

February 7, 2025

The Honorable Tom Kessler, Chairperson
House Committee on Federal and State Affairs
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Kessler:

SUBJECT: Fiscal Note for HB 2146 by House Committee on Federal and State Affairs

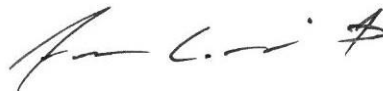
In accordance with KSA 75-3715a, the following fiscal note concerning HB 2146 is respectfully submitted to your committee.

Under current law, of the revenue from lottery tickets sold from vending machines, the first \$10.0 million in net profits in FY 2025 and \$8.0 million in FY 2026 is required to be transferred to fund mental health programs at the Kansas Department for Aging and Disability Services (75.0 percent to Community Crisis Stabilization Centers Fund and 25.0 percent to the Clubhouse Model Program Fund). HB 2146 would increase the cap to the first \$16.0 million in net profits from vending machines beginning in FY 2026.

The Kansas Lottery indicates HB 2146 has the potential to increase transfers of net profits from lottery ticket vending machines to the Community Crisis Stabilization Centers Fund and the Clubhouse Model Program Fund beginning in FY 2026. Depending on actual net profits from lottery ticket vending machines, the bill would likely increase annual transfers to the Community Crisis Stabilization Centers Fund by \$6.0 million and the Clubhouse Model Program Fund by \$2.0 million. Amounts above the current vending machine net profit cap are ultimately transferred to the State Gaming Revenues Fund. Receipts to the State Gaming Revenues Fund in excess of \$50.0 million and up to \$71,490,000 are transferred to the State General Fund at the end of fiscal year and any additional amounts above \$71,490,000 would be transferred to the Department of Commerce's Attracting Professional Sports to Kansas Fund. Under current law, the Attracting Professional Sports to Kansas Fund is estimated to receive \$10.0 million in FY 2026. Under the provisions of the bill, the transfer to the Attracting Professional Sports to Kansas Fund would be reduced to \$2.0 million in FY 2026. The Kansas Lottery indicates the bill would have no fiscal effect on its operations.

The Kansas Department for Aging and Disability Services indicates the bill would increase funding for mental health programs as noted above. The Community Crisis Stabilization Fund was established to support crisis stabilization facilities to care for individuals experiencing a mental health or substance use crisis, while the Clubhouse Model Program Fund was established to fund certified clubhouse model programs to support people living with mental illness. Any fiscal effect associated with HB 2146 is not reflected in *The FY 2026 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", with a stylized flourish at the end.

Adam C. Proffitt
Director of the Budget

cc: Keith Kocher, Kansas Lottery
Leigh Keck, Department for Aging & Disability Services