

SESSION OF 2013

**SUPPLEMENTAL NOTE ON SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 2055**

As Amended by Senate Committee of the Whole

**Brief\***

Senate Sub. for HB 2055 would amend current law concerning racetrack gaming facilities and the Expanded Lottery Act. Specifically, the bill would:

- Delete authorization for racetrack gaming facilities;
- Decrease the minimum investment required for a management contract for a gaming facility in the southeast gaming zone from \$225.0 million to \$50.0 million;
- Decrease the privilege free in the southeast gaming zone from \$25.0 million to \$5.5 million;
- Direct the Kansas Lottery Commission to negotiate an addendum to existing lottery gaming facility management contracts that prohibit the state from operating electronic gaming machines at racetrack gaming facilities until after July 1, 2032;
- Define “internet or online gambling” and classify internet or online gambling as a class B nonperson misdemeanor;
- Require prizes won by individuals included in the state debtor files to be withheld to the extent of such person’s debt. The bill would provide certain liability protections for the mistaken withholding of

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

prizes and direct that the withholdings be credited to the Setoff Clearing Fund; and

- Enact several technical amendments.

## **Background**

The bill as recommended by the House Committee of the Whole addressed concealed carrying of handguns in certain state and municipal buildings.

The Senate Committee on Federal and State Affairs removed the contents of HB 2055 as passed by the House and recommended a substitute bill that addressed gaming (SB 215)

The Senate Committee held a hearing on SB 215, which included the revisions to the southeast gaming zone legislation and also proposed new law relating to the distribution of gaming machines at racetrack gaming facilities. Testimony in support of the bill was provided by Senator LaTurner, Representative Grant, the Pittsburg Area Chamber of Commerce, and several private citizens. Testimony opposing the bill was provided by representatives of Kansas Entertainment, Stand Up for Kansas, and the Prairie Band Potawatomi Nation. Neutral testimony was provided by Senator Fitzgerald, Representative DeGraaf, and a Representative of the Kansas Health Institute.

The Senate Committee amended the provisions in SB 215 that pertained to the southeast gaming zone into the substitute bill.

The Senate Committee of the Whole amended the bill by adding the provisions on internet or online gambling and the withholding of prizes under the state debtor files.

The fiscal note on SB 215 as provided by the Division of the Budget indicates enacting provisions on the southeast

gaming zone would require the Kansas Lottery to hire two or three employees for a newly opened gaming facility. The Kansas Lottery indicates that when negotiating contracts with gaming facility managers, it has required all of its gaming related expenses be reimbursed by the manager. Direct gaming expenses are billed directly to the specific gaming facility manager and indirect expenses are prorated to all managers.