under
8 state law enacted pursuant to or in conformity with public law No. 271—
9 74th congress, or amendments thereof.

10 (7) Counties shall be subject to all acts of the legislature concerning
11 elections, election commissioners and officers and their duties as such
12 officers and the election of county officers.

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

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

19 (10) No county may levy ad valorem taxes under the authority of this
20 section upon real property located within any redevelopment area estab-
21 lished under the authority of K.S.A. 12-1772, and amendments thereto,
22 unless the resolution authorizing the same specifically authorized a por-
23 tion of the proceeds of such levy to be used to pay the principal of and
24 interest upon bonds issued by a city under the authority of K.S.A. 12-
25 1774, and amendments thereto.

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

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

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

38 (14) Counties may not exempt from or effect changes in K.S.A. 19-
39 430, and amendments thereto.

40 (15) Counties may not exempt from or effect changes in K.S.A. 19-
41 302, 19-502b, 19-503, 19-805 or 19-1202, and amendments thereto.

42 (16) (A) Counties may not exempt from or effect changes in K.S.A.
43 13-13a26, and amendments thereto.

1 (B) This provision shall expire on June 30, 2003.

2 (17) (A) Counties may not exempt from or effect changes in K.S.A.
3 2000 Supp. 71-301a, and amendments thereto.

4 (B) This provision shall expire on June 30, 2003.

5 (18) Counties may not exempt from or effect changes in K.S.A. 19-
6 15,139, 19-15,140 and 19-15,141, and amendments thereto.

7 (19) Counties may not exempt from or effect changes in the provi-
8 sions of K.S.A. 12-1223, 12-1225, 12-1225a, 12-1225b, 12-1225c and 12-
9 1226, and amendments thereto, or the provisions of K.S.A. 2000 Supp.
10 12-1260 through 12-1270 and 12-1276, and amendments thereto.

11 (20) Counties may not exempt from or effect changes in the provi-
12 sions of K.S.A. 19-211, and amendments thereto.

13 (21) Counties may not exempt from or effect changes in the provi-
14 sions of K.S.A. 19-4001 through 19-4015, and amendments thereto.

15 (22) Counties may not regulate the production or drilling of any oil
16 or gas well in any manner which would result in the duplication of reg-
17 ulation by the state corporation commission and the Kansas department
18 of health and environment pursuant to chapter 55 and chapter 65 of the
19 Kansas Statutes Annotated and any rules and regulations adopted pur-
20 suant thereto. Counties may not require any license or permit for the
21 drilling or production of oil and gas wells. Counties may not impose any
22 fee or charge for the drilling or production of any oil or gas well.

23 (23) Counties may not exempt from or effect changes in K.S.A. 79-
24 41a04, and amendments thereto.

25 (24) Counties may not exempt from or effect changes in K.S.A. 79-
26 1611, and amendments thereto.

27 (25) Counties may not exempt from or effect changes in K.S.A. 79-
28 1494, and amendments thereto.

29 (26) Counties may not exempt from or effect changes in subsection
30 (b) of K.S.A. 19-202, and amendments thereto.

31 (27) Counties may not exempt from or effect changes in subsection
32 (b) of K.S.A. 19-204, and amendments thereto.

33 (28) Counties may not levy or impose an excise, severance or any
34 other tax in the nature of an excise tax upon the physical severance and
35 production of any mineral or other material from the earth or water.

36 (29) Counties may not exempt from or effect changes in K.S.A. 79-
37 2017 or 79-2101, and amendments thereto.

38 (30) Counties may not exempt from or effect changes in K.S.A. 2-
39 3302, 2-3305, 2-3307, 17-5904, 17-5908, 47-1219 or 65-171d or K.S.A.
40 2000 Supp. 2-3318, 17-5909 or 65-1,178 through 65-1,199, and amend-
41 ments thereto.

42 (31) Counties may not exempt from or effect changes in K.S.A. 2000
43 Supp. 80-121, and amendments thereto.

1 (32) Counties may not exempt from or effect changes in K.S.A. 74-
2 8701 et seq., 74-8801 et seq. or section 2 et seq., and amendments thereto.

3 (b) Counties shall apply the powers of local legislation granted in
4 subsection (a) by resolution of the board of county commissioners. If no
5 statutory authority exists for such local legislation other than that set forth
6 in subsection (a) and the local legislation proposed under the authority
7 of such subsection is not contrary to any act of the legislature, such local
8 legislation shall become effective upon passage of a resolution of the
9 board and publication in the official county newspaper. If the legislation
10 proposed by the board under authority of subsection (a) is contrary to an
11 act of the legislature which is applicable to the particular county but not
12 uniformly applicable to all counties, such legislation shall become effective
13 by passage of a charter resolution in the manner provided in K.S.A.
14 19-101b, and amendments thereto.

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

17 ~~Sec. 26. K.S.A. 2000 Supp. 74-8723 is hereby amended to read as~~
18 ~~follows: 74-8723. (a) The Kansas lottery and the office of executive di-~~
19 ~~rector of the Kansas lottery, established by K.S.A. 74-8703, and amend-~~
20 ~~ments thereto, and the Kansas lottery commission, created by K.S.A. 74-~~
21 ~~8700, and amendments thereto, shall be and hereby are abolished on July~~
22 ~~1, 2002 2012.~~

23 ~~(b) This section shall be part of and supplemental to the Kansas lot-~~
24 ~~tery act.~~

25 Sec. ~~27~~ K.S.A. 74-8702 and K.S.A. ~~2000~~ Supp. 19-101a and 74-8723 ²⁶
26 are hereby repealed. 2001

27 Sec. ~~28~~ This act shall take effect and be in force from and after its ²⁷
28 publication in the ~~statute book~~ Kansas register