

# Journal of the Senate

THIRTY-FIRST DAY

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SENATE CHAMBER, TOPEKA, KANSAS  
Wednesday, February 26, 2020, 10:00 a.m.

The Senate was called to order by President Susan Wagle.  
The roll was called with 40 senators present.  
Invocation by Reverend Cecil T. Washington:

God's Provision Of Grace and Mercy!  
Hebrews 4:16 and James 4:6

Heavenly Father, in humility, we come to Your throne today. The Hebrew writer hit it on the head when he said in 4:16, "Let us approach the throne of grace with confidence so that we may receive mercy and find grace to help us in our time of need."

And then You inspired James, the half brother of Jesus, to write in 4:16, that You increase Your grace toward the humble while You resist the prideful. Lord, the provision of Your grace is when You give us blessings, benefits and advantages that we need but do not deserve.

And the provision of Your mercy is when You relieve us. You save us from the negatives, destructives and the adverse that we do deserve. Lord, You spare us from the bad while You also shower us with the good! And the reason we're able to enjoy our successes is because You furnish us generously with a balance.

You're charitable with both Your grace and Your mercy. So Lord, the work and the success we look to achieve will only be realized through Your grace and mercy. Embracing humility and rejecting pride, in Your precious Name, I pray. Amen

The Pledge of Allegiance was led by President Wagle.

## INTRODUCTION OF BILLS AND CONCURRENT RESOLUTIONS

The following bills were introduced and read by title:

**SB 473**, AN ACT concerning the state treasurer; relating to the low-income family postsecondary savings accounts incentive program; including military servicemember dependent children; allowing contributions from charitable organizations; amending K.S.A. 75-650 and repealing the existing section, by Committee on Federal and State Affairs.

**SB 474**, AN ACT concerning postsecondary educational institution student athletes; relating to compensation for the use of a student athlete's name, image, likeness rights or athletic reputation, by Committee on Ways and Means.

**SB 475**, AN ACT concerning health and healthcare; relating to provision of services; enacting the healthcare conscience protection act, by Committee on Ways and Means.

**SB 476**, AN ACT concerning civil actions; relating to limitations on actions; victims

of childhood sexual abuse; amending K.S.A. 2019 Supp. 60-523 and repealing the existing section, by Committee on Federal and State Affairs.

**SB 477**, AN ACT concerning civil actions and civil procedure; relating to post-judgment proceedings; hearing in aid of execution; prohibiting bench warrants when judgment arises out of or relates to medical debt; amending K.S.A. 60-2419 and 61-3608 and repealing the existing sections, by Committee on Federal and State Affairs.

### INTRODUCTION OF ORIGINAL MOTIONS AND SENATE RESOLUTIONS

Senators Baumgardner and Sykes introduced the following Senate resolution, which was read:

A RESOLUTION recognizing the week of February 24, 2020,  
as National Public Schools Week.

WHEREAS, National Public Schools Week honors the 50.8 million students, 3.2 million teachers and hundreds of thousands of specialists, administrators and support staff working in public schools today; and

WHEREAS, Nine out of ten American children attend public schools. Public schools must provide an environment where all students can succeed in their earliest years, regardless of their background; and

WHEREAS, Great public schools are necessary to ensure that students have inviting classrooms, school libraries with up-to-date resources and well-prepared educators. Educators include teachers, paraprofessionals and principals who provide a well-rounded curriculum and foster a joy for learning in their students; and

WHEREAS, The nation's public schools should maintain class sizes that allow students to have one-on-one attention and access to support services such as healthcare, nutrition and after-school programs; and

WHEREAS, Local, state and federal lawmakers should prioritize support for strengthening the nation's public schools and empower local education leaders to manage and lead school districts in partnership with educators, parents and other local education stakeholders and learning communities; and

WHEREAS, Every child has the right to receive an education that helps them reach their full potential and attend schools that offer a high-quality educational experience; and

WHEREAS, Students, teachers and professionals continue to make public schools a vital part of the nation's success. Nationwide, parents and communities are working hard every day to improve educational outcomes for public school students: Now, therefore,

*Be it resolved by the Senate of the State of Kansas:* That we recognize the week of February 24, 2020, as National Public Schools Week.

*Be it further resolved:* That the Secretary of the Senate shall send enrolled copies of this resolution to Senator Baumgardner and Senator Sykes.

On emergency motion of Senator Sykes **SR 1764** was adopted unanimously.

### CHANGE OF REFERENCE

An objection having been made to **SB 433** appearing on the Consent Calendar, the

President directed the bill be removed and placed on the calendar under the heading of General Orders.

### COMMITTEE OF THE WHOLE

On motion of Senator Denning, the Senate resolved itself into Committee of the Whole, for consideration of bills on the calendar under the heading of General Orders with Senator Petersen in the chair.

**SB 283** be amended by the adoption of the committee amendments, be further amended by motion of Senator Wagle; on page 29, in line 37, after "revenues" by inserting ", and 2% of sports wagering revenues if such contract includes provisions for the operation and management of sports wagering,";

On page 31, in line 27, by striking "7.5%" and inserting "5.5%"; in line 29, by striking "10%" and inserting "8%";

On page 41, following line 17, by inserting:

"Sec. 30. K.S.A. 79-4805 is hereby amended to read as follows: 79-4805. (a) There is hereby established in the state treasury the problem gambling and addictions grant fund. All moneys credited to such fund shall be used only for the awarding of grants under this section. Such fund shall be administered in accordance with this section and the provisions of appropriation acts.

(b) All expenditures from the problem gambling and addictions grant fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved in the manner prescribed by law.

(c) (1) There is hereby established a state grant program to provide assistance for the direct treatment of persons diagnosed as suffering from pathological gambling and to provide funding for research ~~regarding the impact of gambling on prevention and recovery for the~~ residents of Kansas. Research grants awarded under this section may include, but need not be limited to, grants for determining the effectiveness of education and prevention efforts on the prevalence of pathological gambling in Kansas. All grants shall be made after open solicitation of proposals and evaluation of proposals against criteria established in rules and regulations adopted by the secretary of the Kansas department for aging and disability services. Both public and private entities shall be eligible to apply for and receive grants under the provisions of this section. The secretary shall ensure that an adequate problem gambling treatment services network is available in Kansas to individuals seeking treatment for a pathological gambling disorder.

(2) Moneys in the problem gambling and addictions grant fund ~~may shall~~ be used to:

(A) To fund a helpline with text messaging and chat capabilities; and

(B) for the treatment, research, education or prevention of pathological gambling.

(3) Moneys in the problem gambling and addictions grant fund that are not used for the purposes described in paragraph (2) shall be used to treat alcoholism, drug abuse and other addictive behaviors and other co-occurring behavioral health disorders.

(d) The secretary for aging and disability services is hereby authorized to receive moneys from any grants, gifts, contributions or bequests made for the purpose of funding grants under this section and to expend such moneys for the purpose for which received.

(e) All grants made in accordance with this section shall be made from the problem

gambling and addictions grant fund. The secretary shall administer the provisions of this section and shall adopt rules and regulations establishing criteria for qualification to receive grants and such other matters deemed necessary by the secretary for the administration of this section. Such rules and regulations shall include, but need not be limited to, a requirement that each recipient of a grant to provide treatment for pathological gamblers report at least annually to the secretary the grantee's measurable achievement of specific outcome goals.

(f) For the purpose of this section, "pathological gambling" means the disorder by that name described in the most recent edition of the American psychiatric association's diagnostic and statistical manual.

~~(g) On the effective date of this act the director of accounts and reports shall transfer all moneys in the problem gambling grant fund to the problem gambling and addictions grant fund. Thereupon the problem gambling grant fund shall be and is hereby abolished. The problem gambling and addictions grant fund and any other moneys transferred pursuant to this section shall be used for the purposes set forth in this section and for no other governmental purposes. It is the intent of the legislature that the funds and the moneys deposited in this fund shall remain intact and inviolate for the purposes set forth in this section."~~

Also on page 41, in line 25, after "74-8772" by inserting ", 79-4805";

And by renumbering sections accordingly;

On page 1, in the title, in line 3, after the second semicolon by inserting "problem gambling and addictions grant fund, transfers and authorized uses;"; in line 8, after "74-8772" by inserting ", 79-4805"

A motion by Senator Thompson to amend **SB 283** failed.

On motion of Senator Denning, the Senate recessed until 2:00 p.m..

#### AFERNOON SESSION

The Senate met pursuant to recess with President Wagle in the chair.

#### COMMITTEE OF THE WHOLE

The Senate returned to Committee of the Whole with Senator Petersen in the chair.

On motion of Senator Petersen the report for the morning and following afternoon session was adopted.

The Senate returned to debate on **SB 283**; and recommended **SB 283** be passed as further amended.

A motion by Senator Holland to amend **SB 283** failed and the following amendment was rejected.; on page 1, by striking all in lines 13 through 36;

By striking all on pages 2 through 40;

On page 41, by striking all in lines 1 through 26 and inserting:

"New Section 1. (a) Sports wagering shall only be conducted in this state in accordance with the provisions of the Kansas lottery act and the Kansas expanded lottery act.

(b) The Kansas lottery may offer sports wagering through:

(1) One or more lottery gaming facility managers or racetrack gaming facility managers that have contracted with the Kansas lottery in accordance with the Kansas

expanded lottery act to operate and manage sports wagering on behalf of the Kansas lottery, including, but not limited to, sports wagering over the internet through websites and mobile device applications through a licensed interactive sports wagering platform approved by the Kansas lottery; and

- (2) one or more licensed interactive sports wagering platforms.

New Sec. 2. The executive director may select an interactive sports wagering platform that the executive director deems is best able to serve the public convenience and promote sports wagering in accordance with marketing plans developed by the Kansas lottery. The interactive sports wagering platform selected by the executive director shall offer sports wagers and shall be made available to any lottery gaming facility manager and racetrack gaming facility manager that has entered into a management contract for the operation and management of sports wagering under the Kansas expanded lottery act. Sports wagering conducted through the interactive sports wagering platform shall be offered only as approved by the Kansas lottery and in accordance with the provisions of the Kansas expanded lottery act.

New Sec. 3. The executive director shall adopt rules and regulations regarding the advertisement for sports wagering. Such rules and regulations shall be adopted on or before January 1, 2021, and shall include, but not be limited to:

- (a) Ensuring that advertisements, including limitations on the form, content, quantity, timing and location of such advertisements, do not target children and minors, or other persons who are ineligible to place wagers, or problem gamblers or other vulnerable persons;

- (b) disclosure of the identity of the sports wagering manager in all such advertisements;

- (c) provision of the toll-free number for information and referral services for compulsive and problem gambling; and

- (d) prohibitions on false, misleading or deceptive advertisements.

New Sec. 4. A sports governing body may notify the Kansas lottery that the sports governing body desires to restrict, limit or exclude wagering on one or more sporting events overseen by such sports governing body by providing notice in such form and manner as prescribed by the executive director. Upon receiving such notice, the executive director shall review the request in good faith, seek input from sports wagering managers on such a request and, if deemed appropriate, the commission shall adopt rules and regulations to restrict sports wagering on such sporting events. If the executive director denies a request submitted pursuant to this section, the executive director shall notify the sports governing body of such denial. Any sports governing body whose request is denied may appeal the decision of the executive director in accordance with the Kansas administrative procedure act. Offering or taking wagers contrary to any published restrictions on a sporting event is a violation of the Kansas expanded lottery act. In the event that a request submitted pursuant to this section is submitted in response to an emergency situation, the executive director may temporarily prohibit sports wagering on the sporting event in question until there is an opportunity to review the request and adopt rules and regulations in accordance with this section.

New Sec. 5. The state or a sports governing body shall have a cause of action against any person who knowingly engages in, facilitates or conceals conduct that intends to improperly influence a betting outcome of a sporting event for purposes of financial gain, in connection with betting or wagering on a sporting event. The entity filing any such action may seek damages or other equitable relief. The provisions of this section shall not be construed as a limitation on or bar against any other claims the state or a sports governing body may bring against such person, or any other claim the state or a sports governing body may bring for injuries or damages arising out of the operation of sports wagering.

New Sec. 6. (a) There is hereby established in the state treasury the sports wagering receipts fund. Separate accounts shall be maintained in such fund for receipt of moneys from sports wagering conducted by the Kansas lottery, each lottery gaming facility manager and each racetrack gaming facility manager. All expenditures from the fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the executive director, or the executive director's designee, for the purposes set forth in this act.

(b) All revenues from sports wagering conducted by the Kansas lottery, lottery gaming facility managers and racetrack gaming facility managers shall be paid weekly and electronically to the executive director, or as soon as reasonably possible based on the sporting event and the wager placed, but in no event prior to the completion and settling of all bets for the sporting events for which wagers were placed. The executive director shall remit all moneys received therefrom to the state treasurer in accordance with the provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount in the state treasury and credit such remittance to the respective account in the sports wagering receipts fund maintained for the Kansas lottery, the lottery gaming facility manager or the racetrack gaming facility manager.

(c) (1) The executive director shall certify monthly to the director of accounts and reports the percentages or amounts to be transferred from each account maintained in the sports wagering receipts fund to the lottery operating fund in accordance with the provisions of K.S.A. 74-8711, and amendments thereto, as provided by the lottery gaming facility management contract or racetrack gaming facility management contract. Upon receipt of the certification, the director of accounts and reports shall transfer amounts from each such account in accordance with the certification of the executive director.

(2) Once each month, the executive director shall cause amounts from each such account to be paid to the lottery gaming facility managers and racetrack gaming facility managers in accordance with each entity's respective contract with the Kansas lottery.

Sec. 7. K.S.A. 2019 Supp. 21-6403 is hereby amended to read as follows: 21-6403. As used in K.S.A. 2019 Supp. 21-6403 through 21-6409, and amendments thereto:

(a) "Bet" means a bargain in which the parties agree that, dependent upon chance, one stands to win or lose something of value specified in the agreement. A bet does not include:

(1) Bona fide business transactions which are valid under the law of contracts including, but not limited to, contracts for the purchase or sale at a future date of

securities or other commodities, and agreements to compensation for loss caused by the happening of the chance including, but not limited to, contracts of indemnity or guaranty and life or health and accident insurance;

(2) offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength or endurance or to the bona fide owners of animals or vehicles entered in such a contest;

(3) a lottery as defined in this section;

(4) any bingo game by or for participants managed, operated or conducted in accordance with the laws of the state of Kansas by an organization licensed by the state of Kansas to manage, operate or conduct games of bingo;

(5) a lottery operated by the state pursuant to the Kansas lottery act;

(6) any system of parimutuel wagering managed, operated and conducted in accordance with the Kansas parimutuel racing act;

(7) tribal gaming;

(8) charitable raffles as defined by K.S.A. 75-5173, and amendments thereto; ~~or~~

(9) a fantasy sports league as defined in this section; or

(10) sports wagering, as defined in K.S.A. 74-8702, and amendments thereto;

(b) "lottery" means an enterprise wherein for a consideration the participants are given an opportunity to win a prize, the award of which is determined by chance. A lottery does not include:

(1) A lottery operated by the state pursuant to the Kansas lottery act; or

(2) tribal gaming;

(c) "consideration" means anything which is a commercial or financial advantage to the promoter or a disadvantage to any participant. Mere registration without purchase of goods or services; personal attendance at places or events, without payment of an admission price or fee; listening to or watching radio and television programs; answering the telephone or making a telephone call and acts of like nature are not consideration. "Consideration" shall not include sums of money paid by or for:

(1) Participants in any bingo game managed, operated or conducted in accordance with the laws of the state of Kansas by any bona fide nonprofit religious, charitable, fraternal, educational or veteran organization licensed to manage, operate or conduct bingo games under the laws of the state of Kansas and it shall be conclusively presumed that such sums paid by or for such participants were intended by such participants to be for the benefit of the sponsoring organizations for the use of such sponsoring organizations in furthering the purposes of such sponsoring organizations, as set forth in the appropriate paragraphs of section 501(c) or (d) of the internal revenue code of 1986 and as set forth in K.S.A. 79-4701, and amendments thereto;

(2) participants in any lottery operated by the state pursuant to the Kansas lottery act;

(3) participants in any system of parimutuel wagering managed, operated and conducted in accordance with the Kansas parimutuel racing act; or

(4) a person to participate in tribal gaming;

(d) "fantasy sports league" means any fantasy or simulation sports game or contest in which no fantasy or simulation sports team is based on the current membership of an actual team that is a member of an amateur or professional sports organization and that meets the following conditions:

(1) All prizes and awards offered to winning participants are established and made

known to the participants in advance of the game or contest and their value is not determined by the number of participants or the amount of any fees paid by those participants;

(2) all winning outcomes reflect the relative knowledge and skill of the participants and are determined predominantly by accumulated statistical results of the performance of individual athletes in ~~multiple~~ real-world sporting events; and

(3) no winning outcome is based:

(A) On the score, point spread or any performance or performances of any single real-world team or any combination of such teams; or

(B) solely on any single performance of an individual athlete in any single real-world sporting event.

(e) (1) "gambling device" means any:

(A) So-called "slot machine" or any other machine, mechanical device, electronic device or other contrivance an essential part of which is a drum or reel with insignia thereon, and:

(i) ~~Which That~~ when operated may deliver, as the result of chance, any money or property; or

(ii) by the operation of which a person may become entitled to receive, as the result of chance, any money or property;

(B) other machine, mechanical device, electronic device or other contrivance including, but not limited to, roulette wheels and similar devices, ~~which that~~ are equipped with or designed to accommodate the addition of a mechanism that enables accumulated credits to be removed, is equipped with or designed to accommodate a mechanism to record the number of credits removed or is otherwise designed, manufactured or altered primarily for use in connection with gambling, and:

(i) ~~Which That~~ when operated may deliver, as the result of chance, any money or property; or

(ii) by the operation of which a person may become entitled to receive, as the result of chance, any money or property;

(C) subassembly or essential part intended to be used in connection with any such machine, mechanical device, electronic device or other contrivance, but ~~which that~~ is not attached to any such machine, mechanical device, electronic device or other contrivance as a constituent part; or

(D) any token, chip, paper, receipt or other document ~~which that~~ evidences, purports to evidence or is designed to evidence participation in a lottery or the making of a bet.

The fact that the prize is not automatically paid by the device does not affect its character as a gambling device.

(2) "Gambling device" shall not include:

(A) Any machine, mechanical device, electronic device or other contrivance used or for use by a licensee of the Kansas racing and gaming commission as authorized by law and rules and regulations adopted by the commission or by the Kansas lottery or Kansas lottery retailers as authorized by law and rules and regulations adopted by the Kansas lottery commission;

(B) any machine, mechanical device, electronic device or other contrivance, such as a coin-operated bowling alley, shuffleboard, marble machine, a so-called pinball machine, or mechanical gun, ~~which that~~ is not designed and manufactured primarily for



use in connection with gambling, and:

- (i) ~~Which That~~ when operated does not deliver, as a result of chance, any money; or
- (ii) by the operation of which a person may not become entitled to receive, as the result of the application of an element of chance, any money;

(C) any so-called claw, crane or digger machine and similar devices ~~which that~~ are designed and manufactured primarily for use at carnivals or county or state fairs; or

(D) any machine, mechanical device, electronic device or other contrivance used in tribal gaming;

(f) "gambling place" means any place, room, building, vehicle, tent or location ~~which that~~ is used for any of the following: Making and settling bets; receiving, holding, recording or forwarding bets or offers to bet; conducting lotteries; or playing gambling devices. Evidence that the place has a general reputation as a gambling place or that, at or about the time in question, it was frequently visited by persons known to be commercial gamblers or known as frequenters of gambling places is admissible on the issue of whether it is a gambling place;

(g) "tribal gaming" means the same as in K.S.A. 74-9802, and amendments thereto; and

(h) "tribal gaming commission" means the same as in K.S.A. 74-9802, and amendments thereto.

Sec. 8. K.S.A. 74-8702 is hereby amended to read as follows: 74-8702. As used in the Kansas lottery act, unless the context otherwise requires:

(a) "Ancillary lottery gaming facility operations" means additional non-lottery facility game products and services not owned and operated by the state ~~which that~~ may be included in the overall development associated with the lottery gaming facility. Such operations may include, but are not limited to, restaurants, hotels, motels, museums or entertainment facilities.

(b) "Commission" means the Kansas lottery commission.

(c) "Electronic gaming machine" means any electronic, electromechanical, video or computerized device, contrivance or machine authorized by the Kansas lottery ~~which that~~, upon insertion of cash, tokens, electronic cards or any consideration, is available to play, operate or simulate the play of a game authorized by the Kansas lottery pursuant to the Kansas expanded lottery act, including, but not limited to, bingo, poker, blackjack, keno and slot machines, and ~~which that~~ may deliver or entitle the player operating the machine to receive cash, tokens, merchandise or credits that may be redeemed for cash. Electronic gaming machines may use bill validators and may be single-position reel-type, single or multi-game video and single-position multi-game video electronic game, including, but not limited to, poker, blackjack and slot machines. Electronic gaming machines shall be directly linked to a central computer at a location determined by the executive director for purposes of security, monitoring and auditing.

(d) "Executive director" means the executive director of the Kansas lottery.

(e) "Gaming equipment" means any electric, electronic, computerized or electromechanical machine, mechanism, supply or device or any other equipment, ~~which that~~ is: (1) Unique to the Kansas lottery and used pursuant to the Kansas lottery act; ~~and~~ (2) integral to the operation of an electronic gaming machine or lottery facility game; and (3) affects the results of an electronic gaming machine or lottery facility game by determining win or loss.

(f) "Gaming zone" means: (1) The northeast Kansas gaming zone, which consists

of Wyandotte county; (2) the southeast Kansas gaming zone, which consists of Crawford and Cherokee counties; (3) the south central Kansas gaming zone, which consists of Sedgwick and Sumner counties; and (4) the southwest Kansas gaming zone, which consists of Ford county.

(g) "Gray machine" means any mechanical, electro-mechanical or electronic device, capable of being used for gambling, that is: (1) Not authorized by the Kansas lottery; (2) not linked to a lottery central computer system; (3) available to the public for play; or (4) capable of simulating a game played on an electronic gaming machine or any similar gambling game authorized pursuant to the Kansas expanded lottery act.

(h) "Interactive sports wagering platform" means sports wagering made available over the internet, including through websites and mobile device applications, that accepts wagers or bets and pays prizes to persons physically located within the geographical boundaries of the state of Kansas by and through the Kansas lottery, a lottery gaming facility manager or a racetrack gaming facility manager.

~~(h)~~(i) (1) "Instant bingo vending machine" means a machine or electronic device that is purchased or leased by a licensee, as defined by K.S.A. 75-5173, and amendments thereto, from a distributor who has been issued a distributor registration certificate pursuant to K.S.A. 75-5184, and amendments thereto, or leased from the Kansas lottery in fulfillment of the Kansas lottery's obligations under an agreement between the Kansas lottery and a licensee entered into pursuant to K.S.A. 75-5189, and amendments thereto, and the sole purpose of which is to:

(A) Dispense a printed physical instant bingo ticket after a purchaser inserts cash or other form of consideration into the machine; and

(B) allow purchasers to manually check the winning status of the instant bingo ticket.

(2) "Instant bingo vending machine" shall not:

(A) Provide a visual or audio representation of a bingo card or an electronic gaming machine;

(B) visually or functionally have the same characteristics of an electronic instant bingo game or an electronic gaming machine;

(C) automatically determine or display the winning status of any dispensed instant bingo ticket;

(D) extend or arrange credit for the purchase of an instant bingo ticket;

(E) dispense any winnings;

(F) dispense any prize;

(G) dispense any evidence of a prize other than an instant bingo ticket;

(H) provide free instant bingo tickets or any other item that can be redeemed for cash; or

(I) dispense any other form of a prize to a purchaser.

All physical instant bingo tickets dispensed by an instant bingo vending machine shall be purchased by a licensee, as defined by K.S.A. 75-5173, and amendments thereto, from a registered distributor.

No more than two instant bingo vending machines may be located on the premises of each licensee location.

~~(h)~~(j) "Kansas lottery" means the state agency created by this act to operate a lottery or lotteries pursuant to this act.

~~(h)~~(k) "Lottery" or "state lottery" means the lottery or lotteries operated pursuant to

this act.

~~(k)~~(l) "Lottery facility games" means any electronic gaming machines and any other games ~~which that~~, as of January 1, 2007, are authorized to be conducted or operated at a tribal gaming facility, as defined in K.S.A. 74-9802, and amendments thereto, located within the boundaries of this state. The term "lottery facility games" does not include sports wagering.

~~(h)~~(m) "Lottery gaming enterprise" means an entertainment enterprise ~~which that~~ includes a lottery gaming facility authorized pursuant to the Kansas expanded lottery act and ancillary lottery gaming facility operations that have a coordinated business or marketing strategy. A lottery gaming enterprise shall be designed to attract to its lottery gaming facility consumers who reside outside the immediate area of such enterprise.

~~(m)~~(n) "Lottery gaming facility" means that portion of a building used for the purposes of operating, managing and maintaining lottery facility games.

~~(n)~~(o) "Lottery gaming facility expenses" means normal business expenses, as defined in the lottery gaming facility management contract, associated with the ownership and operation of a lottery gaming facility.

~~(o)~~(p) "Lottery gaming facility management contract" means a contract, subcontract or collateral agreement between the state and a lottery gaming facility manager for the management of a lottery gaming facility, the business of which is owned and operated by the Kansas lottery, negotiated and signed by the executive director on behalf of the state.

~~(p)~~(q) "Lottery gaming facility manager" means a corporation, limited liability company, resident Kansas American Indian tribe or other business entity authorized to construct and manage, or manage alone, pursuant to a lottery gaming facility management contract with the Kansas lottery, and on behalf of the state, a lottery gaming enterprise and lottery gaming facility.

~~(q)~~(r) "Lottery gaming facility revenues" means the total revenues from lottery facility games at a lottery gaming facility after all related prizes are paid. The term "lottery gaming facility revenues" does not include sports wagering revenues.

~~(r)~~(s) (1) "Lottery machine" means any machine or device that allows a purchaser to insert cash or other form of consideration and may deliver as the result of an element of chance, regardless of the skill required by the purchaser, a prize or evidence of a prize, including, but not limited to:

(A) Any machine or device in which the prize or evidence of a prize is determined by both chance and the purchaser's or purchasers' skill, including, but not limited to, any machine or device on which a lottery game or lottery games, such as poker or blackjack, are played; or

(B) any machine or device in which the prize or evidence of a prize is determined only by chance, including, but not limited to, any slot machine or bingo machine.

(2) "Lottery machine" shall not mean:

(A) Any food vending machine defined by K.S.A. 36-501, and amendments thereto;

(B) any nonprescription drug machine authorized under K.S.A. 65-650, and amendments thereto;

(C) any machine ~~which that~~ dispenses only bottled or canned soft drinks, chewing gum, nuts or candies;

(D) any machine excluded from the definition of gambling devices under K.S.A.

21-4302(d), prior to its repeal, or K.S.A. 2019 Supp. 21-6403, and amendments thereto;

(E) any electronic gaming machine or lottery facility game operated in accordance with the provisions of the Kansas expanded lottery act;

(F) any lottery ticket vending machine; or

(G) any instant bingo vending machine.

~~(s)~~(t) "Lottery retailer" means any person with whom the Kansas lottery has contracted to sell lottery tickets or shares, or both, to the public.

~~(t)~~(u) (1) "Lottery ticket vending machine" means a machine or similar electronic device owned or leased by the Kansas lottery, the sole purposes of which are to:

(A) Dispense a printed physical ticket, such as a lottery ticket, a sports wagering ticket, a keno ticket, a pull tab ticket or a coupon, the coupon of which must be redeemed through something other than a lottery ticket vending machine, after a purchaser inserts cash or other form of consideration into the machine;

(B) allow purchasers to manually check the winning status of a Kansas lottery ticket; and

(C) display advertising, promotions and other information pertaining to the Kansas lottery.

(2) "Lottery ticket vending machine" shall not:

(A) Provide a visual or audio representation of an electronic gaming machine;

(B) visually or functionally have the same characteristics of an electronic gaming machine;

(C) automatically determine or display the winning status of any dispensed ticket;

(D) extend or arrange credit for the purchase of a ticket;

(E) dispense any winnings;

(F) dispense any prize;

(G) dispense any evidence of a prize other than the lottery ticket, sports wagering ticket, keno ticket, pull tab ticket or any free Kansas lottery ticket received as a result of the purchase of another Kansas lottery ticket;

(H) provide free games or any other item that can be redeemed for cash; or

(I) dispense any other form of a prize to a purchaser.

No more than two lottery ticket vending machines may be located at each Kansas lottery retailer selling location.

Lottery ticket vending machines may only dispense the printed physical lottery ticket, sports wagering ticket, keno ticket or pull tab ticket, including any free Kansas lottery ticket received as a result of the purchase of another Kansas lottery ticket, and change from a purchase to the purchaser. Any winnings from a lottery ticket vending machine shall be redeemed only for cash or check by a lottery retailer or by cash, check or other prize from the office of the Kansas lottery.

~~(u)~~(v) (1) "Major procurement" means any gaming product or service, including, but not limited to, facilities, advertising and promotional services, annuity contracts, prize payment agreements, consulting services, equipment, tickets and other products and services unique to the Kansas lottery, but not including materials, supplies, equipment and services common to the ordinary operations of state agencies.

(2) "Major procurement" shall not mean any product, service or other matter covered by or addressed in the Kansas expanded lottery act or a lottery gaming facility management contract or racetrack gaming facility management contract executed pursuant to the Kansas expanded lottery act.

~~(v)~~(w) "Net electronic gaming machine income" means all cash or other consideration utilized to play an electronic gaming machine operated at a racetrack gaming facility, less all cash or other consideration paid out to winning players as prizes.

~~(w)~~(x) "Organization licensee" has the meaning provided by K.S.A. 74-8802, and amendments thereto.

~~(x)~~(y) "Parimutuel licensee" means a facility owner licensee or facility manager licensee under the Kansas parimutuel racing act.

~~(y)~~(z) "Parimutuel licensee location" means a racetrack facility, as defined in K.S.A. 74-8802, and amendments thereto, owned or managed by the parimutuel licensee. A parimutuel licensee location may include any existing structure at such racetrack facility or any structure that may be constructed on real estate where such racetrack facility is located.

~~(z)~~(aa) "Person" means any natural person, association, limited liability company, corporation or partnership.

~~(aa)~~(bb) "Prize" means any prize paid directly by the Kansas lottery pursuant to the Kansas lottery act or the Kansas expanded lottery act or any rules and regulations adopted pursuant to either act.

~~(bb)~~(cc) "Progressive electronic game" means a game played on an electronic gaming machine for which the payoff increases uniformly as the game is played and for which the jackpot, determined by application of a formula to the income of independent, local or interlinked electronic gaming machines, may be won.

~~(cc)~~(dd) "Racetrack gaming facility" means that portion of a parimutuel licensee location where electronic gaming machines are operated, managed and maintained.

~~(dd)~~(ee) "Racetrack gaming facility management contract" means an agreement between the Kansas lottery and a racetrack gaming facility manager, negotiated and signed by the executive director on behalf of the state, for placement of electronic gaming machines owned and operated by the state at a racetrack gaming facility.

~~(ee)~~(ff) "Racetrack gaming facility manager" means a parimutuel licensee specifically certified by the Kansas lottery to become a certified racetrack gaming facility manager and offer electronic gaming machines for play at the racetrack gaming facility.

~~(ff)~~(gg) "Returned ticket" means any ticket ~~which that~~ was transferred to a lottery retailer, ~~which that~~ was not sold by the lottery retailer and ~~which that~~ was returned to the Kansas lottery for refund by issuance of a credit or otherwise.

~~(gg)~~(hh) "Share" means any intangible manifestation authorized by the Kansas lottery to prove participation in a lottery game, except as provided by the Kansas expanded lottery act.

(ii) "Sports governing body" means the organization that prescribes the final rules and enforces codes of conduct with respect to a sporting event and the participants in such event.

(j) (1) "Sporting event" means any professional or collegiate sport or athletic event, motor race event or any other special event authorized by the commission that has not occurred at the time wagers are placed on such event.

(2) The term "sporting event" shall not include:

(A) Any horse or greyhound race that is subject to the provisions of the Kansas parimutuel racing act, K.S.A. 74-8801 et seq., and amendments thereto; or

(B) any sporting or athletic event where a majority of the participants are less than 18 years of age.

(kk) (1) "Sports wagering" means placing a wager or bet on one or more sporting events, or any portion thereof, or on the individual performance statistics of athletes participating in a sporting event, or combination of sporting events, by any system or method of wagering at or through the Kansas lottery, a lottery gaming facility or a racetrack gaming facility.

(2) The term "sports wagering" shall not include:

(A) Parimutuel wagering, as defined in K.S.A. 74-8802, and amendments thereto;  
or

(B) fantasy sports leagues, as defined in K.S.A. 2019 Supp. 21-6403, and amendments thereto.

(ll) "Sports wagering revenues" means wagering revenue generated from sports wagering that is an amount equal to the total wagers less any voided wagers and any amounts paid as prizes.

~~(hh)~~(mm) "Ticket" means any tangible evidence issued by the Kansas lottery to prove participation in a lottery game, including a sports wager, other than a lottery facility game.

~~(ii)~~(nn) "Token" means a representative of value, of metal or other material, which that is not legal tender, redeemable for cash only by the issuing lottery gaming facility manager or racetrack gaming facility manager and which that is issued and sold by a lottery gaming facility manager or racetrack gaming facility manager for the sole purpose of playing an electronic gaming machine or lottery facility game.

~~(jj)~~(oo) "Vendor" means any person who has entered into a major procurement contract with the Kansas lottery.

~~(kk)~~(pp) "Video lottery machine" means any electronic video game machine that, upon insertion of cash, is available to play or simulate the play of a video game authorized by the commission, including, but not limited to, bingo, poker, black jack and keno, and which uses a video display and microprocessors and in which, by chance, the player may receive free games or credits that can be redeemed for cash.

(qq) "Wager" or "bet" means a bargain in which the parties agree that, dependent upon chance, one stands to win or lose something of value specified in the agreement.

Sec. 9. K.S.A. 74-8710 is hereby amended to read as follows: 74-8710. (a) The commission, upon the recommendation of the executive director, shall adopt rules and regulations governing the establishment and operation of a state lottery, sales of lottery tickets ~~and~~ the operation of lottery gaming facilities and racetrack gaming facilities and the operation of sports wagering as necessary to carry out the purposes of the Kansas lottery act and the Kansas expanded lottery act. Temporary rules and regulations may be adopted by the commission without being subject to the provisions and requirements of K.S.A. 77-415 through 77-438, and amendments thereto, but shall be subject to approval by the attorney general as to legality and shall be filed with the secretary of state and published in the Kansas register. Temporary and permanent rules and regulations may include, but shall not be limited to:

(1) Subject to the provisions of subsection (c), the types of lottery games to be conducted, including, but not limited to, instant lottery, ~~on-line~~ online, traditional games, lottery facility games and electronic gaming machine games but not including games on video lottery machines or lottery machines.

(2) The manner of selecting the winning tickets or shares, except that, if a lottery game utilizes a drawing of winning numbers, a drawing among entries or a drawing among finalists, such drawings shall always be open to the public and shall be recorded on both video and audio tape.

(3) The manner of payment of prizes to the holders of winning tickets or shares.

(4) The frequency of the drawings or selections of winning tickets or shares.

(5) The type or types of locations at which tickets or shares may be sold.

(6) The method or methods to be used in selling tickets or shares.

(7) Additional qualifications for the selection of lottery retailers and the amount of application fees to be paid by each.

(8) The amount and method of compensation to be paid to lottery retailers, including special bonuses and incentives.

(9) Deadlines for claims for prizes by winners of each lottery game.

(10) Provisions for confidentiality of information submitted by vendors pursuant to K.S.A. 74-8705, and amendments thereto.

(11) Information required to be submitted by vendors, in addition to that required by K.S.A. 74-8705, and amendments thereto.

(12) The major procurement contracts or portions thereof to be awarded to minority business enterprises pursuant to ~~subsection (a)~~ of K.S.A. 74-8705(a), and amendments thereto, and procedures for the award thereof.

(13) Rules and regulations to implement, administer and enforce the provisions of the Kansas expanded lottery act. Such rules and regulations shall include, but not be limited to, rules and regulations ~~which that~~ govern management contracts and ~~which that~~ are designed to: (A) Ensure the integrity of electronic gaming machines ~~and~~, other lottery facility games, sports wagering and the finances of lottery gaming facilities and racetrack gaming facilities; and (B) alleviate problem gambling, including a requirement that each lottery gaming facility and each racetrack gaming facility maintain a self-exclusion list by which individuals may exclude themselves from access to electronic gaming machines ~~and~~, other lottery facility games and sports wagering.

(14) The types of electronic gaming machines, lottery facility games and electronic gaming machine games to be operated pursuant to the Kansas expanded lottery act.

(15) Rules and regulations to implement, administer and enforce the provisions of sections 1 through 6, and amendments thereto. Such rules and regulations shall include, but not be limited to: (A) Sports wagering conducted by the Kansas lottery; (B) management contracts for sports wagering conducted by lottery gaming facility managers and racetrack gaming facility managers; (C) provisions for the confidentiality of information submitted by an interactive sports wagering platform; and (D) provisions ensuring the integrity of sports wagering conducted in this state.

(b) No new lottery game shall commence operation after the effective date of this act unless first approved by the governor or, in the governor's absence or disability, the lieutenant governor. This subsection shall not be construed to require approval of games played on an electronic gaming machine.

(c) The lottery shall adopt rules and regulations concerning the game of keno. Such rules and regulations shall require that the amount of time which elapses between the start of games shall not be less than four minutes.

Sec. 10. K.S.A. 74-8716 is hereby amended to read as follows: 74-8716. (a) It is unlawful for the executive director, a member of the commission or any employee of

the Kansas lottery, or any person residing in the household thereof to:

(1) Have, either directly or indirectly, an interest in a business knowing that such business contracts with the Kansas lottery for a major procurement, whether such interest is as a natural person, partner, member of an association, stockholder or director or officer of a corporation; or

(2) accept or agree to accept any economic opportunity, gift, loan, gratuity, special discount, favor or service, or hospitality other than food and beverages, having an aggregate value of \$20 or more in any calendar year from a person knowing that such person: (A) Contracts or seeks to contract with the state to supply gaming equipment, materials, tickets or consulting services for use in the lottery; or (B) is a lottery retailer or an applicant for lottery retailer.

(b) It is unlawful for a lottery retailer, an applicant for lottery retailer or a person who contracts or seeks to contract with the state to supply gaming equipment, materials, tickets or consulting services for use in the lottery to offer, pay, give or make any economic opportunity, gift, loan, gratuity, special discount, favor or service, or hospitality other than food and beverages, having an aggregate value of \$20 or more in any calendar year to a person, knowing such person is the executive director, a member of the commission or an employee of the Kansas lottery, or a person residing in the household thereof.

(c) It shall be unlawful for any person to serve as executive director, a member of the commission or an employee of the Kansas lottery while or within five years after holding, either directly or indirectly, a financial interest or being employed by or a consultant to any of the following:

(1) Any lottery gaming facility manager, subcontractor or agent of a lottery gaming facility manager, manufacturer or vendor of electronic gaming machines, an interactive sports wagering platform or central computer system provider, or any business ~~which~~ that sells goods or services to a lottery gaming facility manager; or

(2) any licensee pursuant to the Kansas parimutuel racing act, other than the Kansas lottery or a person holding a license on behalf of the Kansas lottery, or any business ~~which~~ that sells goods or services to a parimutuel licensee.

(d) No person who holds a license issued by the Kansas racing and gaming commission shall serve as executive director or as a member of the commission or shall be employed by the Kansas lottery while or within five years after holding such license.

(e) No person shall participate, directly or indirectly, as an owner, owner-trainer or trainer of a horse or greyhound, or as a jockey of a horse, entered in a race meeting conducted in this state while executive director, a member of the commission or an employee of the Kansas lottery.

(f) It shall be unlawful for the executive director, a member of the commission or an employee of the Kansas lottery to accept any compensation, gift, loan, entertainment, favor or service from any lottery gaming facility manager, subcontractor or agent of a lottery gaming facility manager, manufacturer or vendor of electronic gaming machines, an interactive sports wagering platform or central computer system provider.

(g) It shall be unlawful for the executive director, a member of the commission or an employee of the Kansas lottery to accept any compensation, gift, loan, entertainment, favor or service from any licensee pursuant to the Kansas parimutuel racing act, except such suitable facilities and services within a racetrack facility operated by an organization licensee as may be required to facilitate the performance of the executive



director's, member's or employee's official duties.

(h) Violation of this section is a class A misdemeanor.

(i) If the executive director, a member of the commission or an employee of the Kansas lottery, or any person residing in the household thereof, is convicted of an act described by this section, such executive director, member or employee shall be removed from office or employment with the Kansas lottery.

(j) In addition to the provisions of this section, all other provisions of law relating to conflicts of interest of state employees shall apply to the members of the commission and employees of the Kansas lottery.

Sec. 11. K.S.A. 74-8718 is hereby amended to read as follows: 74-8718. (a) It is unlawful:

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

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

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

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

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

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

Sec. 12. K.S.A. 74-8733 is hereby amended to read as follows: 74-8733. (a) K.S.A. 74-8733 through 74-8773, and amendments thereto, and sections 1 through 6, and amendments thereto, shall be known and may be cited as the Kansas expanded lottery act. The Kansas expanded lottery act shall be a part of and supplemental to the Kansas lottery act.

(b) If any provision of this act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect any other provision or application of the act which can be given effect without the invalid provision or application.

(c) Any action challenging the constitutionality of or arising out of any provision of this act, any lottery gaming facility management contract or any racetrack gaming facility management contract entered into pursuant to this act shall be brought in the district court of Shawnee county.

Sec. 13. K.S.A. 74-8734 is hereby amended to read as follows: 74-8734. (a) The Kansas lottery may operate one lottery gaming facility in each gaming zone.

(b) Not more than 30 days after the effective date of this act the lottery commission shall adopt and publish in the Kansas register the procedure for receiving, considering and approving, proposed lottery gaming facility management contracts. Such procedure shall include provisions for review of competitive proposals within a gaming zone and the date by which proposed lottery gaming facility management contracts must be received by the lottery commission if they are to receive consideration.

(c) The lottery commission shall adopt standards to promote the integrity of the gaming and finances of lottery gaming facilities, which shall apply to all management contracts, shall meet or exceed industry standards for monitoring and controlling the gaming and finances of gaming facilities and shall give the executive director sufficient

authority to monitor and control the gaming operation and to ensure its integrity and security.

(d) The Kansas lottery commission may approve management contracts with one or more prospective lottery gaming facility managers to manage, or construct and manage, on behalf of the state of Kansas and subject to the operational control of the Kansas lottery, a lottery gaming facility or lottery gaming enterprise at specified destination locations within the northeast, south central, southwest and southeast Kansas gaming zones where the commission determines the operation of such facility would promote tourism and economic development. The commission shall approve or disapprove a proposed management contract within 90 days after the deadline for receipt of proposals established pursuant to subsection (b).

(e) In determining whether to approve a management contract with a prospective lottery gaming facility manager to manage a lottery gaming facility or lottery gaming enterprise pursuant to this section, the commission shall take into consideration the following factors: The size of the proposed facility; the geographic area in which such facility is to be located; the proposed facility's location as a tourist and entertainment destination; the estimated number of tourists that would be attracted by the proposed facility; the number and type of lottery facility games to be operated at the proposed facility; and agreements related to ancillary lottery gaming facility operations.

(f) Subject to the requirements of this section, the commission shall approve at least one proposed lottery gaming facility management contract for a lottery gaming facility in each gaming zone.

(g) The commission shall not approve a management contract unless:

(1) (A) The prospective lottery gaming facility manager is a resident Kansas American Indian tribe and, at a minimum: (i) Has sufficient access to financial resources to support the activities required of a lottery gaming facility manager under the Kansas expanded lottery act; and (ii) has three consecutive years' experience in the management of gaming ~~which that~~ would be class III gaming, as defined in K.S.A. 46-2301, and amendments thereto, operated pursuant to state or federal law; or

(B) the prospective lottery gaming facility manager is not a resident Kansas American Indian tribe and, at a minimum: (i) Has sufficient access to financial resources to support the activities required of a lottery gaming facility manager under the Kansas expanded lottery act; (ii) is current in filing all applicable tax returns and in payment of all taxes, interest and penalties owed to the state of Kansas and any taxing subdivision where such prospective manager is located in the state of Kansas, excluding items under formal appeal pursuant to applicable statutes; and (iii) has three consecutive years' experience in the management of gaming ~~which that~~ would be class III gaming, as defined in K.S.A. 46-2301, and amendments thereto, operated pursuant to state or federal law; and

(2) the commission determines that the proposed development consists of an investment in infrastructure, including ancillary lottery gaming facility operations, of at least \$225,000,000 in the northeast and south central Kansas gaming zones and of at least \$50,000,000 in the southeast and southwest Kansas gaming zones. The commission, in determining whether the minimum investment required by this subsection is met, shall not include any amounts derived from or financed by state or local retailers' sales tax revenues.

(h) Any management contract approved by the commission under this section shall:

(1) Have a maximum initial term of 15 years from the date of opening of the lottery gaming facility. At the end of the initial term, the contract may be renewed by mutual consent of the state and the lottery gaming facility manager;

(2) specify the total amount to be paid to the lottery gaming facility manager pursuant to the contract;

(3) establish a mechanism to facilitate payment of lottery gaming facility expenses, payment of the lottery gaming facility manager's share of the lottery gaming facility revenues and distribution of the state's share of the lottery gaming facility revenues;

(4) include a provision for the lottery gaming facility manager to pay the costs of oversight and regulation of the lottery gaming facility manager and the operations of the lottery gaming facility by the Kansas racing and gaming commission;

(5) establish the types of lottery facility games to be installed in such facility;

(6) provide for the prospective lottery gaming facility manager, upon approval of the proposed lottery gaming facility management contract, to pay to the state treasurer a privilege fee of \$25,000,000 for the privilege of being selected as a lottery gaming facility manager of a lottery gaming facility in the northeast or south central Kansas gaming zone and \$5,500,000 for the privilege of being selected as a lottery gaming facility manager of a lottery gaming facility in the southeast or southwest Kansas gaming zone. Such fee shall be deposited in the state treasury and credited to the lottery gaming facility manager fund, which that is hereby created in the state treasury;

(7) incorporate terms and conditions for the ancillary lottery gaming facility operations;

(8) designate as key employees, subject to approval of the executive director, any employees or contractors providing services or functions which are related to lottery facility games authorized by a management contract;

(9) include financing commitments for construction;

(10) include a resolution of endorsement from the city governing body, if the proposed facility is within the corporate limits of a city, or from the county commission, if the proposed facility is located in the unincorporated area of the county;

(11) include a requirement that any parimutuel licensee developing a lottery gaming facility pursuant to this act comply with all orders and rules and regulations of the Kansas racing and gaming commission with regard to the conduct of live racing, including the same minimum days of racing as specified in K.S.A. 74-8746, and amendments thereto, for operation of electronic gaming machines at racetrack gaming facilities;

(12) include a provision for the state to receive not less than 22% of lottery gaming facility revenues, which shall be paid to the expanded lottery act revenues fund established by K.S.A. 74-8768, and amendments thereto;

(13) include a provision for 2% of lottery gaming facility revenues to be paid to the problem gambling and addictions grant fund established by K.S.A. 79-4805, and amendments thereto;

(14) if the prospective lottery gaming facility manager is an American Indian tribe, include a provision that such tribe agrees to waive its sovereign immunity with respect to any actions arising from or to enforce either the Kansas expanded lottery act or any provision of the lottery gaming facility management contract; any action brought by an injured patron or by the state of Kansas; any action for purposes of enforcing the workers compensation act or any other employment or labor law; and any action to

enforce laws, rules and regulations and codes pertaining to health, safety and consumer protection; and for any other purpose deemed necessary by the executive director to protect patrons or employees and promote fair competition between the tribe and others seeking a lottery gaming facility management contract;

(15) (A) if the lottery gaming facility is located in the northeast or southwest Kansas gaming zone and is not located within a city, include a provision for payment of an amount equal to 3% of the lottery gaming facility revenues to the county in which the lottery gaming facility is located; or (B) if the lottery gaming facility is located in the northeast or southwest Kansas gaming zone and is located within a city, include provision for payment of an amount equal to 1.5% of the lottery gaming facility revenues to the city in which the lottery gaming facility is located and an amount equal to 1.5% of such revenues to the county in which such facility is located;

(16) (A) if the lottery gaming facility is located in the southeast or south central Kansas gaming zone and is not located within a city, include a provision for payment of an amount equal to 2% of the lottery gaming facility revenues to the county in which the lottery gaming facility is located and an amount equal to 1% of such revenues to the other county in such zone; or (B) if the lottery gaming facility is located in the southeast or south central Kansas gaming zone and is located within a city, provide for payment of an amount equal to 1% of the lottery gaming facility revenues to the city in which the lottery gaming facility is located, an amount equal to 1% of such revenues to the county in which such facility is located and an amount equal to 1% of such revenues to the other county in such zone;

(17) allow the lottery gaming facility manager to manage the lottery gaming facility in a manner consistent with this act and applicable law, but shall place full, complete and ultimate ownership and operational control of the gaming operation of the lottery gaming facility with the Kansas lottery. The Kansas lottery shall not delegate and shall explicitly retain the power to overrule any action of the lottery gaming facility manager affecting the gaming operation without prior notice. The Kansas lottery shall retain full control over all decisions concerning lottery gaming facility games and sports wagering;

(18) include provisions for the Kansas racing and gaming commission to oversee all lottery gaming facility operations, including, but not limited to: Oversight of internal controls; oversight of security of facilities; performance of background investigations, determination of qualifications and credentialing of employees, contractors and agents of the lottery gaming facility manager and of ancillary lottery gaming facility operations, as determined by the Kansas racing and gaming commission; auditing of lottery gaming facility revenues and sports wagering revenues; and enforcement of all state laws and maintenance of the integrity of gaming operations; and

(19) include enforceable provisions: (A) Prohibiting the state, until July 1, 2032, from: (i) Entering into management contracts for more than four lottery gaming facilities or similar gaming facilities, ~~one to be~~ located in the northeast Kansas gaming zone, ~~one to be~~ located in the south central Kansas gaming zone, ~~one to be~~ located in the southwest Kansas gaming zone and ~~one to be~~ located in the southeast Kansas gaming zone; (ii) designating additional areas of the state where operation of lottery gaming facilities or similar gaming facilities would be authorized; or (iii) operating an aggregate of more than 2,800 electronic gaming machines at all parimutuel licensee locations; and (B) requiring the state to repay to the lottery gaming facility manager an amount equal to the privilege fee paid by such lottery gaming facility manager, plus

interest on such amount, compounded annually at the rate of 10%, if the state violates the prohibition provision described in (A).

(i) Any management contract approved by the commission under this section may include provisions for operating and managing sports wagering by the lottery gaming facility manager in person at the lottery gaming facility and over the internet via one or more interactive sports wagering platforms.

~~(j)~~ The power of eminent domain shall not be used to acquire any interest in real property for use in a lottery gaming enterprise.

~~(k)~~ Any proposed management contract for which the privilege fee has not been paid to the state treasurer within 30 days after the date of approval of the management contract shall be null and void.

~~(l)~~ A person who is the manager of the racetrack gaming facility in a gaming zone shall not be eligible to be the manager of the lottery gaming facility in the same zone.

~~(m)~~ Management contracts authorized by this section may include provisions relating to:

(1) Accounting procedures to determine the lottery gaming facility revenues, unclaimed prizes and credits;

(2) minimum requirements for a lottery gaming facility manager to provide qualified oversight, security and supervision of the lottery facility games including the use of qualified personnel with experience in applicable technology;

(3) eligibility requirements for employees, contractors or agents of a lottery gaming facility manager who will have responsibility for or involvement with actual gaming activities or for the handling of cash or tokens;

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

(5) credentialing requirements for any employee, contractor or agent of the lottery gaming facility manager or of any ancillary lottery gaming facility operation as provided by the Kansas expanded lottery act or rules and regulations adopted pursuant thereto;

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

(7) any other provision deemed necessary by the parties, including such other terms and restrictions as necessary to conduct any lottery facility game in a legal and fair manner.

~~(n)~~ A management contract shall not constitute property, nor shall it be subject to attachment, garnishment or execution, nor shall it be alienable or transferable, except upon approval by the executive director, nor shall it be subject to being encumbered or hypothecated. The trustee of any insolvent or bankrupt lottery gaming facility manager may continue to operate pursuant to the management contract under order of the appropriate court for no longer than one year after the bankruptcy or insolvency of such manager.

~~(o)~~ (1) The Kansas lottery shall be the licensee and owner of all software programs used at a lottery gaming facility for any lottery facility game.

(2) A lottery gaming facility manager, on behalf of the state, shall purchase or lease for the Kansas lottery all lottery facility games. All lottery facility games shall be subject to the ultimate control of the Kansas lottery in accordance with this act.

(3) If a lottery gaming facility manager agrees to operate and manage sports wagering, the Kansas lottery shall be the licensee and owner of all software programs used in conducting sports wagering, and the lottery gaming facility manager, on behalf of the state, shall purchase or lease for the Kansas lottery any equipment or other property necessary for operating and managing sports wagering. All sports wagering shall be subject to the ultimate control of the Kansas lottery in accordance with the Kansas expanded lottery act.

~~(p)~~ A lottery gaming facility shall comply with any planning and zoning regulations of the city or county in which it is to be located. The executive director shall not contract with any prospective lottery gaming facility manager for the operation and management of such lottery gaming facility unless such manager first receives any necessary approval under planning and zoning requirements of the city or county in which it is to be located.

~~(q)~~ Prior to expiration of the term of a lottery gaming facility management contract, the lottery commission may negotiate a new lottery gaming facility management contract with the lottery gaming facility manager if the new contract is substantially the same as the existing contract. Otherwise, the lottery gaming facility review board shall be reconstituted and a new lottery gaming facility management contract shall be negotiated and approved in the manner provided by this act.

Sec. 14. K.S.A. 74-8741 is hereby amended to read as follows: 74-8741. (a) The executive director of the Kansas lottery shall negotiate a racetrack gaming facility management contract to place electronic gaming machines at one parimutuel licensee location in each gaming zone except the southwest Kansas gaming zone.

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

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

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

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

(1) The term of the contract;

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

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

(4) enforceable provisions: (A) Prohibiting the state, until July 1, 2032, from: (i) Entering into management contracts for more than ~~three~~ four lottery gaming facilities or similar gaming facilities, one ~~to be~~ located in the northeast Kansas gaming zone, one ~~to~~

be located in the south central Kansas gaming zone, one located in the southwest Kansas gaming zone and ~~one to be located in the southeast Kansas gaming zone;~~ (ii) designating additional areas of the state where operation of lottery gaming facilities or similar gaming facilities would be authorized; or (iii) operating an aggregate of more than 2,800 electronic gaming machines at all parimutuel licensee locations; and (B) requiring the state to repay to the racetrack gaming facility manager an amount equal to the privilege fee paid by such racetrack gaming facility manager, plus interest on such amount, compounded annually at the rate of 10%, if the state violates the prohibition provision described in (A).

(d) Any management contract approved by the commission under K.S.A. 74-8742, and amendments thereto, may include provisions for operating and managing sports wagering by the racetrack gaming facility manager in person at the racetrack gaming facility and over the internet via an interactive sports wagering platform.

~~(c)~~ Racetrack gaming facility management contracts authorized by this section may include provisions relating to:

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

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

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

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

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

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

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

~~(f)~~ A person who is the manager of a lottery gaming facility in a gaming zone shall not be eligible to be the manager of the racetrack gaming facility in the same zone.

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

(h) If a racetrack gaming facility manager agrees to operate and manage sports wagering, the Kansas lottery shall be the licensee and owner of all software programs used in conducting sports wagering, and the racetrack gaming facility manager, on behalf of the state, shall purchase or lease for the Kansas lottery any equipment or other property necessary for operating and managing sports wagering. All sports wagering shall be subject to the ultimate control of the Kansas lottery in accordance with the Kansas expanded lottery act.

Sec. 15. K.S.A. 74-8751 is hereby amended to read as follows: 74-8751. (a) The

Kansas racing and gaming commission, through rules and regulations, shall establish:

~~(a)(1)~~ A certification requirement, and enforcement procedure, for officers, directors, key employees and persons directly or indirectly owning a ~~0.5%~~ 5% or more interest in a lottery gaming facility manager or racetrack gaming facility manager. Such certification requirement shall include compliance with such security, fitness and background investigations and standards as the executive director of the Kansas racing and gaming commission deems necessary to determine whether such person's reputation, habits or associations pose a threat to the public interest of the state or to the reputation of or effective regulation and control of the lottery gaming facility or racetrack gaming facility. ~~Any person convicted of any felony, a crime involving gambling or a crime of moral turpitude prior to applying for a certificate hereunder or at any time thereafter shall be deemed unfit. The Kansas racing and gaming commission shall conduct the security, fitness and background checks required pursuant to this subsection. Certification pursuant to this subsection shall not be assignable or transferable;~~

~~(b)(2)~~ a certification requirement, and enforcement procedure, for those persons, including electronic gaming machine manufacturers, technology providers and computer system providers, who propose to contract with a lottery gaming facility manager, a racetrack gaming facility manager or the state for the provision of goods or services related to a lottery gaming facility or racetrack gaming facility, including management services. Such certification requirements shall include compliance with such security, fitness and background investigations and standards of officers, directors, key gaming employees and persons directly or indirectly owning a ~~0.5%~~ 5% or more interest in such entity as the executive director of the Kansas racing and gaming commission deems necessary to determine whether such person's reputation, habits and associations pose a threat to the public interest of the state or to the reputation of or effective regulation and control of the lottery gaming facility or racetrack gaming facility. ~~Any person convicted of any felony, a crime involving gambling or a crime of moral turpitude prior to applying for a certificate hereunder or at any time thereafter shall be deemed unfit.~~ If the executive director of the racing and gaming commission determines the certification standards of another state are comprehensive, thorough and provide similar adequate safeguards, the executive director may certify an applicant already certified in such state without the necessity of a full application and background check. ~~The Kansas racing and gaming commission shall conduct the security, fitness and background checks required pursuant to this subsection. Certification pursuant to this subsection shall not be assignable or transferable;~~

(3) a certification requirement and enforcement procedure for: (1) Employees of a lottery gaming facility manager or racetrack gaming facility manager who are directly involved in the operation or management of sports wagering conducted by such manager; and (2) those persons who propose to contract with a lottery gaming facility manager or a racetrack gaming facility manager for the provision of goods or services related to sports wagering. Such certification requirement shall include compliance with such security, fitness and background investigations and standards as the executive director of the Kansas racing and gaming commission deems necessary to determine whether such person's reputation, habits or associations pose a threat to the public interest of the state or to the reputation of or effective regulation and control of sports wagering conducted by the lottery gaming facility or racetrack gaming facility. Such



certification shall be valid for one year from the date of issuance:

~~(e)(4)~~ provisions for revocation of a certification required by subsection (a) ~~or (b)(1) or (a)(2)~~ upon a finding that the certificate holder, an officer or director thereof or a person directly or indirectly owning a ~~0.5%~~ 5% or more interest therein: ~~(1)(A)~~ Has knowingly provided false or misleading material information to the Kansas lottery or its employees; or ~~(2)(B)~~ has been convicted of a felony, gambling related offense or any crime of moral turpitude; ~~and~~

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

(6) provisions for suspension, revocation or nonrenewal of a certification required by subsection (a)(3) upon a finding that the certificate holder has: (A) Knowingly provided false or misleading material information to the Kansas lottery, the Kansas racing and gaming commission or to the employees of either entity; (B) been convicted of a felony, gambling-related offense or any crime of moral turpitude; (C) violated any provision of any contract between the Kansas lottery and the certificate holder; or (D) violated any provision of the Kansas expanded lottery act or any rule and regulation adopted hereunder.

(b) The Kansas racing and gaming commission shall conduct the security, fitness and background checks required pursuant to this section. Any person convicted of any felony, a crime involving gambling or a crime of moral turpitude prior to applying for a certificate hereunder or at any time thereafter shall be deemed unfit.

(c) A certification issued pursuant to this section shall not be assignable or transferable.

Sec. 16. K.S.A. 74-8752 is hereby amended to read as follows: 74-8752. (a) The executive director of the Kansas lottery and the executive director of the Kansas racing and gaming commission, or their designees, may observe and inspect all electronic gaming machines, lottery facility games, sports wagering operations, lottery gaming facilities, racetrack gaming facilities and all related equipment and facilities operated by a lottery gaming facility manager or racetrack gaming facility manager.

(b) In addition to any other powers granted pursuant to this act, the executive director of the racing and gaming commission shall have the power to:

(1) Examine, or cause to be examined by any agent or representative designated by such executive director, any books, papers, records or memoranda of any lottery gaming facility manager or racetrack gaming facility manager, or of any business involved in electronic gaming machines ~~or, lottery facility games or sports wagering operations~~ authorized pursuant to the Kansas expanded lottery act, for the purpose of ascertaining compliance with any provision of the Kansas lottery act, the Kansas expanded lottery act, or any rules and regulations adopted thereunder;

(2) investigate alleged violations of the Kansas expanded lottery act and alleged violations of any rules and regulations, orders and final decisions of the Kansas lottery

commission, the executive director of the Kansas lottery, the Kansas racing and gaming commission or the executive director of the Kansas racing and gaming commission;

(3) request a court to issue subpoenas to compel access to or for the production of any books, papers, records or memoranda in the custody or control of any lottery gaming facility manager or racetrack gaming facility manager related to the management of the lottery gaming facility or racetrack gaming facility, or to compel the appearance of any lottery gaming facility manager or racetrack gaming facility manager for the purpose of ascertaining compliance with the provisions of the Kansas lottery act and the Kansas expanded lottery act or rules and regulations adopted thereunder; and

(4) ~~inspect and approve, prior to publication or distribution, all advertising by a lottery gaming facility manager or racetrack gaming facility manager which includes any reference to the Kansas lottery; and~~

(5) ~~take any other action as may be reasonable or appropriate to enforce the provisions of the Kansas expanded lottery act and any rules and regulations, orders and final decisions of the executive director of the Kansas lottery, the Kansas lottery commission, the executive director of the Kansas racing commission or the Kansas racing and gaming commission.~~

(c) Appropriate security measures shall be required in any and all areas where electronic gaming machines, sports wagering and other lottery facility games authorized pursuant to the Kansas expanded lottery act are located or operated. The executive director of the Kansas racing and gaming commission shall approve all such security measures.

(d) The executive director of the Kansas racing and gaming commission shall require an annual audit of the operations of each lottery gaming facility and ancillary lottery gaming facility operations and each racetrack gaming facility as determined by the commission. Such audit shall be conducted by the Kansas racing and gaming commission or a licensed accounting firm approved by the executive director of the Kansas racing and gaming commission and shall be conducted at the expense of the lottery gaming facility manager or racetrack facility manager.

(e) None of the information disclosed pursuant to subsection (b) or (d) shall be subject to disclosure under the Kansas open records act, K.S.A. 45-216 et seq., and amendments thereto.

Sec. 17. K.S.A. 74-8757 is hereby amended to read as follows: 74-8757. (a) A person less than 21 years of age shall not be permitted in an area where electronic gaming machines or lottery facility games are being conducted, except for a person at least 18 years of age who is an employee of the lottery gaming facility manager or the racetrack gaming facility manager. No employee under age 21 shall perform any function involved in gaming by the patrons.

(b) No person under age 21 shall play or make a wager on an electronic gaming machine game or a lottery facility game.

(c) No person under age 21 shall directly or indirectly make a wager on any sporting event, or otherwise be permitted to engage in sports wagering.

Sec. 18. K.S.A. 74-8760 is hereby amended to read as follows: 74-8760. (a) Except in accordance with rules and regulations of the Kansas racing and gaming commission or by written authority from the executive director of the Kansas racing and gaming commission in performing installation, maintenance, inspection and repair services, it is a class A nonperson misdemeanor for the following to place a wager on or play an

electronic gaming machine game or a lottery facility game at a lottery gaming facility in this state: The executive director of the Kansas lottery, a member of the Kansas lottery commission or any employee or agent of the Kansas lottery; the executive director, a member or any employee or agent of the Kansas racing and gaming commission; or the lottery gaming facility manager or any employee of the lottery gaming facility manager.

(b) Except in accordance with rules and regulations of the Kansas racing and gaming commission or by written authority from the executive director of the Kansas racing and gaming commission in performing installation, maintenance, inspection and repair services, it is a class A nonperson misdemeanor for the following to place a wager on or play an electronic gaming machine at a racetrack gaming facility in this state: (1) The executive director of the Kansas lottery, a member of the Kansas lottery commission or any employee or agent of the Kansas lottery; (2) the executive director, a member or any employee or agent of the Kansas racing and gaming commission; or (3) the racetrack gaming facility manager or any employee of the racetrack gaming facility manager.

(c) Except in accordance with rules and regulations of the Kansas racing and gaming commission, or by written authority from the executive director of the Kansas racing and gaming commission, in performing installation, maintenance, inspection and repair services, it is a class A nonperson misdemeanor for the following to place a sports wager with a sports wagering retailer, a lottery gaming facility or a racetrack gaming facility: (1) The executive director of the Kansas lottery, a member of the Kansas lottery commission or any employee or agent of the Kansas lottery; (2) the executive director, a member or any employee or agent of the Kansas racing and gaming commission; (3) a lottery gaming facility manager or racetrack gaming facility manager, or any director, officer, owner or employee of such manager, or any relative living in the same household as such persons; (4) an interactive sports wagering platform, or any director, officer, owner or employee of such platform, or any relative living in the same household as such persons; (5) any director, officer or employee of a sports governing body; (6) any owner, officer, athlete, coach or other employee of a team; or (7) any director, officer or employee of a player union or referee union.

(d) It is a severity level 8, nonperson felony for any person knowingly to place a sports wager: (1) With access to nonpublic confidential information held by the Kansas lottery, lottery gaming facility manager or racetrack gaming facility manager; (2) as an agent or proxy for other persons; (3) using funds derived from illegal activity; (4) to conceal money derived from illegal activity; (5) through the use of other individuals to place wagers as part of any wagering scheme to circumvent any provision of federal or state law; or (6) using false identification to facilitate the placement of the wager or the collection of any prize in violation of federal or state law.

~~(e)~~(e) It is a severity level 8, nonperson felony for any person playing or using any electronic gaming machine in Kansas knowingly to:

(1) Use other than a lawful coin or legal tender of the United States of America, or to use coin not of the same denomination as the coin intended to be used in an electronic gaming machine, except that in the playing of any electronic gaming machine or similar gaming device, it shall be lawful for any person to use gaming billets, tokens or similar objects therein which are approved by the Kansas racing and gaming commission;

(2) possess or use, while on premises where electronic gaming machines are

authorized pursuant to the Kansas expanded lottery act, any cheating or thieving device, including, but not limited to, tools, wires, drills, coins attached to strings or wires or electronic or magnetic devices to facilitate removing from any electronic gaming machine any money or contents thereof, except that a duly authorized agent or employee of the Kansas racing and gaming commission, lottery gaming facility manager or racetrack gaming facility manager may possess and use any of the foregoing only in furtherance of the agent's or employee's employment at the lottery gaming facility or racetrack gaming facility; or

(3) possess or use while on the premises of a lottery gaming facility or racetrack gaming facility, or any location where electronic gaming machines are authorized pursuant to this act, any key or device designed for the purpose of or suitable for opening or entering any electronic gaming machine or similar gaming device or drop box.

~~(4)(f)~~ Any duly authorized agent or employee of the Kansas racing and gaming commission, a lottery gaming facility manager or a racetrack gaming facility manager may possess and use any of the devices described in ~~subsections (e)(3) and (e)(4)~~ subsection (e)(3) in furtherance of inspection or testing as provided in the Kansas expanded lottery act or in furtherance of such person's employment at any location where any electronic gaming machine or similar gaming device or drop box is authorized pursuant to the Kansas expanded lottery act.

New Sec. 19 K.S.A. 74-8702, 74-8710, 74-8716, 74-8718, 74-8733, 74-8734, 74-8741, 74-8751, 74-8752, 74-8757 and 74-8760 and K.S.A. 2019 Supp. 21-6403 are hereby repealed.";

And by renumbering sections accordingly;

On page 1, in the title, in line 1, by striking all after "ACT"; by striking lines 2 through 9; in line 10, by striking all before the period and inserting "concerning gaming; relating to the Kansas expanded lottery act; authorizing sports wagering; amending K.S.A. 74-8702, 74-8710, 74-8716, 74-8718, 74-8733, 74-8734, 74-8741, 74-8751, 74-8752, 74-8757 and 74-8760 and K.S.A. 2019 Supp. 21-6403 and repealing the existing sections"

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 9; Nays 30; Present and Passing 1; Absent or Not Voting 0.

Yeas: Bollier, Faust-Goudeau, Haley, Hawk, Hensley, Holland, Pettey, Sykes, Ware.

Nays: Alley, Baumgardner, Berger, Billinger, Bowers, Braun, Denning, Doll, Estes, Givens, Goddard, Hardy, Hilderbrand, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pyle, Rucker, Skubal, Suellentrop, Taylor, Thompson, Tyson, Wagle, Wilborn.

Present and Passing: Francisco.

A motion by Senator Braun to amend **SB 283** failed and the following amendment was rejected; on page 33, following line 15, by inserting:

"Sec. 24. K.S.A. 74-8747 is hereby amended to read as follows: 74-8747. (a) A racetrack gaming facility management contract shall include provisions for net electronic gaming machine income from a racetrack gaming facility—shall to be distributed as follows:

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

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

~~(3)(2) an amount equal to 7% of net electronic gaming machine income derived from electronic gaming machines located at racetrack gaming facilities to conduct live greyhound races shall be credited to the live greyhound racing purse supplement fund established by K.S.A. 74-8767, and amendments thereto, except that the amount of net electronic gaming machine income credited to the fund during any fiscal year from electronic gaming machines at a racetrack gaming facility shall not exceed an amount equal to the average of \$3,750 per electronic gaming machine at each location and any moneys in excess of such amount shall be distributed between the state and the racetrack gaming facility manager in accordance with the racetrack gaming facility management contract;~~

~~(4)(3) (A) if the racetrack gaming facility is located in the northeast Kansas gaming zone and is not located within a city, include a provision for payment of an amount equal to 3% of the racetrack gaming facility revenues an amount equal to 2% of net electronic gaming machine income shall be paid to the county in which where the racetrack gaming facility is located; or (B) if the racetrack gaming facility is located in the northeast Kansas gaming zone and is located within a city, include provision for payment of an amount equal to 1.5% of the racetrack gaming facility revenues an amount equal to 1% of net electronic gaming machine income shall be paid to the city in which where the racetrack gaming facility is located and an amount equal to 1.5% of such revenues 1% of net electronic gaming machine income shall be paid to the county in which where such facility is located;~~

~~(5)(4) (A) if the racetrack gaming facility is located in the southeast or south central Kansas gaming zone and is not located within a city, include a provision for payment of an amount equal to 2% of the racetrack gaming facility revenues an amount equal to 2% of net electronic gaming machine income shall be paid to the county in which where the racetrack gaming facility is located and an amount equal to 1% of such revenues to the other county in such zone; or (B) if the racetrack gaming facility is located in the southeast or south central Kansas gaming zone and is located within a city, provide for payment of an amount equal to 1% of the racetrack gaming facility revenues an amount equal to 1% of net electronic gaming machine income shall be paid to the city in which where the racetrack gaming facility is located, and an amount equal to 1% of such revenues net electronic gaming machine income shall be paid to the county in which where such facility is located and an amount equal to 1% of such revenues to the other county in such zone;~~

~~(5) (A) if the racetrack gaming facility is located in the southeast Kansas gaming zone and is not located within a city, an amount equal to 2% of net electronic gaming machine income shall be paid to the county where the racetrack gaming facility is located, and an amount equal to 1% of net electronic gaming machine income shall be paid to the other county in such zone; or (B) if the racetrack gaming facility is located in~~

the southeast Kansas gaming zone and is located within a city, an amount equal to 1% of net electronic gaming machine income shall be paid to the city where the racetrack gaming facility is located, an amount equal to 1% of net electronic gaming machine income shall be paid to the county where the racetrack gaming facility is located, and an amount equal to 1% of net electronic gaming machine income shall be paid to the other county in such zone;

(6) an amount equal to 2% of net electronic gaming machine income shall be credited to the problem gambling and addictions grant fund established by K.S.A. 2019 Supp. 79-4805, and amendments thereto;

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

(8) (A) 40% the amount of net electronic gaming machine income that shall be credited to the expanded lottery act revenues fund shall be: (i) An amount equal to 34% for such facility that solely conducts live horse racing programs if such facility schedules to conduct such live horse racing programs for at least 60 days per calendar year at such location; and (ii) an amount equal to 40% for such facility that conducts live greyhound racing programs; and

(B) so long as a facility schedules to conduct live horse racing programs for at least 60 days per calendar year at such location, the amount of net electronic gaming machine income credited to the expanded lottery act revenues fund pursuant to paragraph (8)(A) (i) shall be reduced by 1% annually on July 1 until such amount equals 22%. If such facility fails to schedule to conduct live horse racing programs for at least 60 days in any calendar year at such location, the amount of net electronic gaming machine income credited to the expanded lottery act revenues fund shall be 40%; and

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

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

On page 41, in line 24, after the third comma by inserting "74-8747,";

And by renumbering sections accordingly;

On page 1, in the title, in line 3, after the first semicolon by inserting "racetrack gaming facility management contracts;"; in line 8, after the first comma by inserting "74-8747,"

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 17; Nays 18; Present and Passing 5; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Bowers, Braun, Faust-Goudeau, Haley, Hensley, Holland, Kerschen, McGinn, Petersen, Pyle, Rucker, Suellentrop, Tyson, Wagle, Wilborn.

Nays: Berger, Billinger, Bollier, Denning, Doll, Estes, Goddard, Hardy, Hawk, Longbine, Lynn, Masterson, Miller, Olson, Skubal, Sykes, Taylor, Thompson.

Present and Passing: Francisco, Givens, Hilderbrand, Pettey, Ware.

A motion by Senator Hilderbrand to amend **SB 283** failed and the following

amendment was rejected; on page 24, in line 21, by striking "and"; in line 25, before the period by inserting "; and

(3) the director of accounts and reports shall transfer all remaining moneys not transferred pursuant to paragraphs (1) and (2) credited to the lottery operating fund from sports wagering revenues deposited in the lottery operating fund to the Kansas public employees retirement fund to be applied to the payment, in full or in part, of the unfunded actuarial pension liability as directed by the Kansas public employees retirement system. If the unfunded actuarial pension liability is paid in full, as determined by the Kansas public employees retirement system, the executive officer of the Kansas public employees retirement system shall so certify to the director of accounts and reports. Upon receipt of such certification, the director of accounts and reports shall cease to transfer such amounts from the lottery operating fund to the Kansas public employees retirement fund";

On page 1, in the title, in line 7, after the semicolon by inserting "Kansas public employees retirement fund, transfer of funds;"

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 11; Nays 24; Present and Passing 4; Absent or Not Voting 1.

Yeas: Billinger, Hilderbrand, Masterson, Miller, Olson, Petersen, Pyle, Rucker, Thompson, Tyson, Wilborn.

Nays: Alley, Berger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Goddard, Haley, Hardy, Hawk, Hensley, Holland, Kerschen, Longbine, Lynn, McGinn, Skubal, Sykes, Taylor, Ware.

Present and Passing: Baumgardner, Givens, Pettey, Suellentrop.

Absent or Not Voting: Wagle.

A motion by Senator Hardy to amend **SB 283** failed.

**SB 289, SB 373, SB 427** be passed.

A motion by Senator Haley to amend **SB 373** failed and the following amendment was rejected; on page 1, following line 9, by inserting:

"New Section 1. (a) This section shall apply to a person:

(1) Convicted of any offense if the person alleges that the conviction concerned acts committed by the person as a result of being a victim of human trafficking, aggravated human trafficking or commercial sexual exploitation of a child, including, but not limited to:

(A) Prostitution, as defined in K.S.A. 21-3512, prior to its repeal, or selling a sex act, as defined in K.S.A. 2019 Supp. 21-6419, and amendments thereto;

(B) promoting prostitution, as defined in K.S.A. 21-3513, prior to its repeal, or promoting the sale of a sex act, as defined in K.S.A. 2019 Supp. 21-6420, and amendments thereto;

(C) patronizing a prostitute, as defined in K.S.A. 21-3515, prior to its repeal, or buying a sex act, as defined in K.S.A. 2019 Supp. 21-6421, and amendments thereto;

(D) human trafficking or aggravated human trafficking, as defined in K.S.A. 21-3446 or 21-3447, prior to their repeal, or K.S.A. 2019 Supp. 21-5426, and amendments thereto; or

(E) commercial sexual exploitation of a child, as defined in K.S.A. 2019 Supp. 21-6422, and amendments thereto;

(2) convicted of an attempt, conspiracy or criminal solicitation to commit any of the offenses described in this subsection as the underlying offense;

(3) who entered into a diversion agreement in lieu of further criminal proceedings for any offense described in this subsection; or

(4) arrested for any offense described in this subsection.

(b) A person described in subsection (a) may file a petition to vacate the arrest records, conviction or diversion agreement described in subsection (a) at any time. A petition to vacate:

(1) Arrest records shall be filed in the court of the county in which the arrest occurred;

(2) a conviction and related arrest records shall be filed in the convicting court; and

(3) a diversion agreement and related arrest records shall be filed in the court of the county in which the diversion agreement was entered into.

(c) (1) When a petition is filed pursuant to this section, the court shall set a date for a hearing on the petition and shall give notice of such hearing to the prosecutor and the arresting law enforcement agency. The petition shall state the:

(A) Petitioner's full name;

(B) full name of the petitioner at the time of arrest, conviction or diversion, if different than the petitioner's current name;

(C) petitioner's sex, race and date of birth;

(D) offense for which the petitioner was arrested, convicted or diverted;

(E) date of the petitioner's arrest, conviction or diversion;

(F) identity of the arresting law enforcement authority, convicting court or diverting authority; and

(G) specific facts the petitioner will rely on to support the claim that the petitioner was a victim of human trafficking, aggravated human trafficking or commercial sexual exploitation of a child and was acting under coercion caused by the act of another.

(2) No fee or surcharge shall be imposed on any person filing a petition pursuant to this section.

(3) All petitions under this section shall be docketed as a new case in the court described in subsection (b). Any person who may have relevant information about the petitioner may testify at the hearing. The court may inquire into the background of the petitioner and shall have access to any reports or records relating to the petitioner that are on file with the secretary of corrections or the prisoner review board.

(d) (1) At the hearing on the petition, the court shall grant such petition to vacate the petitioner's arrest record, conviction and related arrest records, or diversion agreement and related arrest records if:



(A) The court finds that the petitioner is a victim of human trafficking, aggravated human trafficking or commercial sexual exploitation of a child; and

(B) the petitioner can prove by a preponderance of the evidence that they were acting under coercion caused by the act of another at the time of the offense.

(2) (A) A finding by the court that the petitioner was a victim of human trafficking, aggravated human trafficking or commercial sexual exploitation of a child at the time of the offense shall be prima facie evidence of coercion.

(B) For purposes of this subsection, "coercion" means: Causing or threatening to cause injury to any person; physically restraining or threatening to physically restrain another person; abusing or threatening to abuse the law or legal process; threatening to withhold food, lodging or clothing; threatening to or destroying, concealing, removing, confiscating or possessing any actual or purported governmental identification document of another person; or any other scheme, plan or pattern intended to cause a person to believe that failure to perform an act would result in bodily harm or physical restraint against any person.

(3) Official documentation of a petitioner's status as a victim of human trafficking, aggravated human trafficking or commercial sexual exploitation of a child at the time of the offense shall create a rebuttable presumption that the petitioner was a victim of human trafficking, aggravated human trafficking or commercial sexual exploitation of a child at the time of the offense. Official documentation shall not be required to obtain relief under this section. As used in this subsection, "official documentation" means:

(A) A copy of an official record, certification or eligibility letter from a federal, state, tribal or local proceeding, including an approval notice or an enforcement certification generated from a federal immigration proceeding, that shows that the petitioner was a victim of human trafficking, aggravated human trafficking or commercial sexual exploitation of a child; or

(B) an affidavit or sworn testimony from a member of the clergy, a medical professional, a trained professional staff member of a victim services organization or other professional from whom the petitioner has sought legal counsel or other assistance in addressing the trauma and other challenges associated with being a victim of human trafficking, aggravated human trafficking or commercial sexual exploitation of a child.

(4) In considering whether the petitioner is a victim of human trafficking, aggravated human trafficking or commercial sexual exploitation of a child, the court may consider any other evidence the court determines is of sufficient credibility and probative value, including an affidavit or sworn testimony. Such evidence may include, but is not limited to:

(A) Branding or other tattoos on the petitioner that identified the petitioner as having a trafficker;

(B) testimony, police interview notes, police reports or affidavits from those with firsthand knowledge of the petitioner's involvement in the trafficking or exploitation, such as solicitors of commercial sex, family members, hotel workers and other individuals trafficked or exploited by the same individual or group of individuals who trafficked or exploited the petitioner;

(C) financial records showing profits from the trafficking or exploitation, such as records of hotel stays, employment at indoor venues such as massage parlors, bottle clubs or strip clubs or employment at an escort service;

(D) internet listings, print advertisements or business cards used to promote the petitioner for trafficking or exploitation; or

(E) email, text, voicemail or other records between the petitioner, the trafficker or solicitors of sex that reveal aspects of the trafficking or exploitation, such as behavior patterns, meeting times, payments or examples of the trafficker exerting coercion over the petitioner.

(e) Upon request of the petitioner, all hearings conducted pursuant to this section shall be conducted in camera, by two-way electronic audio-video communication between the petitioner and the judge in lieu of personal presence of the petitioner or the petitioner's attorney in the courtroom from any location, or both. In addition, upon the request of the petitioner, the court shall not disclose or open to public inspection any information identifying the petitioner as a victim or alleged victim of human trafficking, aggravated human trafficking or commercial sexual exploitation of a child. Nothing in this subsection shall prohibit the petitioner from voluntarily disclosing such petitioner's identity. Information regarding the petitioner that is sealed pursuant to this subsection shall be disclosed only to the following:

(1) A judge of the district court and members of the staff of the court designated by the judge;

(2) parties to the proceedings and their attorneys;

(3) with the consent of the petitioner, any individual or any public or private agency or institution providing educational, medical or mental health services to the petitioner;

(4) law enforcement officers or county or district attorneys, or their staff, when necessary for the discharge of their official duties; and

(5) any other person when authorized by a court order, subject to any conditions imposed by the order.

(f) An order vacating the petitioner's arrest records, conviction and related arrest records, or diversion agreement and related arrest records under this section shall:

(1) Nullify the arrest, conviction or diversion agreement;

(2) deem the arrest, conviction or diversion agreement to have been vacated due to a substantive defect in the underlying criminal proceedings; and

(3) remove all civil disabilities and disqualifications imposed as a result of the arrest, conviction or diversion agreement.

(g) Upon entry of an order vacating the petitioner's arrest records, conviction and related arrest records, or diversion agreement and related arrest records under this section:

(1) The court shall order the arrest records, conviction and related arrest records, or diversion agreement and related arrest records expunged and purged from all applicable state and federal systems pursuant to this subsection. The court shall enter the order

regardless of whether the petitioner has been convicted of any other offense or entered into a diversion agreement for any other offense;

(2) the court shall direct the Kansas bureau of investigation to purge the arrest records, conviction and related arrest records, or diversion agreement and related arrest records from the criminal justice information system central repository and all applicable state and federal databases. The clerk of the court shall send a certified copy of the order to the Kansas bureau of investigation, which shall carry out the order and shall notify the federal bureau of investigation, the secretary of corrections and any other criminal justice agency that may have a record of the conviction or diversion and arrest. The Kansas bureau of investigation shall provide confirmation of such action to the court; and

(3) the petitioner shall be treated as not having been arrested, convicted or diverted for the offense.

(h) This section shall be a part of and supplemental to the Kansas criminal code.";

And by renumbering sections accordingly;

Also on page 1, in the title, in line 2, after "to" by inserting "petitions by certain victims of human trafficking to vacate certain arrest records, convictions or diversion agreements;"

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 16; Nays 20; Present and Passing 1; Absent or Not Voting 3.

Yeas: Bollier, Braun, Faust-Goudeau, Francisco, Givens, Haley, Hawk, Hensley, Hilderbrand, Holland, Miller, Petersen, Pettey, Pyle, Sykes, Ware.

Nays: Alley, Baumgardner, Berger, Billinger, Bowers, Denning, Estes, Goddard, Hardy, Kerschen, Longbine, Lynn, Rucker, Skubal, Suellentrop, Taylor, Thompson, Tyson, Wagle, Wilborn.

Present and Passing: McGinn.

Absent or Not Voting: Doll, Masterson, Olson.

#### EXPLANATION OF VOTE

Mr. Chairman: "Vacatur" is the expungement of criminal arrest and conviction records of those shown to have been victims of human trafficking or undue, usually significantly older adult, coercion which might have lead them to their own criminal activity. In short, many people, overwhelmingly women abducted or threatened into sexual acts and/or otherwise trafficked, are often tried and convicted of prostitution and an array of other crimes. I introduced a bill to clear such victims in our State of criminal records which prevent many from employment and other opportunities; unduly hampering their quality of life when their only true "crime" was only rooted in being a victim of trafficking or undue coercion. I offered this amendment because the stall and delay tactics in not hearing or working this bill continues to victimize these otherwise innocent vicfims year after year after year. Advocacy organizations ( such as Veronica's Voice and others ) have long supported Kansas' joining other States which have already provided common-sense legal relief to these painful examples of piling on and preying of the relatively defenseless. It's crazy ironic that within this same hour this same Senate would vote, appropriately, to protect teenagers from cellphone camera-toting

"peeping Toms" but now DOESN'T, so INAPPROPRIATELY, vote to protect teenagers from predators who manipulate or coerce them into criminal activities which restrict their futures. This amendment should have been passed TODAY included to this measure to the House and starting the road to their justice-demanding relief.—DAVID HALEY

An amendment was offered by Senator Sykes on **SB 373**. A ruling of the chair was requested as to the germaneness to the bill. The Chair of the Rules Committee ruled the amendment not germane.

**SB 262, SB 271, SB 284, SB 308, SB 337, SB 381, SB 382, SB 383, SB 404, SB 420** be amended by the adoption of the committee amendments, and the bills be passed as amended.

A motion by Senator Bollier to further amend **SB 308** failed and the following amendment was rejected; on page 1, in line 16, after "(b)" by inserting "Any person who engages in the on-farm retail sale of milk or milk products shall conspicuously post a sign on the premises of the farm where such milk or milk products are sold or offered for sale so as to be clearly visible to consumers. The sign required pursuant to this subsection shall be printed with lettering that is legible and shall be at least  $\frac{3}{4}$  of an inch boldfaced type. The sign shall include the address for the raw milk resources website published and maintained by the centers for disease control and prevention and shall state the following: "Notice: This product contains raw milk that is unpasteurized and, as a result, may contain organisms that cause foodborne illness, especially in infants, young children, older adults, pregnant women and people with weak immune systems."

(c) ";

On page 1, in the title, in line 2, after "labeling" by inserting ", signage"

Upon the showing of five hands a roll call vote was requested.

On roll call, the vote was: Yeas 15; Nays 23; Present and Passing 0; Absent or Not Voting 2.

Yeas: Bollier, Bowers, Faust-Goudeau, Francisco, Haley, Hardy, Hawk, Hensley, Holland, Kerschen, Miller, Pettey, Sykes, Taylor, Ware.

Nays: Alley, Baumgardner, Berger, Billinger, Braun, Denning, Estes, Givens, Goddard, Hilderbrand, Longbine, Masterson, McGinn, Olson, Petersen, Pyle, Rucker, Skubal, Suellentrop, Thompson, Tyson, Wagle, Wilborn.

Absent or Not Voting: Doll, Lynn.

On roll call, the vote was: Yeas 15; Nays 23; Present and Passing 0; Absent or Not Voting 2.

Yeas: Bollier, Bowers, Faust-Goudeau, Francisco, Haley, Hardy, Hawk, Hensley, Holland, Kerschen, Miller, Pettey, Sykes, Taylor, Ware.

Nays: Alley, Baumgardner, Berger, Billinger, Braun, Denning, Estes, Givens, Goddard, Hilderbrand, Longbine, Masterson, McGinn, Olson, Petersen, Pyle, Rucker, Skubal, Suellentrop, Thompson, Tyson, Wagle, Wilborn.

Absent or Not Voting: Doll, Lynn.

**SB 221** be amended by the adoption of the committee amendments, be further amended b motion of Senator Francisco; on page 3, in line 12, after "(d)" by inserting "All alcoholic liquor, cereal malt beverage and nonalcoholic malt beverage sold by a licensee shall be subject to the tax imposed by K.S.A. 79-41a02, and amendments thereto.

(e)"; and **SB 221** be passed as further amended.

**SCR 1614** be adopted.

### ORIGINAL MOTION

Senator Bowers moved that **SB 338** be referred from the **Committee of the Whole** to the Committee on **Assessment and Taxation**. The motion carried.

### FINAL ACTION ON BILLS AND CONCURRENT RESOLUTIONS

On motion of Senator Denning an emergency was declared by a 2/3 constitutional majority, and **SB 221, SB 262, SB 271, SB 283, SB 284, SB 289, SB 308, SB 337, SB 373, SB 381, SB 382, SB 383, SB 404, SB 420, SB 427; SCR 1614** were advanced to Final Action and roll call.

**SB 221**, AN ACT concerning alcoholic liquor; relating to clubs and drinking establishments; retailer's license; removal of unconsumed beer and cereal malt beverage from licensed premises; amending K.S.A. 2019 Supp. 41-308 and 41-2653 and repealing the existing sections.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

The bill passed, as amended.

**SB 262**, AN ACT concerning the state board of tax appeals; relating to orders; time to request a full and complete opinion; amending K.S.A. 74-2426 and repealing the existing section.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

The bill passed, as amended.

**SB 271**, AN ACT concerning education; relating to the Kansas school equity and enhancement act; extending the high-density at-risk weighting; amending K.S.A. 72-5151 and repealing the existing section.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

The bill passed, as amended.

**SB 283**, AN ACT concerning gaming; relating to the Kansas expanded lottery act; Kansas lottery and Kansas racing and gaming commission, rules and regulations; authorizing sports wagering; problem gambling and addictions grant fund, transfers and authorized uses; creating the sports wagering; problem gambling and addition grant fund, transfers and authorized uses; creating the sports wagering receipts fund, executive director of the Kansas lottery; white collar crime fund, governor; combating white collar crimes and information technology scholarship fund, state board of regents; amending K.S.A. 46-2301, 74-8702, 74-8710, 74-8711, 74-8716, 74-8718, 74-8733, 74-8734, 74-8751, 74-8752, 74-8757, 74-8758, 74-8760, 74-8772, 79-4805 and 79-4806 and K.S.A. 2019 Supp. 21-6403, 21-6507 and 21-6508 and repealing the existing sections.

On roll call, the vote was: Yeas 23; Nays 15; Present and Passing 2; Absent or Not Voting 0.

Yeas: Berger, Billinger, Bowers, Braun, Denning, Doll, Estes, Givens, Goddard, Hardy, Kerschen, Longbine, Lynn, Masterson, Miller, Olson, Petersen, Rucker, Skubal, Taylor, Thompson, Wagle, Wilborn.

Nays: Baumgardner, Bollier, Faust-Goudeau, Haley, Hawk, Hensley, Hilderbrand, Holland, McGinn, Pettey, Pyle, Suellentrop, Sykes, Tyson, Ware.

Present and Passing: Alley, Francisco.

The bill passed, as amended.

#### EXPLANATION OF VOTE

Madam President: I regret that the carrier of the bill did not find my Amendment friendly. I am optimistic that the additional public funds in the bill being funneled to Eureka Downs will result in its opening soon. I am disappointed we did not take this opportunity to address the disparity in the tax rates between casinos and horse tracks for the Woodlands. I am disappointed this body, in an agricultural state, has just rejected the entire horse industry. I will continue to work to find opportunities to open the Woodlands in line with the wishes of my Wyandotte and Leavenworth constituents. I hope this body will join me in that legislation. With that, I support the Hollywood Casino and trust that they will operate sports gaming in a responsible manner. —KEVIN BRAUN

Senator Haley requests the record to show that he concurs with the "Explanation of Vote" offered by Senator Braun on **SB 283**.

Madam President: I vote "NO" on **Senate Bill 283**. This bill is not the result of some well thought out negotiations. This bill was coercively driven by the casinos lock, stock and barrel. Our state's regulatory agency, the Kansas Lottery, had very little, if any, involvement in the drafting of this bill. Despite the fact the casinos are accountable to the Lottery and accountable to us. The casinos have never understood that they are "state owned and operated." Instead, they believe they own us. I strongly urge the Kansas House to give the Lottery greater oversight over the casino's authority on sports wagering. And, I also urge the House to authorize and allow reasonable i Lottery provisions in the bill. Unless and until these changes are made to **Senate Bill 283**, I will continue to vote NO.—ANTHONY HENSLEY

Senator Faust-Goudeau request the record to show she concurs with the "Explanation of Vote" offered by Senator Hensley on **SB 283**.

Madam President: I vote “NO” on **Senate Bill 283**. I very much support sports wagering and a robust iLottery, but I cannot support this bill. As it is currently written, this bill contains contractual language that would handcuff the state in pro-actively managing the rapidly evolving sports wagering business segment. We must keep our statutes clean and free of anything that would impede the operations of or negatively impact the profitability of state-sanctioned gaming. This bill should be enabling legislation that simply allows the state of Kansas to extend its brand into doing sports wagering and removing the prohibition of internet gaming. And, at the end of the day, if Kansas is going to extend its gaming products then that extension needs to be profitable for the State, and the State should be in full control of the revenue stream. Again, I fully support state-sanctioned sports wagering and iLottery, but only if it benefits all stakeholders – the citizens, the State of Kansas, and the operators. This bill does not do that. For these reasons, I vote no.—TOM HOLLAND

Senator Haley and Senator Pettey request the record to show they concur with the "Explanation of Vote" offered by Senator Holland on **SB 283**.

**SB 284**, AN ACT concerning accessible parking; relating to permanent placards issued to school districts, interlocal cooperatives, postsecondary educational institutions and institutions under the direction of the department for aging and disability services; amending K.S.A. 2019 Supp. 8-1,125 and repealing the existing section.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

The bill passed, as amended.

**SB 289**, AN ACT concerning insurance; relating to version of risk-based capital instructions in effect; amending K.S.A. 2019 Supp. 40-2c01 and repealing the existing section.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

The bill passed.

**SB 308**, AN ACT concerning agriculture; relating to milk, cream and dairy products; on-farm retail sale of milk; labeling and advertising requirements; amending K.S.A. 65-771 and repealing the existing section.

On roll call, the vote was: Yeas 37; Nays 3; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey,

Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

Nays: Bollier, Hilderbrand, Pyle.

The bill passed, as amended.

**SB 337**, AN ACT concerning education; providing ACT college entrance exams and workkeys assessments to nonpublic school students; amending K.S.A. 2019 Supp. 72-5179 and repealing the existing section.

On roll call, the vote was: Yeas 39; Nays 1; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

Nays: Hilderbrand.

The bill passed, as amended.

**SB 373**, AN ACT concerning crimes, punishment and criminal procedure; relating to sex offenses; selling sexual relations; promoting the sale of sexual relations; buying sexual relations; amending K.S.A. 68-2255 and K.S.A. 2019 Supp. 21-5401, 21-6328, 21-6419, 21-6420, 21-6421, 21-6422, 22-2515, 22-2530, 22-3901, 22-4902, 22-4906, 38-2202, 38-2287, 41-311, 41-2601, 60-31a02 and 60-4104 and repealing the existing sections.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

The bill passed.

**SB 381**, AN ACT concerning postsecondary and postgraduate loan programs; relating to the university of Kansas school of medicine; medical student loan program and residency bridging program; encouraging the practice of obstetrics and gynecology; establishing the OBGYN medical loan repayment fund and the OBGYN medical residency bridging fund; amending K.S.A. 76-381, 76-383, 76-385 and 76-387 and repealing the existing sections; also repealing K.S.A. 76-386a.

On roll call, the vote was: Yeas 25; Nays 15; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bowers, Braun, Denning, Doll, Estes, Givens, Goddard, Hardy, Kerschen, Longbine, Lynn, Masterson, McGinn, Olson, Petersen, Rucker, Skubal, Suellentrop, Taylor, Wagle, Wilborn.

Nays: Bollier, Faust-Goudeau, Francisco, Haley, Hawk, Hensley, Hilderbrand, Holland, Miller, Pettey, Pyle, Sykes, Thompson, Tyson, Ware.

The bill passed, as amended.

**SB 382**, AN ACT concerning education; relating to school district capital improvements state aid determination; amending K.S.A. 2019 Supp. 72-5462 and repealing the existing section.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not



Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

The bill passed, as amended.

**SB 383**, AN ACT concerning motor vehicles; relating to distinctive license plates; providing for the American legion, knights of Columbus and proud educator license plates; providing for lowered license plate commitments and costs prior to production of plates; allowing additional license plates issued by the division of vehicles to be personalized license plates; amending K.S.A. 2019 Supp. 8-132, 8-1,141 and 8-1,142 and repealing the existing sections.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

The bill passed, as amended.

**SB 404**, AN ACT concerning children and minors; relating to the revised code for care of children; termination of parental rights; children conceived as a result of sexual assault; amending K.S.A. 2019 Supp. 23-3203, 38-2269 and 38-2271 and repealing the existing sections.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

The bill passed, as amended.

**SB 420**, AN ACT concerning the Kansas offender registration act; requiring registration for certain violations of breach of privacy; amending K.S.A. 2019 Supp. 22-4902 and 22-4906 and repealing the existing sections.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

The bill passed, as amended.

**SB 427**, AN ACT concerning the open records act; relating to exceptions to the disclosure of public records; legislative review of expiring exceptions; continuing such exceptions; amending K.S.A. 2019 Supp. 9-1810, 40-223j, 45-229 and 50-6a11 and

repealing the existing sections.

On roll call, the vote was: Yeas 40; Nays 0; Present and Passing 0; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Francisco, Givens, Goddard, Haley, Hardy, Hawk, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Ware, Wilborn.

The bill passed.

**SCR 1614**, A CONCURRENT RESOLUTION supporting Kansas farmers and ranchers in the Rattlesnake Creek subbasin in their ongoing effort to protect their water rights and livelihood through a collaborative solution to the region's water impairment issue that will safeguard Kansas agriculture and the economic success of Kansas farmers, ranchers and agribusiness.

On roll call, the vote was: Yeas 37; Nays 0; Present and Passing 3; Absent or Not Voting 0.

Yeas: Alley, Baumgardner, Berger, Billinger, Bollier, Bowers, Braun, Denning, Doll, Estes, Faust-Goudeau, Givens, Goddard, Haley, Hardy, Hensley, Hilderbrand, Holland, Kerschen, Longbine, Lynn, Masterson, McGinn, Miller, Olson, Petersen, Pettey, Pyle, Rucker, Skubal, Suellentrop, Sykes, Taylor, Thompson, Tyson, Wagle, Wilborn.

Present and Passing: Francisco, Hawk, Ware.

The resolution was adopted.

#### EXPLANATION OF VOTE

Madam President: I "PASS" on **SCR 1614**. The resolution seeks to support Kansas farmers and ranchers in the Rattlesnake Creek subbasin in their ongoing effort to protect their water rights and livelihood through a collaborative solution to the region's water impairment. I believe that a resolution asking for collaboration should also address our interests in wildlife and tourism in this area. The U.S. Fish and Wildlife Service holds a senior water right for the Quivira National Wildlife Refuge; many of these farmers and ranchers have junior rights. I want to safeguard Kansas agriculture and the economic success of all Kansas farmers, ranchers, and agribusiness by defending our system of water rights overall. The U.S. Fish and Wildlife Service has given us time to find a solution by not making a request for water in fiscal year 2020. The Kansas Water Appropriation Act protects both the people's right to use Kansas water and the state's supplies of groundwater and surface water for the future. Rather than avoid government control, let's use the Appropriation Act and those governmental opportunities such as water conservation areas and augmentation to help protect future water access for the farmers and ranchers in the Rattlesnake Creek subbasin.—MARCI FRANCISCO

Senator Hawk requests the record to show he concurs with the "Explanation of Vote" offered by Senator Francisco on **SCR 1614**.

#### REPORTS OF STANDING COMMITTEES

Committee on **Assessment and Taxation** recommends **HB 2063** be amended by substituting with a new bill to be designated as "Senate Substitute for HOUSE BILL NO. 2063," as follows:

"Senate Substitute for HOUSE BILL NO. 2063

By Committee on Assessment and Taxation

"AN ACT concerning property taxation; relating to tax levies; discontinuing the state tax levies for the Kansas educational building fund and the state institutions building fund; providing financing therefor; amending K.S.A. 76-6b01, 76-6b02, 76-6b04, 76-6b05 and 76-6b11 and repealing the existing sections."; and the substitute bill be passed.

Also, **SB 174** be amended on page 1, following line 6, by inserting:

"Section 1. K.S.A. 79-32,117 is hereby amended to read as follows: 79-32,117. (a) The Kansas adjusted gross income of an individual means such individual's federal adjusted gross income for the taxable year, with the modifications specified in this section.

(b) There shall be added to federal adjusted gross income:

(i) Interest income less any related expenses directly incurred in the purchase of state or political subdivision obligations, to the extent that the same is not included in federal adjusted gross income, on obligations of any state or political subdivision thereof, but to the extent that interest income on obligations of this state or a political subdivision thereof issued prior to January 1, 1988, is specifically exempt from income tax under the laws of this state authorizing the issuance of such obligations, it shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income. Interest income on obligations of this state or a political subdivision thereof issued after December 31, 1987, shall be excluded from computation of Kansas adjusted gross income whether or not included in federal adjusted gross income.

(ii) Taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state or any other taxing jurisdiction to the extent deductible in determining federal adjusted gross income and not credited against federal income tax. This paragraph shall not apply to taxes imposed under the provisions of K.S.A. 79-1107 or 79-1108, and amendments thereto, for privilege tax year 1995, and all such years thereafter.

(iii) The federal net operating loss deduction, except that the federal net operating loss deduction shall not be added to an individual's federal adjusted gross income for tax years beginning after December 31, 2016.

(iv) Federal income tax refunds received by the taxpayer if the deduction of the taxes being refunded resulted in a tax benefit for Kansas income tax purposes during a prior taxable year. Such refunds shall be included in income in the year actually received regardless of the method of accounting used by the taxpayer. For purposes hereof, a tax benefit shall be deemed to have resulted if the amount of the tax had been deducted in determining income subject to a Kansas income tax for a prior year regardless of the rate of taxation applied in such prior year to the Kansas taxable income, but only that portion of the refund shall be included as bears the same proportion to the total refund received as the federal taxes deducted in the year to which such refund is attributable bears to the total federal income taxes paid for such year. For purposes of the foregoing sentence, federal taxes shall be considered to have been deducted only to the extent such deduction does not reduce Kansas taxable income below zero.

(v) The amount of any depreciation deduction or business expense deduction claimed on the taxpayer's federal income tax return for any capital expenditure in

making any building or facility accessible to the handicapped, for which expenditure the taxpayer claimed the credit allowed by K.S.A. 79-32,177, and amendments thereto.

(vi) Any amount of designated employee contributions picked up by an employer pursuant to K.S.A. 12-5005, 20-2603, 74-4919 and 74-4965, and amendments thereto.

(vii) The amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 79-32,196, and amendments thereto.

(viii) The amount of any costs incurred for improvements to a swine facility, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,204, and amendments thereto.

(ix) The amount of any ad valorem taxes and assessments paid and the amount of any costs incurred for habitat management or construction and maintenance of improvements on real property, claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,203, and amendments thereto.

(x) Amounts received as nonqualified withdrawals, as defined by K.S.A. 75-643, and amendments thereto, if, at the time of contribution to a family postsecondary education savings account, such amounts were subtracted from the federal adjusted gross income pursuant to K.S.A. 79-32,117(c)(xv), and amendments thereto, or if such amounts are not already included in the federal adjusted gross income.

(xi) The amount of any contribution made to the same extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 74-50,154, and amendments thereto.

(xii) For taxable years commencing after December 31, 2004, amounts received as withdrawals not in accordance with the provisions of K.S.A. 74-50,204, and amendments thereto, if, at the time of contribution to an individual development account, such amounts were subtracted from the federal adjusted gross income pursuant to subsection (c)(xiii), or if such amounts are not already included in the federal adjusted gross income.

(xiii) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,217 through 79-32,220 or 79-32,222, and amendments thereto.

(xiv) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,221, and amendments thereto.

(xv) The amount of any expenditures claimed for deduction in determining federal adjusted gross income, to the extent the same is claimed as the basis for any credit allowed pursuant to K.S.A. 79-32,223 through 79-32,226, 79-32,228 through 79-32,231, 79-32,233 through 79-32,236, 79-32,238 through 79-32,241, 79-32,245 through 79-32,248 or 79-32,251 through 79-32,254, and amendments thereto.

(xvi) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to K.S.A. 79-32,227, 79-32,232, 79-32,237, 79-32,249, 79-32,250 or 79-32,255, and amendments thereto.

(xvii) The amount of any amortization deduction claimed in determining federal adjusted gross income to the extent the same is claimed for deduction pursuant to

K.S.A. 79-32,256, and amendments thereto.

(xviii) For taxable years commencing after December 31, 2006, the amount of any ad valorem or property taxes and assessments paid to a state other than Kansas or local government located in a state other than Kansas by a taxpayer who resides in a state other than Kansas, when the law of such state does not allow a resident of Kansas who earns income in such other state to claim a deduction for ad valorem or property taxes or assessments paid to a political subdivision of the state of Kansas in determining taxable income for income tax purposes in such other state, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xix) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any: (1) Loss from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) loss from rental real estate, royalties, partnerships, S corporations, except those with wholly owned subsidiaries subject to the Kansas privilege tax, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) farm loss as determined under the federal internal revenue code and reported from schedule F and on line 18 of the taxpayer's form 1040 federal income tax return; all to the extent deducted or subtracted in determining the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011, and as revised thereafter by the internal revenue service.

(xx) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for self-employment taxes under section 164(f) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer, to the extent the deduction is attributable to income reported on schedule C, E or F and on line 12, 17 or 18 of the taxpayer's form 1040 federal income tax return.

(xxi) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for pension, profit sharing, and annuity plans of self-employed individuals under section 62(a)(6) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for health insurance under section 162(l) of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any deduction for domestic production activities under section 199 of the federal internal revenue code as in effect on January 1, 2012, and amendments thereto, in determining the federal adjusted gross income of an individual taxpayer.

(xxiv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid for medical care of the taxpayer or the taxpayer's spouse or

dependents when such expenses were paid or incurred for an abortion, or for a health benefit plan, as defined in K.S.A. 65-6731, and amendments thereto, for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 2019 Supp. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as an itemized deduction for federal income tax purposes.

(xxv) For taxable years commencing after December 31, 2013, that portion of the amount of any expenditure deduction claimed in determining federal adjusted gross income for expenses paid by a taxpayer for health care when such expenses were paid or incurred for abortion coverage, a health benefit plan, as defined in K.S.A. 65-6731, and amendments thereto, when such expenses were paid or incurred for abortion coverage or amounts contributed to health savings accounts for such taxpayer's employees for the purchase of an optional rider for coverage of abortion in accordance with K.S.A. 2019 Supp. 40-2,190, and amendments thereto, to the extent that such taxes and assessments are claimed as a deduction for federal income tax purposes.

(xxvi) For all taxable years beginning after December 31, 2016, the amount of any charitable contribution made to the extent the same is claimed as the basis for the credit allowed pursuant to K.S.A. 72-99a07, and amendments thereto, and is also claimed as an itemized deduction for federal income tax purposes.

(c) There shall be subtracted from federal adjusted gross income:

(i) Interest or dividend income on obligations or securities of any authority, commission or instrumentality of the United States and its possessions less any related expenses directly incurred in the purchase of such obligations or securities, to the extent included in federal adjusted gross income but exempt from state income taxes under the laws of the United States.

(ii) Any amounts received which are included in federal adjusted gross income but which are specifically exempt from Kansas income taxation under the laws of the state of Kansas.

(iii) The portion of any gain or loss from the sale or other disposition of property having a higher adjusted basis for Kansas income tax purposes than for federal income tax purposes on the date such property was sold or disposed of in a transaction in which gain or loss was recognized for purposes of federal income tax that does not exceed such difference in basis, but if a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to that portion of such gain which is included in federal adjusted gross income.

(iv) The amount necessary to prevent the taxation under this act of any annuity or other amount of income or gain which was properly included in income or gain and was taxed under the laws of this state for a taxable year prior to the effective date of this act, as amended, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain.

(v) The amount of any refund or credit for overpayment of taxes on or measured by income or fees or payments in lieu of income taxes imposed by this state, or any taxing jurisdiction, to the extent included in gross income for federal income tax purposes.

(vi) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income.

(vii) Amounts received as annuities under the federal civil service retirement system from the civil service retirement and disability fund and other amounts received

as retirement benefits in whatever form which were earned for being employed by the federal government or for service in the armed forces of the United States.

(viii) Amounts received by retired railroad employees as a supplemental annuity under the provisions of 45 U.S.C. §§ 228b (a) and 228c (a)(1) et seq.

(ix) Amounts received by retired employees of a city and by retired employees of any board of such city as retirement allowances pursuant to K.S.A. 13-14,106, and amendments thereto, or pursuant to any charter ordinance exempting a city from the provisions of K.S.A. 13-14,106, and amendments thereto.

(x) For taxable years beginning after December 31, 1976, the amount of the federal tentative jobs tax credit disallowance under the provisions of 26 U.S.C. § 280 C. For taxable years ending after December 31, 1978, the amount of the targeted jobs tax credit and work incentive credit disallowances under 26 U.S.C. § 280 C.

(xi) For taxable years beginning after December 31, 1986, dividend income on stock issued by Kansas venture capital, inc.

(xii) For taxable years beginning after December 31, 1989, amounts received by retired employees of a board of public utilities as pension and retirement benefits pursuant to K.S.A. 13-1246, 13-1246a and 13-1249, and amendments thereto.

(xiii) For taxable years beginning after December 31, 2004, amounts contributed to and the amount of income earned on contributions deposited to an individual development account under K.S.A. 74-50,201 et seq., and amendments thereto.

(xiv) For all taxable years commencing after December 31, 1996, that portion of any income of a bank organized under the laws of this state or any other state, a national banking association organized under the laws of the United States, an association organized under the savings and loan code of this state or any other state, or a federal savings association organized under the laws of the United States, for which an election as an S corporation under subchapter S of the federal internal revenue code is in effect, which accrues to the taxpayer who is a stockholder of such corporation and which is not distributed to the stockholders as dividends of the corporation. For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of modification under this subsection shall exclude the portion of income or loss reported on schedule E and included on line 17 of the taxpayer's form 1040 federal individual income tax return.

(xv) For all taxable years beginning after December 31, 2017, the cumulative amounts not exceeding \$3,000, or \$6,000 for a married couple filing a joint return, for each designated beneficiary that are contributed to: (1) A family postsecondary education savings account established under the Kansas postsecondary education savings program or a qualified tuition program established and maintained by another state or agency or instrumentality thereof pursuant to section 529 of the internal revenue code of 1986, as amended, for the purpose of paying the qualified higher education expenses of a designated beneficiary; or (2) an achieving a better life experience (ABLE) account established under the Kansas ABLE savings program or a qualified ABLE program established and maintained by another state or agency or instrumentality thereof pursuant to section 529A of the internal revenue code of 1986, as amended, for the purpose of saving private funds to support an individual with a disability. The terms and phrases used in this paragraph shall have the meaning respectively ascribed thereto by the provisions of K.S.A. 75-643 and 75-652, and amendments thereto, and the provisions of such sections are hereby incorporated by

reference for all purposes thereof.

(xvi) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are or were members of the armed forces of the United States, including service in the Kansas army and air national guard, as a recruitment, sign up or retention bonus received by such taxpayer as an incentive to join, enlist or remain in the armed services of the United States, including service in the Kansas army and air national guard, and amounts received for repayment of educational or student loans incurred by or obligated to such taxpayer and received by such taxpayer as a result of such taxpayer's service in the armed forces of the United States, including service in the Kansas army and air national guard.

(xvii) For all taxable years beginning after December 31, 2004, amounts received by taxpayers who are eligible members of the Kansas army and air national guard as a reimbursement pursuant to K.S.A. 48-281, and amendments thereto, and amounts received for death benefits pursuant to K.S.A. 48-282, and amendments thereto, or pursuant to section 1 or section 2 of chapter 207 of the 2005 Session Laws of Kansas, and amendments thereto, to the extent that such death benefits are included in federal adjusted gross income of the taxpayer.

~~(xviii) (1) For the taxable year beginning after December 31, 2006, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of \$50,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly; and~~ For all taxable years beginning after December 31, 2007, and ending before January 1, 2020, amounts received as benefits under the federal social security act which are included in federal adjusted gross income of a taxpayer with federal adjusted gross income of \$75,000 or less, whether such taxpayer's filing status is single, head of household, married filing separate or married filing jointly.

~~(2) For all taxable years beginning after December 31, 2019, amounts received as benefits under the federal social security act that are included in federal adjusted gross income of a taxpayer with: (A) Federal adjusted gross income of \$75,000 or less for individuals whose taxpayer filing status is single, head of household or married filing separately; or (B) federal adjusted gross income of \$100,000 or less for individuals whose taxpayer filing status is married filing jointly.~~

(xix) Amounts received by retired employees of Washburn university as retirement and pension benefits under the university's retirement plan.

(xx) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of any: (1) Net profit from business as determined under the federal internal revenue code and reported from schedule C and on line 12 of the taxpayer's form 1040 federal individual income tax return; (2) net income, not including guaranteed payments as defined in section 707(c) of the federal internal revenue code and as reported to the taxpayer from federal schedule K-1, (form 1065-B), in box 9, code F or as reported to the taxpayer from federal schedule K-1, (form 1065) in box 4, from rental real estate, royalties, partnerships, S corporations, estates, trusts, residual interest in real estate mortgage investment conduits and net farm rental as determined under the federal internal revenue code and reported from schedule E and on line 17 of the taxpayer's form 1040 federal individual income tax return; and (3) net farm profit as determined under the federal internal revenue code and reported from schedule F and on



line 18 of the taxpayer's form 1040 federal income tax return; all to the extent included in the taxpayer's federal adjusted gross income. For purposes of this subsection, references to the federal form 1040 and federal schedule C, schedule E, and schedule F, shall be to such form and schedules as they existed for tax year 2011 and as revised thereafter by the internal revenue service.

(xxi) For all taxable years beginning after December 31, 2013, amounts equal to the unreimbursed travel, lodging and medical expenditures directly incurred by a taxpayer while living, or a dependent of the taxpayer while living, for the donation of one or more human organs of the taxpayer, or a dependent of the taxpayer, to another person for human organ transplantation. The expenses may be claimed as a subtraction modification provided for in this section to the extent the expenses are not already subtracted from the taxpayer's federal adjusted gross income. In no circumstances shall the subtraction modification provided for in this section for any individual, or a dependent, exceed \$5,000. As used in this section, "human organ" means all or part of a liver, pancreas, kidney, intestine, lung or bone marrow. The provisions of this paragraph shall take effect on the day the secretary of revenue certifies to the director of the budget that the cost for the department of revenue of modifications to the automated tax system for the purpose of implementing this paragraph will not exceed \$20,000.

(xxii) For taxable years beginning after December 31, 2012, and ending before January 1, 2017, the amount of net gain from the sale of: (1) Cattle and horses, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 24 months or more from the date of acquisition; and (2) other livestock, regardless of age, held by the taxpayer for draft, breeding, dairy or sporting purposes, and held by such taxpayer for 12 months or more from the date of acquisition. The subtraction from federal adjusted gross income shall be limited to the amount of the additions recognized under the provisions of subsection (b)(xix) attributable to the business in which the livestock sold had been used. As used in this paragraph, the term "livestock" shall not include poultry.

(xxiii) For all taxable years beginning after December 31, 2012, amounts received under either the Overland Park, Kansas police department retirement plan or the Overland Park, Kansas fire department retirement plan, both as established by the city of Overland Park, pursuant to the city's home rule authority.

(xxiv) For taxable years beginning after December 31, 2013, and ending before January 1, 2017, the net gain from the sale from Christmas trees grown in Kansas and held by the taxpayer for six years or more.

(d) There shall be added to or subtracted from federal adjusted gross income the taxpayer's share, as beneficiary of an estate or trust, of the Kansas fiduciary adjustment determined under K.S.A. 79-32,135, and amendments thereto.

(e) The amount of modifications required to be made under this section by a partner which relates to items of income, gain, loss, deduction or credit of a partnership shall be determined under K.S.A. 79-32,131, and amendments thereto, to the extent that such items affect federal adjusted gross income of the partner.

(f) No taxpayer shall be assessed penalties and interest from the underpayment of taxes due to changes to this section that became law on July 1, 2017, so long as such underpayment is rectified on or before April 17, 2018.;

Also on page 1, by striking all in lines 7 through 36;

By striking all on pages 2 through 8;

On page 9, by striking all in lines 1 through 41; in line 42, by striking "2018 Supp."; On page 1, in the title, in line 2, by striking "exempting" and inserting "for"; also in line 2, after "benefits" by inserting "of married filing jointly taxpayers"; in line 3, by striking "2018 Supp."; and the bill be passed as amended.

Committee on **Commerce** recommends **SB 366** be amended by substituting with a new bill to be designated as "Substitute for SENATE BILL NO. 366," as follows:

"Substitute for SENATE BILL NO. 366

By Committee on Commerce

"AN ACT concerning occupational regulation; relating to occupational licenses for certain applicants; amending K.S.A. 2019 Supp. 48-3406 and repealing the existing section."; and the substitute bill be passed.

Committee on **Financial Institutions and Insurance** recommends **SB 238** be amended by substituting with a new bill to be designated as "Substitute for SENATE BILL NO. 238," as follows:

"Substitute for SENATE BILL NO. 238

By Committee on Financial Institutions and Insurance

"AN ACT concerning financial institutions; relating to credit unions, field of membership; banks, trust companies and savings and loan associations, privilege tax, deduction of net interest received from certain business and single family residence loans; amending K.S.A. 79-1109 and K.S.A. 2019 Supp. 17-2205 and repealing the existing sections."; and the substitute bill be passed.

Committee on **Ways and Means** recommends **SB 225** be amended on page 1, in line 13, after "such" by inserting "third prior fiscal"; by striking all in lines 23 through 32 and inserting:

"(c) (1) The department of health and environment shall submit to the United States centers for medicare and medicaid services any approval request necessary to implement the amendments made to subsection (a) by this act. If the department has submitted such a request pursuant to section 80(l) of chapter 68 of the 2019 Session Laws of Kansas, then the department may continue such request, or modify such request to conform to the amendments made to subsection (a) by this act, to fulfill the requirements of this paragraph.

(2) The secretary of health and environment shall certify to the secretary of state the receipt of such approval and cause notice of such approval to be published in the Kansas register.

(3) The amendments made to subsection (a) by this act shall take effect on and after January 1 or July 1 immediately following such publication of such approval.";

On page 2, by striking all in lines 12 through 33 and inserting:

"(2) On July 1 of each year, the department of health and environment, with approval of the healthcare access improvement panel, shall make adjustments to the disbursement of moneys in accordance with this subsection to cause such disbursements to be paid solely from moneys appropriated from the healthcare access improvement fund. The healthcare access improvement fund shall not be supplemented by appropriations from the state general fund for the purpose of making disbursements under this subsection.";

On page 3, in line 7, after "act" by inserting ", and such report shall include analysis demonstrating that disbursements made in accordance with subsection (a) are budget neutral to the state general fund"; by striking all in lines 8 through 25 and inserting:

"(c) (1) The department of health and environment shall submit to the United States centers for medicare and medicaid services any approval request necessary to implement the amendments made to this section by this act. If the department has submitted such a request pursuant to section 80(l) of chapter 68 of the 2019 Session Laws of Kansas, then the department may continue such request, or modify such request to conform to the amendments made to subsections (a) and (b) by this act, to fulfill the requirements of this paragraph.

(2) The secretary of health and environment shall certify to the secretary of state the receipt of such approval and cause notice of such approval to be published in the Kansas register.

(3) The amendments made to subsections (a) and (b) by this act shall take effect on and after January 1 or July 1 immediately following such publication of such approval.";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly; and the bill be passed as amended.

Also, **SB 255** be amended on page 1, by striking all in lines 6 and 7; in line 8, by striking all before "moneys" and inserting:

"Section 1.

UNIVERSITY OF KANSAS MEDICAL CENTER

(a) There is appropriated for the above agency from the state general fund for the fiscal year ending June 30, 2021, the following:

Cancer center research (683-00-1000-0700).....\$10,000,000

*Provided*, That any unencumbered balance in the cancer center research account in excess of \$100 as of June 30, 2020, is hereby reappropriated for fiscal year 2021:

*Provided further*, That all";

Also on page 1, also in line 8, by striking all after "moneys" and inserting "in the above account"; in line 12, by striking ". All" and inserting ": *And provided further*, That all"; in line 13, by striking "research and public information trust fund" and inserting "center research account"; in line 15, by striking the period; by striking all in lines 16 through 18; in line 19, by striking all before the first "January" and inserting ": *And provided further*, That on"; also in line 19, by striking "and on January 1 of each year thereafter,"; in line 22, after "programs" by inserting ": *And provided further*, That the first \$5,000,000 in expenditures from the cancer center research account shall be matched by the university of Kansas medical center on a \$1-for-\$1 basis from other moneys of the university of Kansas medical center";

Also on page 1, in the title, by striking all in line 2; in line 3, by striking all before the period and inserting "cancer center research; making and concerning appropriations for the fiscal year ending June 30, 2021"; and the bill be passed as amended.

**SB 409** be amended on page 7, following line 11, by inserting:

"(l) The provisions of this section shall expire on July 1, 2030."; and the bill be passed as amended.

**POINT OF PERSONAL PRIVILEGE**

Senator Alley rose on a Point of Personal Privilege on February 17, 2020, and submitted the following comments: Congratulations to the Winfield High School STEM Center for Innovation and Project Lead the Way Engineering Class, for their outstanding achievements in the SkillsUSA Engineering Technology/Design National Championship. Instructor Carey Keller and Students Ciara Adams, Peter Stout, Allie Brodbeck, Nathan Seidel, Chris Norton, Barryck Heisler, Garrett James, Cameron Ferraro, and Danny Ball represented Winfield High School at the Capitol demonstrating their projects. The Winfield High School STEM team has achieved National Honors in the SkillsUSA Engineering Championships. 2017 Technology/Design National Champions 2018 Technology/Design National 2nd Place Finishers SkillsUSA State Championship Engineering Technology/Design and Robotics Awards 10 Golds, 5 Silvers, and 7 Bronze 8 Top 10 National Championship Finishes 11 Kansas State SkillsUSA Officers 1 Mike Rowe Scholarship Recipient 1 National STEM Scholarship Recipient 2014 SkillsUSA Kansas Advisor of the Year Again, Congratulations to the Winfield High School STEM Center for Innovation Instructor and Students for their outstanding work representing Kansas.

On motion of Senator Denning, the Senate adjourned until 9:30 a.m., Thursday, February 27, 2020.

CHARLENE BAILEY, CINDY SHEPARD, *Journal Clerks.*

COREY CARNAHAN, *Secretary of the Senate.*

