

STATE OF KANSAS

HOUSE OF REPRESENTATIVES

MR. CHAIRMAN:

I move to amend **Substitute for HB 2768**, on page 87, following line 14, by inserting:

"(e) During the fiscal year ending June 30, 2013, notwithstanding the provisions of K.S.A. 2011 Supp. 74-8734, and amendments thereto, or any other statute to the contrary, in addition to the other purposes for which expenditures may be made by the above agency from the moneys appropriated from any special revenue fund or funds for fiscal year 2013 as authorized by this or any other appropriation act of the 2012 regular session of the legislature, expenditures are hereby authorized and directed to be made by the executive director of the Kansas lottery to facilitate a lottery gaming facility management contract in the southeast Kansas gaming zone, whereby the proposed development consists of an investment in infrastructure, including ancillary lottery gaming facility operations, of at least \$50,000,000 and to pay a privilege fee for being selected as a lottery gaming facility manager of a lottery gaming facility in the southeast Kansas gaming zone of \$5,500,000: *Provided*, That the executive director of the Kansas lottery shall carry out the provisions of this proviso.

(f) During the fiscal year ending June 30, 2013, notwithstanding the provisions of K.S.A. 2011 Supp. 74-8741, and amendments thereto, or any other statute to the contrary, in addition to the other purposes for which expenditures may be made by the above agency from the moneys appropriated from any special revenue fund or funds for fiscal year 2013 as authorized by this or any other appropriation act of the 2012 regular session of the legislature, expenditures are hereby authorized and directed to be made by the executive director of the Kansas lottery to ensure that a racetrack gaming facility management contract shall include a resolution of endorsement from the city

governing body, if the proposed facility is within the corporate limits of a city, or from the county commission, if the proposed facility is located in the unincorporated area of the county.

(g) During the fiscal year ending June 30, 2013, notwithstanding the provisions of subsection (b) of K.S.A. 2011 Supp. 74-8744, and amendments thereto, or any other statute to the contrary, in addition to the other purposes for which expenditures may be made by the above agency from the moneys appropriated from any special revenue fund or funds for fiscal year 2013 as authorized by this or any other appropriation act of the 2012 regular session of the legislature, expenditures are hereby authorized and directed to be made by the executive director of the Kansas lottery to adopt rules and regulations establishing the minimum and maximum number of electronic gaming machines allocated for placement at each racetrack gaming facility subject to the following: (1) At least 600, but not more than 1,200, electronic gaming machines shall be allocated to and placed at each racetrack gaming facility; and (2) the total number of electronic gaming machines allocated to and placed at all racetrack gaming facilities in the state shall not exceed 2,800: *Provided*, That the executive director of the Kansas lottery shall carry out the provisions of this proviso.

(h) During the fiscal year ending June 30, 2013, notwithstanding the provisions of K.S.A. 2011 Supp. 74-8747, and amendments thereto, or any other statute to the contrary, in addition to the other purposes for which expenditures may be made by the above agency from the moneys appropriated from any special revenue fund or funds for fiscal year 2013 as authorized by this or any other appropriation act of the 2012 regular session of the legislature, expenditures are hereby authorized and directed to be made by the executive director of the Kansas lottery to provide for the net electronic gaming machine income from a racetrack gaming facility located in the southeast Kansas gaming zone shall be distributed as follows: (1) To the racetrack gaming facility manager, an amount equal to not more than 58% of net electronic gaming machine income; (2) 7% of net electronic gaming machine income shall be credited to the live horse racing purse supplement fund established by K.S.A.

2011 Supp. 74-8767, and amendments thereto; (3) 7% of net electronic gaming machine income shall be credited to the live greyhound racing purse supplement fund established by K.S.A. 2011 Supp. 74-8767, and amendments thereto; (4) (A) if the racetrack gaming facility is not located within a city, include a provision for payment of an amount equal to 2% of the net electronic gaming machine income to the county in which the racetrack gaming facility is located and an amount equal to 1% of such income to the other county in such zone; or (B) if the racetrack gaming facility is located within a city, provide for payment of an amount equal to 1% of the net electronic gaming machine income to the city in which the racetrack gaming facility is located, an amount equal to 1% of such income to the county in which such facility is located and an amount equal to 1% of such income to the other county in such zone; (5) 2% of net electronic gaming machine income shall be credited to the problem gambling and addictions grant fund established by K.S.A. 2011 Supp. 79-4805, and amendments thereto; (6) 1% of net electronic gaming machine income shall be credited to the Kansas horse fair racing benefit fund established by K.S.A. 74-8838, and amendments thereto; and (7) not less than 22% of net electronic gaming machine income shall be credited to the expanded lottery act revenues fund: *Provided*, That the executive director of the Kansas lottery shall carry out the provisions of this proviso.";

On page 90, following line 25, by inserting:

"(h) During the fiscal year ending June 30, 2013, notwithstanding the provisions of K.S.A. 2011 Supp. 74-8751, and amendments thereto, or any other statute to the contrary, in addition to the other purposes for which expenditures may be made by the above agency from the moneys appropriated from any special revenue fund or funds for fiscal year 2013 as authorized by this or any other appropriation act of the 2012 regular session of the legislature, expenditures are hereby authorized and directed to be made by the executive director of the Kansas racing and gaming commission to adopt rules and regulations to establish a certification requirement, and enforcement

procedure, for officers, directors, key employees and persons directly or indirectly owning a 5% or more interest in a lottery gaming facility manager or racetrack gaming facility manager: *Provided*, That such certification requirement shall include compliance with such security, fitness and background investigations and standards as the executive director of the Kansas racing and gaming commission deems necessary to determine whether such person's reputation, habits or associations pose a threat to the public interest of the state or to the reputation of or effective regulation and control of the lottery gaming facility or racetrack gaming facility: *Provided further*, That in the case of a publicly traded company subject to the jurisdiction of the United States securities and exchange commission, such certification requirements shall require such security, fitness and background investigations and standards of officers, directors, key gaming employees and persons directly or indirectly owning a 5% or more interest in such entity, and specify that such publicly traded company annually provide a list of all identifiable shareholders: *And provided further*, That in the case of institutional investors in a publicly traded company, the certification requirement shall provide a procedure for issuance of waivers of the background investigation requirement by the executive director of the Kansas racing and gaming commission: *And provided further*, That the executive director of the Kansas racing and gaming commission shall carry out the provisions of this proviso.

(i) During the fiscal year ending June 30, 2013, notwithstanding the provisions of K.S.A. 2011 Supp. 74-8768, and amendments thereto, or any other statute to the contrary, in addition to the other purposes for which moneys may be expended or transferred from the expanded lottery act revenues fund, during the fiscal year ending June 30, 2013, moneys may be expended or transferred from the expanded lottery act revenues fund for the purposes of deferred maintenance of regents institutions pursuant to K.S.A. 2011 Supp. 76-7,101 *et seq.*, and amendments thereto, and for expenditures by the Kansas public employees retirement system to be applied to the payment of the unfunded actuarial liability of the state for the state of Kansas and participating employers under

K.S.A. 74-4931, and amendments thereto, portion of such liability, as directed by the Kansas public employees retirement system."

_____ District.