

SENATE BILL No. 375

By Committee on Federal and State Affairs

2-11

1 AN ACT concerning the Kansas lottery; amending K.S.A. 74-8704 and
2 74-8718 and repealing the existing sections.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 74-8704 is hereby amended to read as follows: 74-
6 8704. (a) The executive director shall have the power to:

7 (1) Supervise and administer the operation of the state lottery in
8 accordance with the provisions of this act and such rules and regulations as
9 adopted hereunder.

10 (2) Appoint, subject to the Kansas civil service act and within the
11 limitations of appropriations therefor, all other employees of the Kansas
12 lottery, which employees shall be in the classified service unless otherwise
13 specifically provided by this act.

14 (3) Enter into contracts for advertising and promotional services,
15 subject to the provisions of subsection (b); annuities or other methods
16 deemed appropriate for the payment of prizes; data processing and other
17 technical products, equipment and services; and facilities as needed to
18 operate the Kansas lottery, including, but not limited to, gaming
19 equipment, tickets and other services involved in major procurement
20 contracts, in accordance with K.S.A. 74-8705, and amendments thereto.

21 (4) Enter into contracts with persons for the sale of lottery tickets or
22 shares to the public, as provided by this act and rules and regulations
23 adopted pursuant to this act, which contracts shall not be subject to the
24 provisions of K.S.A. 75-3738 through 75-3744, and amendments thereto.

25 (5) Require lottery retailers to furnish proof of financial stability or
26 furnish surety in an amount based upon the expected volume of sales of
27 lottery tickets or shares.

28 (6) Examine, or cause to be examined by any agent or representative
29 designated by the executive director, any books, papers, records or
30 memoranda of any lottery retailer for the purpose of ascertaining
31 compliance with the provisions of this act or rules and regulations adopted
32 hereunder.

33 (7) Issue subpoenas to compel access to or for the production of any
34 books, papers, records or memoranda in the custody or control of any
35 lottery retailer, or to compel the appearance of any lottery retailer or
36 employee of any lottery retailer, for the purpose of ascertaining

1 compliance with the provisions of this act or rules and regulations adopted
2 hereunder. Subpoenas issued under the provisions of this subsection may
3 be served upon natural persons and corporations in the manner provided in
4 K.S.A. 60-304, and amendments thereto, for the service of process by any
5 officer authorized to serve subpoenas in civil actions or by the executive
6 director or an agent or representative designated by the executive director.
7 In the case of the refusal of any person to comply with any such subpoena,
8 the executive director may make application to the district court of any
9 county where such books, papers, records, memoranda or person is located
10 for an order to comply.

11 (8) Administer oaths and take depositions to the same extent and
12 subject to the same limitations as would apply if the deposition were in aid
13 of a civil action in the district court.

14 (9) Require fingerprinting of employees and such other persons who
15 work in sensitive areas within the lottery as deemed appropriate by the
16 director. The director may submit such fingerprints to the Kansas bureau of
17 investigation and to the federal bureau of investigation for the purposes of
18 verifying the identity of such employees and persons and obtaining records
19 of their criminal arrests and convictions.

20 (b) The Kansas lottery shall not engage in on-site display advertising
21 or promotion of the lottery at any ~~amateur athletic or~~ ***amateur athletic or***
22 ~~sporting event including, but not limited to, amateur athletic sporting~~
23 ~~events at institutions under the jurisdiction and control of the state board of~~
24 ~~regents where the majority of participants are under the age of 18,~~
25 ***including, but not limited to, events under the jurisdiction and control of***
26 ***the Kansas state high school activities association.***

27 Sec. 2. K.S.A. 74-8718 is hereby amended to read as follows: 74-
28 8718. (a) It is unlawful:

29 (1) To sell a lottery ticket or share at a price other than that fixed by
30 rules and regulations adopted pursuant to this act;

31 (2) for any person other than *the Kansas lottery* or a lottery retailer
32 authorized by the Kansas lottery to sell or resell any lottery ticket or share;

33 (3) to sell a lottery ticket or share to any person, knowing such person
34 to be under 18 years of age; or

35 (4) to sell a lottery ticket at retail by electronic mail, the internet or
36 telephone.

37 (b) (1) Violation of this section is a class A nonperson misdemeanor
38 upon conviction for a first offense; and

39 (2) violation of this section is a severity level 9, nonperson felony
40 upon conviction for a second or subsequent offense.

41 Sec. 3. K.S.A. 74-8704 and 74-8718 are hereby repealed.

42 Sec. 4. This act shall take effect and be in force from and after its
43 publication in the statute book.