

HOUSE BILL No. 2114

By Committee on Judiciary

1-28

1 AN ACT concerning ~~setoff against debtors of the state; amending K.S.A.~~
2 ~~2012 Supp. 75-6210 and repealing the existing section gaming;~~
3 ~~amending K.S.A. 74-8836 and K.S.A. 2013 Supp. 74-8744, 74-8746,~~
4 ~~74-8747 and 74-8751 and repealing the existing sections.~~

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. ~~K.S.A. 2012 Supp. 75-6210 is hereby amended to read as~~
8 ~~follows: 75-6210. (a) Upon completion of a setoff transaction, the director~~
9 ~~shall transfer the net proceeds collected to the account or fund of the state~~
10 ~~agency, foreign state agency or municipality to which the debt was owed.~~

11 ~~(b) (1) From the gross proceeds collected by the director through~~
12 ~~setoff, the director shall retain a reasonable collection assistance fee in an~~
13 ~~amount based on cost, as determined by generally accepted cost allocation~~
14 ~~techniques, except that in the case of transactions for collection of debts~~
15 ~~arising from the employment security law such fee shall not exceed \$300~~
16 ~~for any transaction.~~

17 ~~(2) The director shall retain a reasonable collection assistance fee~~
18 ~~from the gross proceeds of collections through setoff on behalf of a~~
19 ~~municipality as specified in an agreement entered into pursuant to K.S.A.~~
20 ~~75-6204, and amendments thereto, or foreign state agency in such amount~~
21 ~~as specified in the reciprocal agreement entered into pursuant to K.S.A.~~
22 ~~75-6215, and amendments thereto.~~

23 ~~(3) The collection assistance fee shall be paid as an additional cost~~
24 ~~for all debts owed to the court when the court utilizes debt setoff~~
25 ~~procedures pursuant to K.S.A. 75-6202 et seq., and amendments thereto.~~
26 ~~The collection assistance fee shall be retained from the amount collected.~~
27 ~~but shall not be deducted from the debts owed to the court.~~

28 ~~(4) The director may credit a portion of the collection assistance fee~~
29 ~~to the appropriate account or fund of any other state agency that has~~
30 ~~incurred expenses in assisting in the collection of the debt.~~

31 ~~(5) The amount of the collection assistance fee retained by the~~
32 ~~director shall be remitted to the state treasurer in accordance with the~~
33 ~~provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of~~
34 ~~each such remittance, the state treasurer shall deposit the entire amount in~~
35 ~~the state treasury to the credit of the accounting services recovery fund.~~

36 ~~(c) Upon receipt by the state agency, foreign state agency or~~

1 ~~municipality of the net proceeds collected, the state agency, foreign state~~
2 ~~agency or municipality shall credit the debtor's obligation in the amount of~~
3 ~~the gross proceeds collected.~~

4 ~~(d) Except as otherwise prescribed by the director or the secretary of~~
5 ~~administration, any state agency, foreign state agency or municipality~~
6 ~~which receives any payment from a debtor after notification to the debtor~~
7 ~~under K.S.A. 75-6206, and amendments thereto, other than payments~~
8 ~~collected pursuant to K.S.A. 44-718, and amendments thereto, or collected~~
9 ~~through the federal government or judicial process, shall remit the~~
10 ~~collection assistance fee imposed under subsection (b) to the director~~
11 ~~which shall be credited to the accounting services recovery fund. If a state~~
12 ~~agency fails to remit the collection assistance fee as required by this~~
13 ~~subsection, the director may transfer an amount equal to such collection~~
14 ~~assistance fee from the appropriate account or fund of the state agency to~~
15 ~~the accounting services recovery fund. If a foreign state agency or~~
16 ~~municipality fails to remit the collection assistance fee as required by this~~
17 ~~subsection, the director may seek collection of such fee in such manner as~~
18 ~~may be allowed by law.~~

19 ~~(e) In cases involving the collection of debts arising from the~~
20 ~~employment security law, the entire amount collected shall be credited to~~
21 ~~the employment security fund and the collection assistance fee shall be~~
22 ~~transferred from the special employment security fund to the accounting~~
23 ~~services recovery fund.~~

24 ~~Sec. 2. K.S.A. 2012 Supp. 75-62106210 is hereby repealed.~~

25 ***Section 1. K.S.A. 2013 Supp. 74-8744 is hereby amended to read as***
26 ***follows: 74-8744. (a) In accordance with rules and regulations adopted***
27 ***by the commission, the executive director shall have general***
28 ***responsibility for the implementation and administration of the***
29 ***provisions of this act relating to racetrack gaming facility operations,***
30 ***including the responsibility to:***

31 ***(1) Certify net electronic gaming machine income by inspecting***
32 ***records, conducting audits, having agents of the Kansas lottery on site or***
33 ***by any other reasonable means; and***

34 ***(2) assist the commission in the promulgation of rules and***
35 ***regulations concerning the operation of racetrack gaming facilities,***
36 ***which rules and regulations shall include, without limitation, the***
37 ***following:***

38 ***(A) The number of electronic gaming machines allocated for***
39 ***placement at each racetrack gaming facility, subject to the provisions of***
40 ***subsection (b);***

41 ***(B) standards for advertising, marketing and promotional materials***
42 ***used by racetrack gaming facility managers;***

43 ***(C) the kind, type, number and location of electronic gaming***

1 *machines at any racetrack gaming facility; and*

2 *(D) rules and regulations and procedures for the accounting and*
3 *reporting of the payments required from racetrack gaming facility*
4 *managers under K.S.A. 2013 Supp. 74-8766, and amendments thereto,*
5 *including the calculations required for such payments.*

6 *(b) Rules and regulations establishing the minimum and maximum*
7 *number of electronic gaming machines allocated for placement at each*
8 *racetrack gaming facility shall be adopted and published not later than*
9 *120 days after the effective date of this act. Such rules and regulations*
10 *shall be subject to the following:*

11 *(1) At least 600 but not more than 1,400 electronic gaming*
12 *machines shall be allocated to and placed at each racetrack gaming*
13 *facility.*

14 *(2) The total number of electronic gaming machines allocated to*
15 *and placed at all racetrack gaming facilities in the state shall not exceed*
16 *2,800. Until lottery gaming facility management contracts for lottery*
17 *gaming facilities in all gaming zones become binding, the total number of*
18 *electronic gaming machines placed at all racetrack gaming facilities shall*
19 *not exceed 2,200. When lottery gaming facility management contracts for*
20 *lottery gaming facilities in all gaming zones have become binding, the*
21 *lottery commission shall take privilege fee bids from the lottery gaming*
22 *facility manager and racetrack gaming facility manager in each gaming*
23 *zone for the remaining electronic gaming machines allocated to but not yet*
24 *placed at the racetrack gaming facility in such zone. The minimum bid*
25 *shall be a privilege fee of \$2,500 per electronic gaming machine. If the*
26 *racetrack gaming facility manager submits the highest bid, the lottery*
27 *commission shall place the remaining electronic gaming machines at the*
28 *racetrack gaming facility. If the lottery gaming facility manager submits*
29 *the highest bid, the commission shall not place any additional electronic*
30 *gaming machines at the racetrack gaming facility.*

31 *(3) In addition to any privilege fee paid pursuant to paragraph (2),*
32 *Each racetrack gaming facility manager shall pay a privilege fee of*
33 *\$2,500 for each electronic gaming machine placed at the racetrack*
34 *gaming facility for which a privilege fee is not paid pursuant to paragraph*
35 *(2).*

36 *(4) The racetrack gaming facility manager shall pay the privilege*
37 *fees provided by this subsection to the executive director, who shall remit*
38 *the entire amount to the state treasurer in accordance with K.S.A. 75-*
39 *4215, and amendments thereto. Upon receipt of the remittance, the state*
40 *treasurer shall deposit the entire amount in the state treasury and credit*
41 *it to the expanded lottery act revenues fund.*

42 *Sec. 2. K.S.A. 2013 Supp. 74-8746 is hereby amended to read as*
43 *follows: 74-8746. (a) Except as provided in subsection (b):*

1 (1) *No electronic gaming machines shall be operated at a*
2 *parimutuel licensee location in Sedgwick county unless, during the first*
3 *full calendar year and each year thereafter in which electronic gaming*
4 *machines are operated at such location, the parimutuel licensee*
5 *conducts at such location at least 100 live greyhound races each*
6 *calendar week for the number of weeks raced during calendar year 2003*
7 *with at least 13 live races conducted each day for not less than five days*
8 *per week.*

9 (2) *No electronic gaming machines shall be operated at a*
10 *parimutuel licensee location in Wyandotte county unless, during the first*
11 *full calendar year and each year thereafter in which electronic gaming*
12 *machines are operated at such location, the parimutuel licensee*
13 *conducts live horse racing programs for at least 60 days, with at least 10*
14 *live races conducted each program, and must offer and make a*
15 *reasonable effort to conduct a minimum number of three live races*
16 *restricted for quarter horses each day and seven live thoroughbred races*
17 *each day, of which not less than two races each day shall be limited to*
18 *registered Kansas-bred horses apportioned in the same ratio that live*
19 *races are offered, except that the licensee shall not be required to*
20 *conduct the second live race restricted to Kansas-bred horses unless*
21 *there are at least seven qualified entries for such race, and with at least*
22 ~~*100 live greyhound races each calendar week for at least the same number*~~
23 ~~*of weeks raced during calendar year 2003, with at least 13 live races*~~
24 ~~*conducted each day for not less than five days per week.*~~

25 (3) *No electronic gaming machines shall be operated at a*
26 *parimutuel licensee location in Crawford county unless, during the first*
27 *full calendar year and each year thereafter in which electronic gaming*
28 *machines are operated at such location, the parimutuel licensee*
29 *conducts at such location at least 85 live greyhound races each calendar*
30 *week for the number of weeks raced during calendar year 2003 in*
31 *Sedgwick county, with at least 12 live races conducted each day for not*
32 *less than five days per week.*

33 (4) *If a parimutuel licensee has not held live races pursuant to a*
34 *schedule approved by the Kansas racing and gaming commission in the*
35 *preceding 12 months, the Kansas racing and gaming commission shall*
36 *hold a hearing to determine the number of days of live racing required*
37 *for the remaining days of the first calendar year of operation to qualify*
38 *for operation of electronic gaming machines. At such hearing, the*
39 *commission shall receive testimony and evidence from affected breed*
40 *groups, the licensee and others, as the Kansas racing and gaming*
41 *commission deems appropriate concerning the schedule of live race*
42 *days. The operation of electronic gaming machines shall not commence*
43 *more than 90 days prior to the start of live racing at such facility.*

1 ***(b) The Kansas racing and gaming commission may not grant***
2 ***exceptions to the requirements of subsection (a) for a parimutuel***
3 ***licensee conducting live racing unless such exception is in the form of***
4 ***an agreement which: (1) Is between the parimutuel licensee and the***
5 ***affected recognized greyhound or recognized horsemen's group, as***
6 ***defined in K.S.A. 74-8802, and amendments thereto; (2) has been***
7 ***approved by the appropriate official breed registering agencies; and (3)***
8 ***has been submitted to and approved by the commission. In the case of***
9 ***emergencies, weather related issues or immediate circumstances beyond***
10 ***the control of the licensee, the Kansas racing and gaming commission***
11 ***may grant an exception.***

12 ***Sec. 3. K.S.A. 2013 Supp. 74-8747 is hereby amended to read as***
13 ***follows: 74-8747. (a) Except as provided in section 4, and amendments***
14 ***thereto, net electronic gaming machine income from a racetrack gaming***
15 ***facility shall be distributed as follows:***

16 ***(1) To the racetrack gaming facility manager, an amount equal to***
17 ***25% of net electronic gaming machine income;***

18 ***(2) 7% of net electronic gaming machine income shall be credited***
19 ***to the live horse racing purse supplement fund established by K.S.A.***
20 ***2013 Supp. 74-8767, and amendments thereto,*** ~~except that the amount of~~
21 ~~net electronic gaming machine income credited to the fund during any~~
22 ~~fiscal year from electronic gaming machines at a racetrack gaming facility~~
23 ~~shall not exceed an amount equal to the average of \$3,750 per electronic~~
24 ~~gaming machine at each location and any moneys in excess of such~~
25 ~~amount shall be distributed between the state and the racetrack gaming~~
26 ~~facility manager in accordance with the racetrack gaming facility~~
27 ~~management contract;~~

28 ***(3) 7% of net electronic gaming machine income shall be credited***
29 ***to the live greyhound racing purse supplement fund established by***
30 ***K.S.A. 2013 Supp. 74-8767, and amendments thereto, except that the***
31 ***amount of net electronic gaming machine income credited to the fund***
32 ***during any fiscal year from electronic gaming machines at a racetrack***
33 ***gaming facility shall not exceed an amount equal to the average of***
34 ***\$3,750 per electronic gaming machine at each location and any moneys***
35 ***in excess of such amount shall be distributed between the state and the***
36 ***racetrack gaming facility manager in accordance with the racetrack***
37 ***gaming facility management contract;***

38 ***(4) (A) if the racetrack gaming facility is located in the northeast***
39 ***Kansas gaming zone and is not located within a city, include a provision***
40 ***for payment of an amount equal to 3% of the racetrack gaming facility***
41 ***revenues [*] to the county in which the racetrack gaming facility is***
42 ***located; or (B) if the racetrack gaming facility is located in the northeast***
43 ***Kansas gaming zone and is located within a city, include provision for***

1 payment of an amount equal to 1.5% of the racetrack gaming facility
2 revenues [*] to the city in which the racetrack gaming facility is located
3 and an amount equal to 1.5% of such revenues to the county in which such
4 facility is located;

5 ~~(5)(A)~~—*if the racetrack gaming facility is located in the southeast or*
6 *south central Kansas gaming zone and is not located within a city,*
7 *include a provision for payment of an amount equal to 2% of the*
8 *racetrack gaming facility revenues net gaming machine income to the*
9 *county in which the racetrack gaming facility is located and an amount*
10 *equal to 1% of such revenues to the other county in such zone; or (B) if*
11 *the racetrack gaming facility is located in the southeast or south central*
12 *Kansas gaming zone and is located within a city, provide for payment of*
13 *an amount equal to 1% of the racetrack gaming facility revenues net*
14 *gaming machine income to the city in which the racetrack gaming facility*
15 *is located, an amount equal to 1% of such revenues to the county in*
16 *which such facility is located and an amount equal to 1% of such*
17 *revenues to the other county in such zone;*

18 ~~(6)(5)~~ *2% of net electronic gaming machine income shall be*
19 *credited to the problem gambling and addictions grant fund established*
20 *by K.S.A. 2013 Supp. 79-4805, and amendments thereto;*

21 ~~(7)(6)~~ *1% of net electronic gaming machine income shall be*
22 *credited to the Kansas horse fair racing benefit fund established by*
23 *K.S.A. 74-8838, and amendments thereto;*

24 ~~(8)(7)~~ *40% of net electronic gaming machine income shall be*
25 *credited to the expanded lottery act revenues fund; and*

26 ~~(9)(8)~~ *15% of electronic gaming machine income shall be used for*
27 *gaming expenses, subject to agreement between the Kansas lottery and*
28 *the racetrack gaming facility manager.*

29 *(b) A racetrack gaming facility management contract may include*
30 *provisions for a parimutuel licensee or any other entity to pay the*
31 *parimutuel licensee's expenses related to electronic gaming machines,*
32 *as the executive director deems appropriate, subject to the requirements*
33 *of subsection (a)(9).*

34 *New Sec. 4. (a) Net electronic gaming machine income from a*
35 *racetrack gaming facility located in the northeast Kansas gaming zone*
36 *shall be distributed as follows:*

37 *(1) To the racetrack gaming facility manager, an amount equal to*
38 *64.5% of net electronic gaming machine income during the first and*
39 *second full years the racetrack gaming facility is in operation and 60.5%*
40 *during the third full year and all subsequent years the racetrack gaming*
41 *facility is in operation;*

42 *(2) 10% of net electronic gaming machine income shall be credited to*
43 *the live horse racing purse supplement fund established by K.S.A. 2013*

1 *Supp. 74-8767, and amendments thereto, during the first and second full*
2 *years the racetrack gaming facility is in operation and 14% during the*
3 *third and subsequent years the racetrack gaming facility is in operation;*

4 (3) *2% of the net electronic gaming machine income shall be credited*
5 *to the county in which the racetrack gaming facility is located;*

6 (4) *0.5% of net electronic gaming machine income shall be credited*
7 *to the problem gambling and addictions grant fund established by K.S.A.*
8 *2013 Supp. 79-4805, and amendments thereto;*

9 (5) *1% of net electronic gaming machine income shall be credited to*
10 *the Kansas horse fair racing benefit fund established by K.S.A. 74-8838,*
11 *and amendments thereto; and*

12 (6) *22% of net electronic gaming machine income shall be credited to*
13 *the expanded lottery act revenues fund.*

14 (b) *A racetrack gaming facility management contract may include*
15 *provisions for a parimutuel licensee or any other entity to pay the*
16 *parimutuel licensee's expenses related to electronic gaming machines, as*
17 *the executive director deems appropriate.*

18 **Sec. 5. K.S.A. 2013 Supp. 74-8751 is hereby amended to read as**
19 **follows: 74-8751. The Kansas racing and gaming commission, through**
20 **rules and regulations, shall establish:**

21 (a) ***A certification requirement, and enforcement procedure, for***
22 ***officers, directors, key employees and persons directly or indirectly***
23 ***owning a ~~0.5%~~ 5% or more interest in a lottery gaming facility manager***
24 ***or racetrack gaming facility manager. Such certification requirement***
25 ***shall include compliance with such security, fitness and background***
26 ***investigations and standards as the executive director of the Kansas***
27 ***racing and gaming commission deems necessary to determine whether***
28 ***such person's reputation, habits or associations pose a threat to the***
29 ***public interest of the state or to the reputation of or effective regulation***
30 ***and control of the lottery gaming facility or racetrack gaming facility. In***
31 ***the case of a publicly traded company subject to the jurisdiction of the***
32 ***United States securities and exchange commission, such certification***
33 ***requirements shall include such security, fitness and background***
34 ***investigations and standards for officers, directors, key gaming employees***
35 ***and persons directly or indirectly owning a 5% or more interest in such***
36 ***entity, and shall specify that such publicly traded company annually***
37 ***provide a list of all identifiable shareholders. In the case of institutional***
38 ***investors in a publicly traded company, the certification requirement shall***
39 ***provide a procedure for issuance of waivers of the background***
40 ***investigation requirement by the executive director of the Kansas racing***
41 ***and gaming commission. Any person convicted of any felony, a crime***
42 ***involving gambling or a crime of moral turpitude prior to applying for a***
43 ***certificate hereunder or at any time thereafter shall be deemed unfit.***

1 *The Kansas racing and gaming commission shall conduct the security,*
2 *fitness and background checks required pursuant to this subsection.*
3 *Certification pursuant to this subsection shall not be assignable or*
4 *transferable;*

5 *(b) a certification requirement, and enforcement procedure, for*
6 *those persons, including electronic gaming machine manufacturers,*
7 *technology providers and computer system providers, who propose to*
8 *contract with a lottery gaming facility manager, a racetrack gaming*
9 *facility manager or the state for the provision of goods or services*
10 *related to a lottery gaming facility or racetrack gaming facility,*
11 *including management services. Such certification requirements shall*
12 *include compliance with such security, fitness and background*
13 *investigations and standards of officers, directors, key gaming employees*
14 *and persons directly or indirectly owning a ~~0.5%~~ 5% or more interest in*
15 *such entity as the executive director of the Kansas racing and gaming*
16 *commission deems necessary to determine whether such person's*
17 *reputation, habits and associations pose a threat to the public interest of*
18 *the state or to the reputation of or effective regulation and control of the*
19 *lottery gaming facility or racetrack gaming facility. In the case of a*
20 *publicly traded company subject to the jurisdiction of the United States*
21 *securities and exchange commission, or equivalent foreign securities law,*
22 *such certification requirements include such security, fitness and*
23 *background investigations and standards for officers, directors, key*
24 *gaming employees and persons directly or indirectly owning a 5% or more*
25 *interest in such entity, and shall specify that such publicly traded company*
26 *annually provide a list of all identifiable shareholders. In the case of*
27 *institutional investors in a publicly traded company, the certification*
28 *requirement shall provide a procedure for issuance of waivers of the*
29 *background investigation requirement by the executive director of the*
30 *Kansas racing and gaming commission. Any person convicted of any*
31 *felony, a crime involving gambling or a crime of moral turpitude prior to*
32 *applying for a certificate hereunder or at any time thereafter shall be*
33 *deemed unfit. If the executive director of the racing and gaming*
34 *commission determines the certification standards of another state are*
35 *comprehensive, thorough and provide similar adequate safeguards, the*
36 *executive director may certify an applicant already certified in such state*
37 *without the necessity of a full application and background check. The*
38 *Kansas racing and gaming commission shall conduct the security,*
39 *fitness and background checks required pursuant to this subsection.*
40 *Certification pursuant to this subsection shall not be assignable or*
41 *transferable;*

42 *(c) provisions for revocation of a certification required by*
43 *subsection (a) or (b) upon a finding that the certificate holder, an officer*

1 *or director thereof or a person directly or indirectly owning a ~~0.5%~~ 5%
2 or more interest therein: (1) Has knowingly provided false or misleading
3 material information to the Kansas lottery or its employees; or (2) has
4 been convicted of a felony, gambling related offense or any crime of
5 moral turpitude; and*

6 *(d) provisions for suspension, revocation or nonrenewal of a
7 certification required by subsection (a) or (b) upon a finding that the
8 certificate holder, an officer or director thereof or a person directly or
9 indirectly owning a ~~0.5%~~ 5% or more interest therein: (1) Has failed to
10 notify the Kansas lottery about a material change in ownership of the
11 certificate holder, or any change in the directors or officers thereof; (2)
12 is delinquent in remitting money owed to the Kansas lottery; (3) has
13 violated any provision of any contract between the Kansas lottery and
14 the certificate holder; or (4) has violated any provision of the Kansas
15 expanded lottery act or any rule and regulation adopted hereunder.*

16 *Sec. 6. K.S.A. 74-8836 is hereby amended to read as follows: 74-
17 8836. (a) Any organization licensee that conducts at least ~~150~~ 60 days of
18 live racing during a calendar year or is in compliance with provisions of
19 K.S.A. 2013 Supp. 74-8746, and amendments thereto, or a fair association
20 that conducts fewer than ~~22~~ 40 days of live racing during a calendar
21 year may apply to the commission for a simulcasting license to display
22 simulcast horse or greyhound races and to conduct intertrack
23 parimutuel wagering thereon. If the organization licensee conducts
24 races at a racetrack facility that is owned by a facility owner licensee,
25 both licensees shall join in the application. ~~A simulcasting license granted
26 to a fair association that conducts fewer than 22 days of live racing shall
27 restrict the fair association's display of simulcast races to a number of
28 days, including days on which it conducts live races, equal to not more
29 than twice the number of days on which it conducts live races.~~*

30 *(b) (1) A simulcasting license granted to an organization licensee
31 other than a fair association shall authorize the display of simulcast
32 races at the racetrack facility where the live races are conducted so long
33 as the licensee: (A) Conducts at least eight live races per day and an
34 average of 10 live races per day per week; or (B) the licensee is in
35 compliance with provisions of K.S.A. 2013 Supp. 74-8746, and
36 amendments thereto. If a simulcasting licensee conducts live horse races
37 on a day when simulcast races are displayed by the licensee and the
38 licensee conducts fewer than an average of 10 live horse races per day
39 per week, not less than 80% of the races on which wagers are taken by
40 the licensee during such week shall be live races conducted by the
41 licensee unless approved by the recognized horsemen's group or upon a
42 finding by the commission that the organization licensee was unable to
43 do so for reasonable cause. If a simulcast licensee conducts live*

1 *greyhound races on a day when simulcast races are displayed by the*
2 *licensee and the licensee schedules fewer than 13 live greyhound races*
3 *during a performance on such day, not less than 80% of the races on*
4 *which wagers are taken by the licensee during such performance shall*
5 *be live races conducted by the licensee.*

6 *(2) A simulcasting license granted to a fair association shall*
7 *authorize the display of simulcast races at the racetrack facility where*
8 *the races are conducted*—only if live races are scheduled for two or more
9 days of the same calendar week, except that the licensee may conduct
10 simuleast races in the week immediately before and immediately after a
11 live meeting if the total number of days on which simulcast races are
12 displayed does not exceed the total authorized in subsection (a). In no case
13 shall the live meet or simuleast races allowed under this subsection exceed
14 10 consecutive weeks. For purposes of this subsection, a calendar week
15 shall be measured from Monday through the following Sunday.

16 ~~(3) Notwithstanding the provisions of subsection (a), (b)(1) or (b)(2),~~
17 ~~a fair association may apply to the commission for not more than five~~
18 ~~additional days of simulcasting of special events. In addition, the~~
19 ~~commission may authorize a fair association to display additional~~
20 ~~simuleast races but, if such fair association is less than 100 miles from an~~
21 ~~organization licensee that is not a fair association, it also shall secure~~
22 ~~written consent from that organization licensee.~~

23 ~~(4)(3) Notwithstanding the provisions of subsection (b)(1), if an~~
24 ~~emergency causes the cancellation of all or any live races scheduled for~~
25 ~~a day or performance by a simulcasting licensee, the commission or the~~
26 ~~commission's designee may authorize the licensee to display any~~
27 ~~simulcast races previously scheduled for such day or performance.~~

28 ~~(5)(4) Notwithstanding the provisions of subsection (b)(1), the~~
29 ~~commission may authorize the licensee to display simulcast special~~
30 ~~racing events as designated by the commission.~~

31 *(c) The application for a simulcasting license shall be filed with the*
32 *commission at a time and place prescribed by rules and regulations of*
33 *the commission. The application shall be in a form and include such*
34 *information as the commission prescribes.*

35 *(d) To qualify for a simulcasting license the applicant shall:*

36 *(1) Comply with the interstate horse racing act of 1978 (15 U.S.C. §*
37 *3001 et seq.) as in effect December 31, 1991;*

38 *(2) submit with the application a written approval of the proposed*
39 *simulcasting schedule signed by: (A) The recognized horsemen's group*
40 *for the track, if the applicant is licensed to conduct only horse races; (B)*
41 *the recognized greyhound owners' group, if the applicant is licensed to*
42 *conduct only greyhound races and only greyhound races are to be*
43 *simulcast; (C) both the recognized greyhound owners' group and a*

1 *recognized horsemen's group, if the applicant is licensed to conduct only*
2 *greyhound races and horse races are to be simulcast; (D) the recognized*
3 *greyhound owners' group, if the applicant is licensed to conduct both*
4 *greyhound and horse races, only greyhound races are to be simulcast*
5 *and races are to be simulcast only while the applicant is conducting live*
6 *greyhound races; (E) the recognized horsemen's group for the track, if*
7 *the applicant is licensed to conduct both greyhound and horse races,*
8 *only horse races are to be simulcast and races are to be simulcast only*
9 *while the applicant is conducting live horse races; or (F) both the*
10 *recognized greyhound owners' group and the recognized horsemen's*
11 *group for the track, if the applicant is licensed to conduct both*
12 *greyhound races and horse races and horse races are to be simulcast*
13 *while the applicant is conducting live greyhound races or greyhound*
14 *races are to be simulcast while the applicant is conducting live horse*
15 *races; and*

16 *(3) submit, in accordance with rules and regulations of the*
17 *commission and before the simulcasting of a race, a written copy of each*
18 *contract or agreement which the applicant proposes to enter into with*
19 *regard to such race, and any proposed modification of any such contract*
20 *or agreement.*

21 *(e) The term of a simulcasting license shall be one year.*

22 *(f) A simulcasting licensee may apply to the commission or its*
23 *designee for changes in the licensee's approved simulcasting schedule if*
24 *such changes are approved by the respective recognized greyhound*
25 *owners' group or recognized horsemen's group needed throughout the*
26 *term of the license. Application shall be made upon forms furnished by*
27 *the commission and shall contain such information as the commission*
28 *prescribes.*

29 *(g) Except as provided by subsection (j), the takeout for simulcast*
30 *horse and greyhound races shall be the same as it is for the live horse*
31 *and greyhound races conducted during the current or next live race*
32 *meeting at the racetrack facility where the simulcast races are displayed.*
33 *For simulcast races the tax imposed on amounts wagered shall be as*
34 *provided by K.S.A. 74-8823, and amendments thereto. Of the balance of*
35 *the takeout remaining after deduction of taxes, an amount equal to a*
36 *percentage, to be determined by the commission, of the gross sum*
37 *wagered on simulcast races shall be used for purses, as follows:*

38 *(1) For greyhound races conducted by the licensee, if the simulcast*
39 *race is a greyhound race and the licensee conducts only live greyhound*
40 *races;*

41 *(2) for horse races conducted by the licensee, if the simulcast race*
42 *is a horse race and the licensee conducts only live horse races;*

43 *(3) for horse races and greyhound races, as determined by both the*

1 *recognized horsemen's group and the recognized greyhound owners'*
2 *group, if the simulcast race is a greyhound race and the licensee does*
3 *not conduct or is not currently conducting live greyhound races; or*

4 *(4) for horse races and greyhound races, as determined by both the*
5 *recognized horsemen's group and the recognized greyhound owners'*
6 *group, if the simulcast is a horse race and the licensee does not conduct*
7 *or is not currently conducting live horse races. That portion of simulcast*
8 *purse money determined to be used for horse purses shall be*
9 *apportioned by the commission to the various horse race meetings held*
10 *in any calendar year based upon the number of live horse race dates*
11 *comprising such horse race meetings in the preceding calendar year.*

12 *(h) Except as provided by subsection (j):*

13 *(1) If a simulcasting licensee has a license to conduct live horse*
14 *races and the licensee displays a simulcast horse race: (A) All breakage*
15 *proceeds shall be remitted by the licensee to the commission not later*
16 *than the 15th day of the month following the race from which the*
17 *breakage is derived and the commission shall remit any such proceeds*
18 *received to the state treasurer in accordance with the provisions of*
19 *K.S.A. 75-4215, and amendments thereto. Upon receipt of each such*
20 *remittance, the state treasurer shall deposit the entire amount in the*
21 *state treasury to the credit of the Kansas horse breeding development*
22 *fund created by K.S.A. 74-8829, and amendments thereto; and (B) all*
23 *unclaimed ticket proceeds shall be remitted by the licensee to the*
24 *commission on the 61st day after the end of the calendar year and the*
25 *commission shall remit any such proceeds received to the state treasurer*
26 *in accordance with the provisions of K.S.A. 75-4215, and amendments*
27 *thereto. Upon receipt of each such remittance, the state treasurer shall*
28 *deposit the entire amount in the state treasury to the credit of the Kansas*
29 *horse breeding development fund created by K.S.A. 74-8829, and*
30 *amendments thereto.*

31 *(2) If a simulcasting licensee has a license to conduct live*
32 *greyhound races and the licensee displays a simulcast greyhound race,*
33 *breakage and unclaimed winning ticket proceeds shall be distributed in*
34 *the manner provided by K.S.A. 74-8821 and 74-8822, and amendments*
35 *thereto, for breakage and unclaimed winning ticket proceeds from live*
36 *greyhound races.*

37 *(3) If a simulcasting licensee has a license to conduct live racing of*
38 *only horses and the licensee displays a simulcast greyhound race,*
39 *unclaimed winning ticket proceeds shall be distributed in the manner*
40 *provided by K.S.A. 74-8822, and amendments thereto, for unclaimed*
41 *winning ticket proceeds from live greyhound races. Breakage for such*
42 *races shall be distributed for use to benefit greyhound racing as*
43 *determined by the commission.*

1 (4) *If a simulcasting licensee has a license to conduct live racing of*
2 *only greyhounds and the licensee displays a simulcast horse race: (A)*
3 *All breakage proceeds shall be remitted by the licensee to the*
4 *commission not later than the 15th day of the month following the race*
5 *from which the breakage is derived and the commission shall remit any*
6 *such proceeds received to the state treasurer in accordance with the*
7 *provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of*
8 *each such remittance, the state treasurer shall deposit the entire amount*
9 *in the state treasury to the credit of the Kansas horse breeding*
10 *development fund created by K.S.A. 74-8829, and amendments thereto;*
11 *and (B) all unclaimed ticket proceeds shall be remitted by the licensee to*
12 *the commission on the 61st day after the end of the calendar year and the*
13 *commission shall remit any such proceeds received to the state treasurer*
14 *in accordance with the provisions of K.S.A. 75-4215, and amendments*
15 *thereto. Upon receipt of each such remittance, the state treasurer shall*
16 *deposit the entire amount in the state treasury to the credit of the Kansas*
17 *horse breeding development fund created by K.S.A. 74-8829, and*
18 *amendments thereto.*

19 (i) *The commission may approve a request by two or more*
20 *simulcasting licensees to combine wagering pools within the state of*
21 *Kansas pursuant to rules and regulations adopted by the commission.*

22 (j) (1) *The commission may authorize any simulcasting licensee to*
23 *participate in an interstate combined wagering pool with one or more*
24 *other racing jurisdictions.*

25 (2) *If a licensee participates in an interstate pool, the licensee may*
26 *adopt the takeout of the host jurisdiction or facility. The amount and*
27 *manner of paying purses from the takeout in an interstate pool shall be*
28 *as provided by subsection (g).*

29 (3) *The tax imposed on amounts wagered in an interstate pool shall*
30 *be as provided by K.S.A. 74-8823, and amendments thereto. Parimutuel*
31 *taxes may not be imposed on any amounts wagered in an interstate*
32 *combined wagering pool other than amounts wagered within this*
33 *jurisdiction.*

34 (4) *Breakage for interstate combined wagering pools shall be*
35 *calculated in accordance with the statutes and rules and regulations of*
36 *the host jurisdiction and shall be allocated among the participating*
37 *jurisdictions in a manner agreed to among the jurisdictions. Breakage*
38 *allocated to this jurisdiction shall be distributed as provided by*
39 *subsection (h).*

40 (5) *Upon approval of the respective recognized greyhound owners'*
41 *group or recognized horsemen's group, the commission may permit an*
42 *organization licensee to simulcast to other racetrack facilities or off-*
43 *track wagering or intertrack wagering facilities in other jurisdictions*

1 *one or more races conducted by such licensee, use one or more races*
2 *conducted by such licensee for an intrastate combined wagering pool or*
3 *use one or more races conducted by such licensee for an interstate*
4 *combined wagering pool at off-track wagering or intertrack wagering*
5 *locations outside the commission's jurisdiction and may allow*
6 *parimutuel pools in other jurisdictions to be combined with parimutuel*
7 *pools in the commission's jurisdiction for the purpose of establishing an*
8 *interstate combined wagering pool.*

9 *(6) The participation by a simulcasting licensee in a combined*
10 *interstate wagering pool does not cause that licensee to be considered to*
11 *be doing business in any jurisdiction other than the jurisdiction in which*
12 *the licensee is physically located.*

13 *(k) If the organization licensee, facility owner licensee if any and*
14 *the recognized horsemen's group or recognized greyhound owners'*
15 *group are unable to agree concerning a simulcasting application, the*
16 *matter may be submitted to the commission for determination at the*
17 *written request of any party in accordance with rules and regulations of*
18 *the commission.*

19 *(l) This section shall be part of and supplemental to the Kansas*
20 *parimutuel racing act.*

21 *Sec. 7. K.S.A. 74-8836 and K.S.A. 2013 Supp. 74-8744, 74-8746,*
22 *74-8747 and 74-8751 are hereby repealed.*

23 See. 3. *Sec. 8. This act shall take effect and be in force from and after*
24 *its publication in the statute book.*