

HOUSE BILL No. 2125

By Committee on General Government Budget

1-29

1 AN ACT concerning ~~real estate brokers and salespersons; relating to~~
2 ~~license fees~~ *the Kansas expanded lottery act*; amending K.S.A. ~~2012~~
3 ~~Supp. 58-3063~~ *2013 Supp. 74-8741, 74-8746 and 74-8747* and
4 repealing the existing ~~section~~ *sections*.

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

7 Section 1. ~~K.S.A. 2012 Supp. 58-3063 is hereby amended to read as~~
8 ~~follows: 58-3063. (a) The commission shall adopt rules and regulations~~
9 ~~fixing the amounts of the fees provided for by this act, subject to the~~
10 ~~following:~~

11 ~~(1) For any examination required for licensure, a fee in an amount~~
12 ~~equal to the actual cost of the examination and the administration thereof.~~

13 ~~(2) For any criminal history record check required for licensure, a fee~~
14 ~~in the amount necessary to reimburse the commission for the cost of~~
15 ~~administering the criminal history record check.~~

16 ~~(3) For submission of an application for an original salesperson's~~
17 ~~license, an amount not exceeding \$25.~~

18 ~~(4) For submission of an application for an original broker's license,~~
19 ~~an amount not exceeding \$50.~~

20 ~~(5) For an original salesperson's license, a prorated fee based on a~~
21 ~~two-year amount not exceeding \$100.~~ *\$150.*

22 ~~(6) For an original broker's license, a prorated fee based on a two-~~
23 ~~year amount not exceeding \$150.~~ *\$200.*

24 ~~(7) For renewal of a salesperson's license, a fee based on a two-year~~
25 ~~amount not exceeding \$100.~~ *\$150.*

26 ~~(8) For renewal of a broker's license, a fee based on a two-year~~
27 ~~amount not exceeding \$150.~~ *\$200.*

28 ~~(9) For reinstatement of a license which has been deactivated or~~
29 ~~which has been canceled pursuant to subsection (c) of K.S.A. 58-3047, and~~
30 ~~amendments thereto, or by reason of termination of a salesperson, an~~
31 ~~amount not exceeding \$15.~~

32 ~~(10) For reinstatement of all licenses canceled pursuant to subsections~~
33 ~~(d) or (f) of K.S.A. 58-3047, and amendments thereto, an amount not~~
34 ~~exceeding \$7.50 for each license canceled.~~

35 ~~(11) For issuance of a duplicate license, an amount not exceeding~~
36 ~~\$10.~~

1 ~~(12) For certification of licensure to another jurisdiction, an amount~~
2 ~~not exceeding \$10.~~

3 ~~(13) For approval of a course of instruction submitted by a course~~
4 ~~provider pursuant to K.S.A. 58-3046a, and amendments thereto, an~~
5 ~~amount not exceeding \$75.~~

6 ~~(14) For renewal of an approved course of instruction pursuant to~~
7 ~~K.S.A. 58-3046a, and amendments thereto, an amount not exceeding \$15.~~

8 ~~(15) For approval of a course of instruction submitted by any licensee~~
9 ~~for credit toward the 12 hours of additional instruction required by K.S.A.~~
10 ~~58-3046a, and amendments thereto, an amount not less than \$10 nor more~~
11 ~~than \$20, as determined by the commission.~~

12 ~~(16) For a temporary salesperson's license, an amount not exceeding~~
13 ~~\$25.~~

14 ~~(17) For each branch office opened or established after July 1, 2006,~~
15 ~~an amount not exceeding \$100.~~

16 ~~(18) For each primary office of a company created or established by a~~
17 ~~supervising broker after July 1, 2006, an amount not exceeding \$100.~~

18 ~~(19) For certification of a licensee's education history under K.S.A.~~
19 ~~58-3046a, and amendments thereto, an amount not exceeding \$25.~~

20 ~~(20) For certification of licensure of a professional corporation, an~~
21 ~~amount not exceeding \$25.~~

22 ~~(21) For each additional primary or branch office at which a~~
23 ~~salesperson or an associate, supervising or branch broker is associated or~~
24 ~~employed, if such person is associated or employed by more than one~~
25 ~~primary or branch office, an amount not exceeding \$50, to be paid by such~~
26 ~~salesperson or broker.~~

27 ~~(b) For each prorated fee, the commission shall establish a monthly~~
28 ~~amount, rounded off to the nearest dollar, and shall compute the fee from~~
29 ~~the last calendar day of the month in which the license is issued to the~~
30 ~~expiration date of the license.~~

31 ~~(c) Subject to the limitations of this section, the commission shall fix~~
32 ~~the fees provided for by this section in the amounts necessary to~~
33 ~~administer and enforce this act.~~

34 ~~(d) The fees provided for by this section shall be applicable~~
35 ~~regardless of the type of license.~~

36 *New Section 1. The Kansas lottery commission shall negotiate an*
37 *addendum to existing lottery gaming facility management contracts that*
38 *prohibit the state from operating electronic gaming machines at*
39 *parimutuel licensee locations in the south central gaming zone until*
40 *after July 1, 2032.*

41 *Sec. 2. K.S.A. 2013 Supp. 74-8741 is hereby amended to read as*
42 *follows: 74-8741. (a) The executive director of the Kansas lottery shall*
43 *negotiate a racetrack gaming facility management contract to place*

1 *electronic gaming machines at one parimutuel licensee location in each*
2 *gaming zone except the southwest Kansas gaming zone and the south*
3 *central Kansas gaming zone.*

4 *(b) To be eligible to enter into a racetrack gaming facility*
5 *management contract the prospective racetrack gaming facility manager*
6 *shall, at a minimum:*

7 *(1) Have sufficient access to financial resources to support the*
8 *activities required of a racetrack gaming facility manager under the*
9 *Kansas expanded lottery act; and*

10 *(2) be current in filing all applicable tax returns and in payment of*
11 *all taxes, interest and penalties owed to the state of Kansas and any*
12 *taxing subdivision where such prospective manager is located in the*
13 *state of Kansas, excluding items under formal appeal pursuant to*
14 *applicable statutes.*

15 *(c) A racetrack gaming facility management contract shall include:*

16 *(1) The term of the contract;*

17 *(2) provisions for the Kansas racing and gaming commission to*
18 *oversee all racetrack gaming facility operations, including, but not*
19 *limited to: Oversight of internal controls; oversight of security of*
20 *facilities; performance of background investigations, determination of*
21 *qualifications and any required certification or licensing of officers,*
22 *directors, board members, employees, contractors and agents of the*
23 *racetrack gaming facility manager; auditing of net electronic gaming*
24 *machine income and maintenance of the integrity of electronic gaming*
25 *machine operations;*

26 *(3) provisions for the racetrack gaming facility manager to pay the*
27 *costs of oversight and regulation of the racetrack gaming facility*
28 *manager under this act and such manager's racetrack gaming facility*
29 *operations by the Kansas racing and gaming commission; and*

30 *(4) enforceable provisions: (A) Prohibiting the state, until July 1,*
31 *2032, from (i) entering into management contracts for more than three*
32 *four lottery gaming facilities or similar gaming facilities, one to be*
33 *located in the northeast Kansas gaming zone, one to be located in the*
34 *south central Kansas gaming zone, one to be located in the southwest*
35 *Kansas gaming zone and one to be located in the southeast Kansas*
36 *gaming zone, (ii) designating additional areas of the state where*
37 *operation of lottery gaming facilities or similar gaming facilities would*
38 *be authorized or (iii) operating an aggregate of more than 2,800*
39 *electronic gaming machines at all parimutuel licensee locations; and (B)*
40 *requiring the state to repay to the racetrack gaming facility manager an*
41 *amount equal to the privilege fee paid by such racetrack gaming facility*
42 *manager, plus interest on such amount, compounded annually at the*
43 *rate of 10%, if the state violates the prohibition provision described in*

1 (A).

2 (d) *Racetrack gaming facility management contracts authorized by*
3 *this section may include provisions relating to:*

4 (1) *Accounting procedures to determine net electronic gaming*
5 *machine income, unclaimed prizes and credits;*

6 (2) *minimum requirements for a racetrack gaming facility manager*
7 *to provide qualified oversight, security and supervision of electronic*
8 *gaming machines including the use of qualified personnel with*
9 *experience in applicable technology;*

10 (3) *eligibility requirements for employees, contractors or agents of a*
11 *racetrack gaming facility manager who will have responsibility for or*
12 *involvement with electronic gaming machines or for the handling of*
13 *cash or tokens;*

14 (4) *background investigations to be performed by the Kansas racing*
15 *and gaming commission;*

16 (5) *credentialing or certification requirements of any employee,*
17 *contractor or agent as provided by the Kansas expanded lottery act or*
18 *rules and regulations adopted pursuant thereto;*

19 (6) *provision for termination of the management contract by either*
20 *party for cause; and*

21 (7) *any other provision deemed necessary by the parties, including*
22 *such other terms and restrictions as necessary to conduct racetrack*
23 *gaming facility operations in a legal and fair manner.*

24 (e) *A person who is the manager of a lottery gaming facility in a*
25 *gaming zone shall not be eligible to be the manager of the racetrack*
26 *gaming facility in the same zone.*

27 (f) *A racetrack gaming facility management contract shall not*
28 *constitute property, nor shall it be subject to attachment, garnishment or*
29 *execution, nor shall it be alienable or transferable, except upon approval*
30 *by the executive director, nor shall it be subject to being encumbered or*
31 *hypothecated.*

32 *Sec. 3. K.S.A. 2013 Supp. 74-8746 is hereby amended to read as*
33 *follows: 74-8746. (a) Except as provided in subsection (b):*

34 (†) *No electronic gaming machines shall be operated at a*
35 *parimutuel licensee location in Sedgwick county unless, during the first*
36 *full calendar year and each year thereafter in which electronic gaming*
37 *machines are operated at such location, the parimutuel licensee conducts at*
38 *such location at least 100 live greyhound races each calendar week for the*
39 *number of weeks raced during calendar year 2003 with at least 13 live*
40 *races conducted each day for not less than five days per week the south*
41 *central Kansas gaming zone.*

42 (2) (b) *Except as provided in subsection (c): (1) No electronic*
43 *gaming machines shall be operated at a parimutuel licensee location in*

1 *Wyandotte county unless, during the first full calendar year and each*
2 *year thereafter in which electronic gaming machines are operated at*
3 *such location, the parimutuel licensee conducts live horse racing*
4 *programs for at least 60 days, with at least 10 live races conducted each*
5 *program, and must offer and make a reasonable effort to conduct a*
6 *minimum number of three live races restricted for quarter horses each*
7 *day and seven live thoroughbred races each day, of which not less than*
8 *two races each day shall be limited to registered Kansas-bred horses*
9 *apportioned in the same ratio that live races are offered, except that the*
10 *licensee shall not be required to conduct the second live race restricted*
11 *to Kansas-bred horses unless there are at least seven qualified entries*
12 *for such race, and with at least 100 live greyhound races each calendar*
13 *week for at least the same number of weeks raced during calendar year*
14 *2003, with at least 13 live races conducted each day for not less than five*
15 *days per week.*

16 ~~(2)~~ (2) *No electronic gaming machines shall be operated at a*
17 *parimutuel licensee location in Crawford county unless, during the first*
18 *full calendar year and each year thereafter in which electronic gaming*
19 *machines are operated at such location, the parimutuel licensee*
20 *conducts at such location at least 85 live greyhound races each calendar*
21 *week for the number of weeks raced during calendar year 2003 in*
22 *Sedgwick county, with at least 12 live races conducted each day for not*
23 *less than five days per week.*

24 ~~(3)~~ (3) *If a parimutuel licensee has not held live races pursuant to a*
25 *schedule approved by the Kansas racing and gaming commission in the*
26 *preceding 12 months, the Kansas racing and gaming commission shall*
27 *hold a hearing to determine the number of days of live racing required*
28 *for the remaining days of the first calendar year of operation to qualify*
29 *for operation of electronic gaming machines. At such hearing, the*
30 *commission shall receive testimony and evidence from affected breed*
31 *groups, the licensee and others, as the Kansas racing and gaming*
32 *commission deems appropriate concerning the schedule of live race*
33 *days. The operation of electronic gaming machines shall not commence*
34 *more than 90 days prior to the start of live racing at such facility.*

35 ~~(b)~~ (c) *The Kansas racing and gaming commission may not grant*
36 *exceptions to the requirements of subsection—~~(a)~~ (b) for a parimutuel*
37 *licensee conducting live racing unless such exception is in the form of*
38 *an agreement which: (1) Is between the parimutuel licensee and the*
39 *affected recognized greyhound or recognized horsemen's group, as*
40 *defined in K.S.A. 74-8802, and amendments thereto; (2) has been*
41 *approved by the appropriate official breed registering agencies; and (3)*
42 *has been submitted to and approved by the commission. In the case of*
43 *emergencies, weather related issues or immediate circumstances beyond*

1 *the control of the licensee, the Kansas racing and gaming commission*
2 *may grant an exception.*

3 *Sec. 4. K.S.A. 2013 Supp. 74-8747 is hereby amended to read as*
4 *follows: 74-8747. (a) Net electronic gaming machine income from a*
5 *racetrack gaming facility shall be distributed as follows:*

6 *(1) To the racetrack gaming facility manager, an amount equal to*
7 *25% of net electronic gaming machine income;*

8 *(2) 7% of net electronic gaming machine income shall be credited*
9 *to the live horse racing purse supplement fund established by K.S.A.*
10 *2013 Supp. 74-8767, and amendments thereto, except that the amount of*
11 *net electronic gaming machine income credited to the fund during any*
12 *fiscal year from electronic gaming machines at a racetrack gaming*
13 *facility shall not exceed an amount equal to the average of \$3,750 per*
14 *electronic gaming machine at each location and any moneys in excess of*
15 *such amount shall be distributed between the state and the racetrack*
16 *gaming facility manager in accordance with the racetrack gaming*
17 *facility management contract;*

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

28 *(4) (A) if the racetrack gaming facility is located in the northeast*
29 *Kansas gaming zone and is not located within a city, include a provision*
30 *for payment of an amount equal to 3% of the ~~racetrack gaming facility~~*
31 *revenues net electronic gaming machine income to the county in which*
32 *the racetrack gaming facility is located; or (B) if the racetrack gaming*
33 *facility is located in the northeast Kansas gaming zone and is located*
34 *within a city, include provision for payment of an amount equal to 1.5%*
35 *of the ~~racetrack gaming facility revenues~~ net electronic gaming machine*
36 *income to the city in which the racetrack gaming facility is located and*
37 *an amount equal to 1.5% of such revenues to the county in which such*
38 *facility is located;*

39 *(5) (A) if the racetrack gaming facility is located in the southeast ~~or~~*
40 *south-central Kansas gaming zone and is not located within a city,*
41 *include a provision for payment of an amount equal to 2% of the*
42 *racetrack gaming facility revenues net electronic gaming machine income*
43 *to the county in which the racetrack gaming facility is located and an*

1 *amount equal to 1% of such revenues to the other county in such zone;*
2 *or (B) if the racetrack gaming facility is located in the southeast or south*
3 *central Kansas gaming zone and is located within a city, provide for*
4 *payment of an amount equal to 1% of the ~~racetrack gaming facility~~*
5 *revenues net electronic gaming machine income to the city in which the*
6 *racetrack gaming facility is located, an amount equal to 1% of such*
7 *revenues to the county in which such facility is located and an amount*
8 *equal to 1% of such revenues to the other county in such zone;*

9 *(6) 2% of net electronic gaming machine income shall be credited*
10 *to the problem gambling and addictions grant fund established by K.S.A.*
11 *2013 Supp. 79-4805, and amendments thereto;*

12 *(7) 1% of net electronic gaming machine income shall be credited*
13 *to the Kansas horse fair racing benefit fund established by K.S.A. 74-*
14 *8838, and amendments thereto;*

15 *(8) 40% of net electronic gaming machine income shall be credited*
16 *to the expanded lottery act revenues fund; and*

17 *(9) 15% of electronic gaming machine income shall be used for*
18 *gaming expenses, subject to agreement between the Kansas lottery and*
19 *the racetrack gaming facility manager.*

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

25 ~~Sec. 2. 5. K.S.A. 2012 Supp. 58-3063 is 2013 Supp. 74-8741, 74-~~
26 ~~8746 and 74-8747 are hereby repealed.~~

27 ~~Sec. 3. 6. This act shall take effect and be in force from and after its~~
28 ~~publication in the statute book.~~