

HOUSE BILL No. 2322

By Committee on Agriculture and Natural Resources

2-11

1 AN ACT concerning the Kansas expanded lottery act; relating to racetrack
2 gaming facilities; relating to perimutuel racing; creating the Kansas
3 agricultural opportunity act; amending K.S.A. 2014 Supp. 74-8741, 74-
4 8744, 74-8746, 74-8747 and 74-8751 and repealing the existing
5 sections.
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 New Section 1. Sections 1 through 3, and amendments thereto, shall
9 be known and may be cited as the Kansas agricultural opportunity act, and
10 shall apply to implementation and operation of parimutuel racetrack
11 facilities authorized to offer lottery gaming facility games pursuant to
12 K.S.A. 2014 Supp. 74-8733 et seq., and amendments thereto, and shall
13 provide for the establishment of a framework for encouraging economic
14 opportunity in rural Kansas through the expansion of horse and greyhound
15 ownership, breeding and investment.

16 New Sec. 2. (a) The official horse registering agency designated by
17 the Kansas racing and gaming commission pursuant to K.S.A. 74-8830,
18 and amendments thereto, shall be responsible for implementing procedures
19 and making recommendations related to the operation of live horse racing
20 pursuant to the requirements of section 3, and amendments thereto.

21 (b) The official greyhound registering agency designated by the
22 Kansas racing and gaming commission pursuant to K.S.A. 74-8832, and
23 amendments thereto, shall be responsible for implementing procedures and
24 making recommendations related to the operation of live greyhound racing
25 pursuant to the requirements of section 3, and amendments thereto.

26 New Sec. 3. (a) On or before December 1, the official breed
27 registering agencies for both horse and greyhound breeds shall make
28 recommendations to the Kansas racing and gaming commission for
29 implementation of programs which will maximize the benefit to economic
30 development in rural Kansas from purse supplements paid pursuant to
31 K.S.A. 2014 Supp. 74-8747, and amendments thereto. Such
32 recommendations made by each breed registering agency shall consider
33 the following:

34 (1) Increasing the number of registered breed horses bred in Kansas
35 and mares and stallions domiciled in Kansas;

36 (2) increasing the number of greyhounds whelped in Kansas and

1 greyhounds in Kansas;

2 (3) increasing the number of horses and greyhounds owned by
3 Kansas residents for the purposes of live racing; and

4 (4) creating jobs in Kansas associated with the breeding and racing of
5 horses and greyhounds.

6 (b) On or before January 15, the official breed registering agencies
7 shall submit the following reports to the Kansas racing and gaming
8 commission:

9 (1) The number of horses bred in Kansas and the number of mares
10 and stallions domiciled in Kansas during the previous calendar year;

11 (2) the number of whelped greyhounds registered in Kansas during
12 the previous calendar year;

13 (3) the estimated number of horses and greyhounds owned by Kansas
14 residents during the previous calendar year; and

15 (4) the estimated amount of total purses paid by Kansas parimutuel
16 racetrack facilities with separate total amounts for each source of purse
17 funds.

18 Sec. 4. K.S.A. 2014 Supp. 74-8741 is hereby amended to read as
19 follows: 74-8741. (a) The executive director of the Kansas lottery shall
20 negotiate a racetrack gaming facility management contract to place
21 electronic gaming machines at one parimutuel licensee location in each
22 gaming zone except the southwest Kansas gaming zone.

23 (b) To be eligible to enter into a racetrack gaming facility
24 management contract the prospective racetrack gaming facility manager
25 shall, at a minimum:

26 (1) Have sufficient access to financial resources to support the
27 activities required of a racetrack gaming facility manager under the Kansas
28 expanded lottery act; and

29 (2) be current in filing all applicable tax returns and in payment of all
30 taxes, interest and penalties owed to the state of Kansas and any taxing
31 subdivision where such prospective manager is located in the state of
32 Kansas, excluding items under formal appeal pursuant to applicable
33 statutes.

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

35 (1) The term of the contract;

36 (2) provisions for the Kansas racing and gaming commission to
37 oversee all racetrack gaming facility operations, including, but not limited to:
38 Oversight of internal controls; oversight of security of facilities;
39 performance of background investigations, determination of qualifications
40 and any required certification or licensing of officers, directors, board
41 members, employees, contractors and agents of the racetrack gaming
42 facility manager; auditing of net electronic gaming machine income and
43 maintenance of the integrity of electronic gaming machine operations;

1 (3) provisions for the racetrack gaming facility manager to pay the
2 costs of oversight and regulation of the racetrack gaming facility manager
3 under this act and such manager's racetrack gaming facility operations by
4 the *Kansas lottery and the Kansas racing and gaming commission*; ~~and~~

5 (4) enforceable provisions: (A) Prohibiting the state, until July 1,
6 2032, from: (i) Entering into management contracts for more than ~~three~~
7 *four* lottery gaming facilities or similar gaming facilities, one to be located
8 in the northeast Kansas gaming zone, one to be located in the south central
9 Kansas gaming zone ~~and~~, one to be located in the southeast Kansas
10 gaming zone; *and one to be located in the southwest Kansas gaming zone*;
11 (ii) designating additional areas of the state where operation of lottery
12 gaming facilities or similar gaming facilities would be authorized; or (iii)
13 operating an aggregate of more than 2,800 electronic gaming machines at
14 all parimutuel licensee locations; and (B) requiring the state to repay to the
15 racetrack gaming facility manager an amount equal to the privilege fee
16 paid by such racetrack gaming facility manager, plus interest on such
17 amount, compounded annually at the rate of 10%, if the state violates the
18 prohibition provision described in (A); *and*

19 (5) *provisions for the distribution of the net electronic gaming*
20 *machine income from the racetrack gaming facility which shall be in*
21 *accordance with K.S.A. 2014 Supp. 74-8747, and amendments thereto.*

22 (d) Racetrack gaming facility management contracts authorized by
23 this section may include provisions relating to:

24 (1) Accounting procedures to determine net electronic gaming
25 machine income, unclaimed prizes and credits;

26 (2) minimum requirements for a racetrack gaming facility manager to
27 provide qualified oversight, security and supervision of electronic gaming
28 machines including the use of qualified personnel with experience in
29 applicable technology;

30 (3) eligibility requirements for employees, contractors or agents of a
31 racetrack gaming facility manager who will have responsibility for or
32 involvement with electronic gaming machines or for the handling of cash
33 or tokens;

34 (4) background investigations to be performed by the Kansas racing
35 and gaming commission;

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

39 (6) provision for termination of the management contract by either
40 party for cause; and

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

1 (e) A person who is the manager of a lottery gaming facility in a
2 gaming zone shall not be eligible to be the manager of the racetrack
3 gaming facility in the same zone.

4 (f) A racetrack gaming facility management contract shall not
5 constitute property, nor shall it be subject to attachment, garnishment or
6 execution, nor shall it be alienable or transferable, except upon approval
7 by the executive director, nor shall it be subject to being encumbered or
8 hypothecated.

9 Sec. 5. K.S.A. 2014 Supp. 74-8744 is hereby amended to read as
10 follows: 74-8744. (a) In accordance with rules and regulations adopted by
11 the commission, the executive director shall have general responsibility for
12 the implementation and administration of the provisions of this act relating
13 to racetrack gaming facility operations, including the responsibility to:

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

17 (2) assist the commission in the promulgation of rules and regulations
18 concerning the operation of racetrack gaming facilities, which rules and
19 regulations shall include, without limitation, the following:

20 (A) The number of electronic gaming machines allocated for
21 placement at each racetrack gaming facility, subject to the provisions of
22 subsection (b);

23 (B) standards for advertising, marketing and promotional materials
24 used by racetrack gaming facility managers;

25 (C) the kind, type, number and location of electronic gaming
26 machines at any racetrack gaming facility; and

27 (D) rules and regulations and procedures for the accounting and
28 reporting of the payments required from racetrack gaming facility
29 managers under K.S.A. 2014 Supp. 74-8766, and amendments thereto,
30 including the calculations required for such payments.

31 (b) Rules and regulations establishing the minimum and maximum
32 number of electronic gaming machines allocated for placement at each
33 racetrack gaming facility shall be adopted and published not later than 120
34 days after the effective date of this act. Such rules and regulations shall be
35 subject to the following:

36 (1) At least ~~600~~ 400, *but not more than 1,200*, electronic gaming
37 machines shall be allocated to and placed at each racetrack gaming facility.

38 (2) The total number of electronic gaming machines allocated to and
39 placed at all racetrack gaming facilities in the state shall not exceed 2,800.

40 ~~Until lottery gaming facility management contracts for lottery gaming~~
41 ~~facilities in all gaming zones become binding, the total number of~~
42 ~~electronic gaming machines placed at all racetrack gaming facilities shall~~
43 ~~not exceed 2,200. When lottery gaming facility management contracts for~~

1 ~~lottery gaming facilities in all gaming zones have become binding, the~~
2 ~~lottery commission shall take privilege fee bids from the lottery gaming~~
3 ~~facility manager and racetrack gaming facility manager in each gaming~~
4 ~~zone for the remaining electronic gaming machines allocated to but not yet~~
5 ~~placed at the racetrack gaming facility in such zone. The minimum bid~~
6 ~~shall be a privilege fee of \$2,500 per electronic gaming machine. If the~~
7 ~~racetrack gaming facility manager submits the highest bid, the lottery~~
8 ~~commission shall place the remaining electronic gaming machines at the~~
9 ~~racetrack gaming facility. If the lottery gaming facility manager submits~~
10 ~~the highest bid, the commission shall not place any additional electronic~~
11 ~~gaming machines at the racetrack gaming facility.~~

12 (3) ~~In addition to any privilege fee paid pursuant to paragraph (2),~~
13 ~~Each racetrack gaming facility manager shall pay a privilege fee of \$2,500~~
14 ~~for each electronic gaming machine placed at the racetrack gaming facility~~
15 ~~for which a privilege fee is not paid pursuant to paragraph (2).~~

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

22 Sec. 6. K.S.A. 2014 Supp. 74-8746 is hereby amended to read as
23 follows: 74-8746. (a) Except as provided in subsection (b):

24 (1) No electronic gaming machines shall be operated at a parimutuel
25 licensee location in Sedgwick county unless, during the first full calendar
26 year and each year thereafter in which electronic gaming machines are
27 operated at such location, the parimutuel licensee conducts at such location
28 at least 100 live greyhound races each calendar week ~~for the number of~~
29 ~~weeks raced during calendar year 2003~~ *at least 50 weeks* with at least 13
30 live races conducted each day for not less than five days per week.

31 (2) No electronic gaming machines shall be operated at a parimutuel
32 licensee location in Wyandotte county unless, during the first full calendar
33 year and each year thereafter in which electronic gaming machines are
34 operated at such location, the parimutuel licensee conducts live horse
35 racing programs for at least 60 days, with at least 10 live races conducted
36 each program, and must offer and make a reasonable effort to conduct a
37 minimum number of three live races restricted for quarter horses each day
38 and seven live thoroughbred races each day, of which not less than two
39 races each day shall be limited to registered Kansas-bred horses
40 apportioned in the same ratio that live races are offered, except that the
41 licensee shall not be required to conduct the second live race restricted to
42 Kansas-bred horses unless there are at least seven qualified entries for such
43 race; ~~and with at least 100 live greyhound races each calendar week for at~~

1 ~~least the same number of weeks raced during calendar year 2003, with at~~
2 ~~least 13 live races conducted each day for not less than five days per week.~~

3 (3) No electronic gaming machines shall be operated at a parimutuel
4 licensee location in Crawford county unless, during the first full calendar
5 year and each year thereafter in which electronic gaming machines are
6 operated at such location, the parimutuel licensee conducts at such location
7 at least 85 live greyhound races each calendar week ~~for the number of~~
8 ~~weeks raced during calendar year 2003 at least 25 weeks~~ in Sedgwick
9 county, with at least 12 live races conducted each day for not less than five
10 days per week.

11 (4) If a parimutuel licensee has not held live races pursuant to a
12 schedule approved by the Kansas racing and gaming commission in the
13 preceding 12 months, the Kansas racing and gaming commission shall
14 hold a hearing to determine the number of days of live racing required for
15 the remaining days of the first calendar year of operation to qualify for
16 operation of electronic gaming machines. At such hearing, the commission
17 shall receive testimony and evidence from affected breed groups, the
18 licensee and others, as the Kansas racing and gaming commission deems
19 appropriate concerning the schedule of live race days. The operation of
20 electronic gaming machines shall not commence more than 90 days prior
21 to the start of live racing at such facility.

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

33 Sec. 7. K.S.A. 2014 Supp. 74-8747 is hereby amended to read as
34 follows: 74-8747. (a) *A racetrack gaming facility management contract*
35 *shall include provisions for net electronic gaming machine income from a*
36 *racetrack gaming facility shall to be distributed as follows:*

37 ~~To the racetrack gaming facility manager,~~ An amount equal to
38 ~~25%~~ 22% of net electronic gaming machine income *shall be credited to*
39 *the expanded lottery act revenues fund;*

40 (2) ~~7%~~ eight percent of net electronic gaming machine income
41 *derived from electronic gaming machines located at racetrack gaming*
42 *facilities licensed to conduct horse races during the first and second years*
43 *of operation, 10% of the net electronic gaming machine income during the*

1 *third year of operation and 12% of the net electronic gaming machine*
2 *income the fourth and subsequent years of operation shall be credited to*
3 *the live horse racing purse supplement fund established by K.S.A. 2014*
4 *Supp. 74-8767, and amendments thereto, except that the amount of net*
5 *electronic gaming machine income credited to the fund during any fiscal*
6 *year from electronic gaming machines at a racetrack gaming facility shall*
7 *not exceed an amount equal to the average of \$3,750 per electronic gaming*
8 *machine at each location and any moneys in excess of such amount shall*
9 *be distributed between the state and the racetrack gaming facility manager*
10 *in accordance with the racetrack gaming facility management contract;*

11 (3) ~~7%~~ *seven percent of net electronic gaming machine income*
12 *derived from electronic gaming machines located at racetrack gaming*
13 *facilities licensed to conduct greyhound races shall be credited to the live*
14 *greyhound racing purse supplement fund established by K.S.A. 2014*
15 *Supp. 74-8767, and amendments thereto, except that the amount of net*
16 *electronic gaming machine income credited to the fund during any fiscal*
17 *year from electronic gaming machines at a racetrack gaming facility shall*
18 *not exceed an amount equal to the average of \$3,750 per electronic gaming*
19 *machine at each location and any moneys in excess of such amount shall*
20 *be distributed between the state and the racetrack gaming facility manager*
21 *in accordance with the racetrack gaming facility management contract;*

22 (4) (A) if the racetrack gaming facility is located in the northeast
23 Kansas gaming zone and is not located within a city, include a provision
24 for payment of an amount equal to ~~3%~~ *2% of the racetrack gaming facility*
25 *revenues net electronic gaming machine income* to the county in which the
26 racetrack gaming facility is located; or (B) if the racetrack gaming facility
27 is located in the northeast Kansas gaming zone and is located within a city,
28 include provision for payment of an amount equal to ~~1.5%~~ *1% of the*
29 *racetrack gaming facility revenues net electronic gaming machine income*
30 to the city in which the racetrack gaming facility is located and an amount
31 equal to ~~1.5%~~ *1% of such revenues* income to the county in which such
32 facility is located;

33 (5) (A) if the racetrack gaming facility is located in the southeast or
34 south central Kansas gaming zone and is not located within a city, include
35 a provision for payment of an amount equal to ~~2%~~ *2% of the racetrack gaming*
36 *facility revenues net electronic gaming machine income* to the county in
37 which the racetrack gaming facility is located ~~and an amount equal to 1%~~
38 ~~of such revenues to the other county in such zone;~~ or (B) if the racetrack
39 gaming facility is located in the southeast or south central Kansas gaming
40 zone and is located within a city, provide for payment of an amount equal
41 to ~~1%~~ *1% of the racetrack gaming facility revenues net electronic gaming*
42 *machine income* to the city in which the racetrack gaming facility is
43 located; ~~and an amount equal to 1% of such revenues~~ income to the county

1 in which such facility is located ~~and an amount equal to 1% of such~~
2 ~~revenues to the other county in such zone;~~

3 (6) ~~2%~~ *an amount equal to 0.5%* of net electronic gaming machine
4 income shall be credited to the problem gambling and addictions grant
5 fund established by K.S.A. 2014 Supp. 79-4805, and amendments thereto;

6 (7) *an amount equal to 1%* of net electronic gaming machine income
7 shall be credited to the Kansas horse fair racing benefit fund established by
8 K.S.A. 74-8838, and amendments thereto, *in the northeast Kansas gaming*
9 *zone; and an amount equal to 0.4% of the net electronic gaming machine*
10 *income shall be credited to the Kansas horse fair racing benefit fund*
11 *established by K.S.A. 74-8838, and amendments thereto, in the southeast*
12 *and south central Kansas gaming zones;*

13 (8) ~~40% of net electronic gaming machine income shall be credited to~~
14 ~~the expanded lottery act revenues fund~~ *an amount equal to 0.1% of net*
15 *electronic gaming machine revenue income shall be credited to the Kansas*
16 *horse council fund created by section 10, and amendments thereto; and*

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

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

27 Sec. 8. K.S.A. 2014 Supp. 74-8751 is hereby amended to read as
28 follows: 74-8751. The Kansas racing and gaming commission, through
29 rules and regulations, shall establish:

30 (a) A certification requirement, and enforcement procedure, for
31 officers, directors, key employees and persons directly or indirectly
32 owning a ~~0.5%~~ 5% or more interest in a lottery gaming facility manager or
33 racetrack gaming facility manager. Such certification requirement shall
34 include compliance with such security, fitness and background
35 investigations and standards as the executive director of the Kansas racing
36 and gaming commission deems necessary to determine whether such
37 person's reputation, habits or associations pose a threat to the public
38 interest of the state or to the reputation of or effective regulation and
39 control of the lottery gaming facility or racetrack gaming facility. *In the*
40 *case of a publicly traded company subject to the jurisdiction of the United*
41 *States securities and exchange commission, such certification*
42 *requirements shall include such security, fitness and background*
43 *investigations and standards for officers, directors, key gaming employees*

1 *and persons directly or indirectly owning a 5% or more interest in such*
2 *entity, and shall specify that such publicly traded company annually*
3 *provide a list of all identifiable shareholders. In the case of institutional*
4 *investors in a publicly traded company, the certification requirement shall*
5 *provide a procedure for issuance of waivers of the background*
6 *investigation requirement by the executive director of the Kansas racing*
7 *and gaming commission. Any person convicted of any felony, a crime*
8 *involving gambling or a crime of moral turpitude prior to applying for a*
9 *certificate hereunder or at any time thereafter shall be deemed unfit. The*
10 *Kansas racing and gaming commission shall conduct the security, fitness*
11 *and background checks required pursuant to this subsection. Certification*
12 *pursuant to this subsection shall not be assignable or transferable;*

13 (b) a certification requirement, and enforcement procedure, for those
14 persons, including electronic gaming machine manufacturers, technology
15 providers and computer system providers, who propose to contract with a
16 lottery gaming facility manager, a racetrack gaming facility manager or the
17 state for the provision of goods or services related to a lottery gaming
18 facility or racetrack gaming facility, including management services. Such
19 certification requirements shall include compliance with such security,
20 fitness and background investigations and standards of officers, directors,
21 key gaming employees and persons directly or indirectly owning a ~~0.5%~~
22 *5% or more interest in such entity as the executive director of the Kansas*
23 *racing and gaming commission deems necessary to determine whether*
24 *such person's reputation, habits and associations pose a threat to the public*
25 *interest of the state or to the reputation of or effective regulation and*
26 *control of the lottery gaming facility or racetrack gaming facility. In the*
27 *case of a publicly traded company subject to the jurisdiction of the United*
28 *States securities and exchange commission, or equivalent foreign*
29 *securities law, such certification requirements include such security,*
30 *fitness and background investigations and standards for officers, directors,*
31 *key gaming employees and persons directly or indirectly owning a 5% or*
32 *more interest in such entity, and shall specify that such publicly traded*
33 *company annually provide a list of all identifiable shareholders. In the*
34 *case of institutional investors in a publicly traded company, the*
35 *certification requirement shall provide a procedure for issuance of waivers*
36 *of the background investigation requirement by the executive director of*
37 *the Kansas racing and gaming commission. Any person convicted of any*
38 *felony, a crime involving gambling or a crime of moral turpitude prior to*
39 *applying for a certificate hereunder or at any time thereafter shall be*
40 *deemed unfit. If the executive director of the racing and gaming*
41 *commission determines the certification standards of another state are*
42 *comprehensive, thorough and provide similar adequate safeguards, the*
43 *executive director may certify an applicant already certified in such state*

1 without the necessity of a full application and background check. The
2 Kansas racing and gaming commission shall conduct the security, fitness
3 and background checks required pursuant to this subsection. Certification
4 pursuant to this subsection shall not be assignable or transferable;

5 (c) provisions for revocation of a certification required by subsection
6 (a) or (b) upon a finding that the certificate holder, an officer or director
7 thereof or a person directly or indirectly owning a ~~0.5%~~ 5% or more
8 interest therein: (1) Has knowingly provided false or misleading material
9 information to the Kansas lottery or its employees; or (2) has been
10 convicted of a felony, gambling related offense or any crime of moral
11 turpitude; and

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

22 New Sec. 9. (a) The board of county commissioners of Sedgwick
23 county shall submit, upon presentation of a valid petition, to the qualified
24 voters of the county a proposition to permit the operation of electronic
25 gaming machines at an existing parimutuel racetrack within that county.
26 The proposition shall be submitted to the voters at a special election to be
27 held no later than 120 days after the effective date of this section.

28 The petition shall be signed by not less than 5,000 qualified voters of
29 the county. The following shall appear on the petition: "We request an
30 election to determine whether the operation of electronic gaming machines
31 at parimutuel racetrack facilities by the Kansas lottery shall be permitted in
32 Sedgwick county."

33 (b) Upon the submission of a petition, the county election officer shall
34 determine whether a sufficient number of qualified voters of the county
35 have signed such petition. If the petition is deemed valid, the county
36 election officer shall cause the following proposition to be placed on the
37 ballot at the election called for that purpose: "Shall the operation of
38 electronic gaming machines at the Wichita Greyhound Park by the Kansas
39 lottery be permitted in Sedgwick county?"

40 (c) If a majority of the votes cast and counted at the election is in
41 favor of permitting the operation of such machines, the executive director
42 may enter into a contract with the parimutuel racetrack facility licensee in
43 Sedgwick county to operate such machines at its existing location in the

1 county. If a majority of the votes cast and counted at an election under this
2 section is against permitting the operation of electronic gaming machines
3 in the county, the Kansas lottery shall not operate such machines in the
4 county. The county election officer shall transmit a copy of the
5 certification of the results of the election to the executive director and to
6 the Kansas racing and gaming commission.

7 (d) This section shall be a part of and supplemental to the Kansas
8 expanded lottery act.

9 New Sec. 10. There is hereby established in the state treasury the
10 Kansas horse council fund which shall be administered by the Kansas
11 racing and gaming commission and which shall be funded by 0.1% of net
12 electronic gaming machine income as provided in K.S.A. 2014 Supp. 74-
13 8747, and amendments thereto. All expenditures from this fund shall be
14 made in accordance with appropriation acts upon warrants of the director
15 of accounts and reports issued pursuant to vouchers approved by the
16 executive director of the Kansas racing and gaming commission. The
17 moneys credited to this fund shall be used for the development, promotion
18 and representation of the equine industry in Kansas and shall be distributed
19 to the Kansas horse council by contract with the Kansas racing and gaming
20 commission for these purposes.

21 Sec. 11. K.S.A. 2014 Supp. 74-8741, 74-8744, 74-8746, 74-8747 and
22 74-8751 are hereby repealed.

23 Sec. 12. This act shall take effect and be in force from and after its
24 publication in the statute book.