

**SENATE BILL No. 84**

By Committee on Federal and State Affairs

1-26

1 AN ACT concerning gaming; relating to the Kansas expanded lottery act;  
2 Kansas lottery and Kansas racing and gaming commission, rules and  
3 regulations; authorizing sports wagering; creating the sports wagering  
4 receipts fund, executive director of the Kansas lottery; white collar  
5 crime fund, governor; amending K.S.A. 46-2301, 74-8702, 74-8710,  
6 74-8711, 74-8716, 74-8718, 74-8733, 74-8734, 74-8751, 74-8752, 74-  
7 8757, 74-8758, 74-8760, 74-8772 and 79-4806 and K.S.A. 2020 Supp.  
8 21-6403, 21-6507 and 21-6508 and repealing the existing sections.  
9

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

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

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

15 (1) Lottery gaming facility managers who have contracted with the  
16 Kansas lottery in accordance with the Kansas expanded lottery act to  
17 manage sports wagering on behalf of the Kansas lottery, including, but not  
18 limited to, sports wagering over the internet through websites and mobile  
19 device applications approved by the Kansas lottery; or

20 (2) an interactive sports wagering platform if, within two years of the  
21 effective date of this act, no more than one manager has continuously  
22 offered sports wagering on an interactive sports wagering platform.

23 New Sec. 2. (a) No person under 21 years of age shall be permitted to  
24 place a wager. A sports wagering manager shall verify that any person  
25 placing a wager is of the legal minimum age for placing such wagers,  
26 including all wagers placed through an interactive sports wagering  
27 platform.

28 (b) Sports wagering managers shall allow a person to restrict themself  
29 from placing wagers with the operator, including wagering limits, and  
30 shall take reasonable measures to prevent any such person from placing  
31 such wagers. Upon the request of any such person, the operator shall  
32 submit the restricted person's name and other pertinent information to the  
33 Kansas racing and gaming commission. The executive director of the  
34 commission may enter into a self-exclusion agreement with such person,  
35 and disseminate such person's information to all other sports wagering  
36 operators.

1 New Sec. 3. (a) Each lottery gaming facility manager shall be limited  
2 to three interactive sports wagering platforms that shall be approved by the  
3 executive director. Any interactive sports wagering platform approved by  
4 the executive director shall be able to serve the public convenience and  
5 promote sports wagering in accordance with marketing plans developed by  
6 the Kansas lottery offer sports wagers and may be made available to any  
7 lottery gaming facility manager that has entered into a management  
8 contract for the management of sports wagering under the Kansas  
9 expanded lottery act.

10 (b) An interactive sports wagering platform shall only accept wagers  
11 from individuals who are physically located within the state of Kansas at  
12 the time of submitting the wager. Sports wagering conducted through such  
13 interactive sports wagering platform shall be offered only as approved by  
14 the Kansas lottery and in accordance with the provisions of the Kansas  
15 expanded lottery act.

16 (c) Requests for approval of an interactive sports wagering platform  
17 submitted to the Kansas lottery shall be in such form and manner as  
18 prescribed by the executive director. The lottery gaming facility manager  
19 requesting approval shall provide such information regarding the  
20 interactive sports wagering platform and the manager's intended use of  
21 such platform as the executive director deems necessary. All background  
22 investigation requirements required by the Kansas racing and gaming  
23 commission pursuant to the Kansas expanded lottery act shall be  
24 completed before the executive director shall consider approval and usage  
25 of any interactive sports wagering platform. The executive director shall  
26 not unreasonably withhold approval of an interactive sports wagering  
27 platform that a lottery gaming facility manager requests to be approved for  
28 conducting sports wagering. The lottery gaming facility managers shall not  
29 be required to use the same interactive sports wagering platforms.

30 (d) A sporting facility may enter into a contract with a lottery gaming  
31 facility manager for the purpose of allowing the sporting facility to offer a  
32 location within the sporting facility that is designated as an area where  
33 patrons may engage in sports wagering as authorized by the Kansas  
34 expanded lottery act. Such sports wagering activity in the designated area  
35 of the sporting facility shall be limited to the use of interactive sports  
36 wagering platforms.

37 (e) As used in this section, "sporting facility" means an auto race  
38 track facility or major multi-sport athletic complex as those terms are  
39 defined in K.S.A. 2020 Supp. 12-17,162, and amendments thereto, that is  
40 located in Wyandotte county with a minimum investment of \$50,000,000  
41 and is in operation on the effective date of this act.

42 New Sec. 4. (a) The Kansas racing and gaming commission shall  
43 adopt rules and regulations regarding the advertisement of sports

1 wagering. Such rules and regulations shall be adopted on or before  
2 October 31, 2021, and shall include, but not be limited to:

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

7 (2) disclosure of the identity of the sports wagering manager in all  
8 such advertisements;

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

11 (4) prohibitions on false, misleading or deceptive advertisements.

12 (b) The Kansas racing and gaming commission rules and regulations  
13 related to voluntarily excluded persons shall apply to sports wagering.

14 New Sec. 5. The Kansas lottery may restrict, limit or exclude  
15 wagering on one or more sporting events by providing notice to all sports  
16 wagering managers in such form and manner as prescribed by the  
17 executive director. Offering or taking wagers that are contrary to any such  
18 notice or any rules and regulations promulgated by either the Kansas  
19 lottery or the Kansas racing and gaming commission on a sporting event is  
20 a violation of the Kansas expanded lottery act.

21 New Sec. 6. (a) Sports wagering managers and their interactive sports  
22 wagering platforms shall use reasonable methods to:

23 (1) Prohibit the manager, any director, officer, owner and employee  
24 of the manager and any relative living in the same household as such  
25 persons from placing any wager with the manager at the manager's  
26 location or through the manager's interactive sports wagering platform;

27 (2) prohibit the interactive sports wagering platform, any director,  
28 officer, owner and employee of the platform and any relative living in the  
29 same household as such persons from placing any wager at the manager's  
30 location or through the manager's interactive sports wagering platform;

31 (3) prohibit any person with access to nonpublic confidential  
32 information held by the manager from placing any wager with the  
33 manager;

34 (4) prohibit persons from placing any wager as agents or proxies for  
35 other persons;

36 (5) prohibit any person known by the manager to have been convicted  
37 of any felony or misdemeanor offense involving sports wagering,  
38 including, but not limited to, the use of funds derived from illegal activity  
39 to make any wager, placing any wager to conceal money derived from  
40 illegal activity, the use of other individuals to place any wager as part of  
41 any wagering scheme to circumvent any provision of federal or state law  
42 and the use of false identification to facilitate the placement of any wager  
43 or the collection of any prize in violation of federal or state law, from

1 placing wagers;

2 (6) maintain the security of wagering data, customer data and other  
3 confidential information from unauthorized access and dissemination,  
4 except that nothing in this act shall preclude the use of internet or cloud-  
5 based hosting of such data and information or disclosure as required by  
6 court order, state or federal law or as otherwise required by this act; and

7 (7) subject to Kansas lottery approval, establish sports wagering rules  
8 that specify the amounts to be paid on winning sports wagers and the  
9 effect of changes in the scheduling of an authorized sporting event subject  
10 to sports wagering.

11 (b) Sports wagering managers shall cooperate with any investigations  
12 conducted by the Kansas lottery, the Kansas racing and gaming  
13 commission or law enforcement agencies.

14 (c) Sports wagering managers shall immediately report to the Kansas  
15 lottery and the Kansas racing and gaming commission any information  
16 relating to:

17 (1) Criminal or disciplinary proceedings commenced against the  
18 sports wagering manager in connection with such manager's operations in  
19 any jurisdiction in which such sports wagering manager operates;

20 (2) abnormal wagering activity or patterns that may indicate a  
21 concern with the integrity of a sporting event in any jurisdiction in which  
22 such sports wagering manager operates;

23 (3) any other conduct that knowingly corrupts a betting outcome of a  
24 sporting event, including match-fixing; and

25 (4) suspicious or illegal wagering activities, including, but not limited  
26 to, the use of: Funds derived from illegal activity, wagers to conceal or  
27 launder funds derived from illegal activity, agents to place wagers and  
28 false identification when placing wagers.

29 New Sec. 7. (a) For all persons making wagers in an aggregate  
30 amount of \$10,000 or more within any 24-hour period of time, sports  
31 wagering managers, if available by reasonable efforts, shall maintain  
32 records of:

33 (1) The name of the person placing the bet;

34 (2) the amount and type of the bet;

35 (3) the time the bet was placed;

36 (4) the location of the bet, including the IP address if applicable;

37 (5) the outcome of the bet; and

38 (6) any records of abnormal betting activity.

39 (b) Records required by subsection (a) shall be maintained for at least  
40 30 days after the sporting event occurs, unless the Kansas racing and  
41 gaming commission or the Kansas lottery contacts the sports wagering  
42 manager and has reason to believe irregularities may have occurred in  
43 regard to one or more particular wagering events, then such records shall

1 be maintained for at least three years after the event occurs.

2 (c) A sports wagering manager shall make such records available for  
3 inspection upon request of the Kansas lottery, the Kansas racing and  
4 gaming commission or as required by court order.

5 New Sec. 8. The state shall have a cause of action, and may seek  
6 damages or other equitable relief, against any person who knowingly  
7 engages in, facilitates or conceals conduct that intends to improperly  
8 influence a wagering outcome of a sporting event for purposes of financial  
9 gain in connection with wagering on a sporting event. The provisions of  
10 this section shall not be construed as a limitation on or bar against any  
11 other claims the state may bring against such person, or any other claim  
12 the state may bring for injuries or damages arising out of the operation of  
13 sports wagering.

14 New Sec. 9. (a) There is hereby established in the state treasury the  
15 sports wagering receipts fund. Separate accounts shall be maintained in  
16 such fund for receipt of moneys from sports wagering conducted by the  
17 Kansas lottery through each lottery gaming facility manager. All  
18 expenditures from the fund shall be made in accordance with appropriation  
19 acts upon warrants of the director of accounts and reports issued pursuant  
20 to vouchers approved by the executive director, or the executive director's  
21 designee, for the purposes set forth in this act.

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

34 (c) The executive director shall allow lottery gaming facility  
35 managers to carry over negative sports wagering revenues and apply such  
36 amounts to returns filed for subsequent weeks. Sports wagering revenues  
37 for a week will be considered negative if the winnings paid to patrons  
38 wagering on such manager's sports wagering exceeds the manager's total  
39 bets accepted from sports wagering by patrons. The negative amount of  
40 sports wagering revenues may not be applied back to an earlier week and  
41 moneys previously received by the lottery will not be refunded unless the  
42 manager ceases to operate sports wagering and the last return reported  
43 negative sports wagering revenues.

1 (d) The executive director shall certify weekly to the director of  
2 accounts and reports the percentages or amounts to be transferred from  
3 each account maintained in the sports wagering receipts fund to the lottery  
4 operating fund in accordance with K.S.A. 74-8711, and amendments  
5 thereto, as provided in the lottery gaming facility management contract.  
6 Upon receipt of the certification, the director of accounts and reports shall  
7 transfer amounts from each such account in accordance with the  
8 certification of the executive director. Once each month, the executive  
9 director shall cause amounts from each such account to be paid to the  
10 lottery gaming facility managers in accordance with each respective  
11 contract.

12 New Sec. 10. (a) There is hereby established in the state treasury the  
13 white collar crime fund, which shall be administered by the governor. All  
14 moneys credited to the white collar crime fund shall be expended only for  
15 the purpose of investigating and prosecuting:

16 (1) Criminal offenses involving or facilitated by:

17 (A) The use of funds derived from illegal activity to make wagers;

18 (B) placing wagers to conceal money derived from illegal activity;

19 (C) the use of other individuals to place wagers as part of any  
20 wagering scheme to circumvent any provision of federal or state law;

21 (D) the use of false identification to facilitate the placement of any  
22 wager or the collection of any prize in violation of federal or state law;

23 (E) any other unlawful activity involving or facilitated by the placing  
24 of wagers; or

25 (F) any other violation of the Kansas expanded lottery act; or

26 (2) any financial or economic crime involving any unauthorized  
27 gambling.

28 (b) All expenditures from the fund shall be made in accordance with  
29 appropriation acts upon warrants of the director of accounts and reports  
30 issued pursuant to vouchers approved by the governor, or the governor's  
31 designee, for the purposes set forth in this act.

32 (c) The attorney general and the executive director of the Kansas  
33 racing and gaming commission annually, on or before August 1, shall  
34 submit requests to the governor for the amount of such sums that they  
35 consider necessary to carry out the purposes of the white collar crime fund.  
36 The governor may certify to the director of accounts and reports amounts  
37 to be transferred from the white collar crime fund to any special revenue  
38 fund or funds of the attorney general and the Kansas racing and gaming  
39 commission as deemed appropriate by the governor. Upon receipt of any  
40 such certification, the director of accounts and reports shall transfer  
41 amounts from the white collar crime fund to the special revenue fund or  
42 funds of the attorney general and the Kansas racing and gaming  
43 commission in accordance with such certification.

1 New Sec. 11. (a) Misuse of nonpublic sports information is placing,  
2 or causing to be placed, a bet or wager on a sports contest on the basis of  
3 material nonpublic information relating to such bet or wager.

4 (b) Misuse of nonpublic sports information is a severity level 5,  
5 nonperson felony.

6 (c) As used in this section:

7 (1) "On the basis of material nonpublic information" means the  
8 person placing the bet or wager, or causing such bet or wager to be placed,  
9 was aware of the material nonpublic information relating to such bet or  
10 wager when the person placed the bet or wager, or caused such bet or  
11 wager to be placed.

12 (2) "Sports contest" means the same as that term is defined in K.S.A.  
13 2020 Supp. 21-6507, and amendments thereto.

14 (d) The provisions of this section shall be a part of and supplemental  
15 to the Kansas criminal code.

16 New Sec. 12. If any federally recognized Indian tribe described in  
17 K.S.A. 74-9802(f), and amendments thereto, submits a request for  
18 negotiation of a gaming compact regarding sports wagering in accordance  
19 with K.S.A. 46-2302, and amendments thereto, the governor or the  
20 governor's designated representatives shall negotiate in good faith with  
21 such Indian tribe to enter into such a gaming compact.

22 Sec. 13. K.S.A. 2020 Supp. 21-6403 is hereby amended to read as  
23 follows: 21-6403. As used in K.S.A. 2020 Supp. 21-6403 through 21-  
24 6409, and amendments thereto:

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

28 (1) Bona fide business transactions~~which~~ *that* are valid under the law  
29 of contracts including, but not limited to, contracts for the purchase or sale  
30 at a future date of securities or other commodities, and agreements to  
31 compensation for loss caused by the happening of the chance including,  
32 but not limited to, contracts of indemnity or guaranty and life or health and  
33 accident insurance;

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

38 (3) a lottery as defined in this section;

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

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

- 1 (6) any system of parimutuel wagering managed, operated and  
2 conducted in accordance with the Kansas parimutuel racing act;
- 3 (7) tribal gaming;
- 4 (8) charitable raffles as defined by K.S.A. 75-5173, and amendments  
5 thereto;~~or~~
- 6 (9) a fantasy sports league as defined in this section; *or*
- 7 (10) *sports wagering on sporting events, as both terms are defined by*  
8 *K.S.A. 74-8702, and amendments thereto, pursuant to the Kansas*  
9 *expanded lottery act;*
- 10 (b) "lottery" means an enterprise wherein for a consideration the  
11 participants are given an opportunity to win a prize, the award of which is  
12 determined by chance. A lottery does not include:
- 13 (1) A lottery operated by the state pursuant to the Kansas lottery act;  
14 *or*
- 15 (2) tribal gaming;
- 16 (c) "consideration" means anything~~—which~~ *that* is a commercial or  
17 financial advantage to the promoter or a disadvantage to any participant.  
18 Mere registration without purchase of goods or services; personal  
19 attendance at places or events, without payment of an admission price or  
20 fee; listening to or watching radio and television programs; answering the  
21 telephone or making a telephone call and acts of like nature are not  
22 consideration. "Consideration" shall not include sums of money paid by or  
23 for:
- 24 (1) Participants in any bingo game managed, operated or conducted  
25 in accordance with the laws of the state of Kansas by any bona fide  
26 nonprofit religious, charitable, fraternal, educational or veteran  
27 organization licensed to manage, operate or conduct bingo games under  
28 the laws of the state of Kansas and it shall be conclusively presumed that  
29 such sums paid by or for such participants were intended by such  
30 participants to be for the benefit of the sponsoring organizations for the use  
31 of such sponsoring organizations in furthering the purposes of such  
32 sponsoring organizations, as set forth in the appropriate paragraphs of  
33 section 501(c) or (d) of the internal revenue code of 1986 and as set forth  
34 in K.S.A. 79-4701, and amendments thereto;
- 35 (2) participants in any lottery operated by the state pursuant to the  
36 Kansas lottery act;
- 37 (3) participants in any system of parimutuel wagering managed,  
38 operated and conducted in accordance with the Kansas parimutuel racing  
39 act; *or*
- 40 (4) a person to participate in tribal gaming;
- 41 (d) "fantasy sports league" means any fantasy or simulation sports  
42 game or contest in which no fantasy or simulation sports team is based on  
43 the current membership of an actual team that is a member of an amateur



1 or professional sports organization and that meets the following  
2 conditions:

3 (1) All prizes and awards offered to winning participants are  
4 established and made known to the participants in advance of the game or  
5 contest and their value is not determined by the number of participants or  
6 the amount of any fees paid by those participants;

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

11 (3) no winning outcome is based:

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

14 (B) solely on any single performance of an individual athlete in any  
15 single real-world sporting event;:

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

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

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

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

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

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

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

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

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

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

1 (2) "Gambling device" ~~shall~~ *does* not include:

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

8 (B) any machine, mechanical device, electronic device or other  
9 contrivance, such as a coin-operated bowling alley, shuffleboard, marble  
10 machine, a so-called pinball machine, or mechanical gun, which is not  
11 designed and manufactured primarily for use in connection with gambling,  
12 and:

13 (i) Which when operated does not deliver, as a result of chance, any  
14 money; or

15 (ii) by the operation of which a person may not become entitled to  
16 receive, as the result of the application of an element of chance, any  
17 money;

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

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

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

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

34 (h) "tribal gaming commission" means the same as in K.S.A. 74-  
35 9802, and amendments thereto.

36 Sec. 14. K.S.A. 2020 Supp. 21-6507 is hereby amended to read as  
37 follows: 21-6507. (a) Sports bribery is:

38 (1) Conferring, or offering or agreeing to confer, any benefit upon a  
39 sports participant with intent to influence such participant not to give such  
40 participant's best efforts in a sports contest;

41 (2) conferring or offering or agreeing to confer, any benefit upon a  
42 sports official with intent to influence such official to perform such  
43 official's duties improperly;

1 (3) accepting, agreeing to accept or soliciting by a sports participant  
 2 of any benefit from another person upon an understanding that such sports  
 3 participant will thereby be influenced not to give such participant's best  
 4 efforts in a sports contest; or

5 (4) accepting, agreeing to accept or soliciting by a sports official any  
 6 benefit from another person upon an understanding that such official will  
 7 perform such official's duties improperly.

8 (b) Sports bribery as defined in:

9 (1) Subsection (a)(1) or (a)(2) is a severity level 98, nonperson  
 10 felony; and

11 (2) Subsection (a)(3) or (a)(4) is a class A nonperson misdemeanor.

12 (c) As used in this section and K.S.A. 2020 Supp. 21-6508, and  
 13 amendments thereto:

14 (1) "Sports contest" means any professional or amateur sports or  
 15 athletic game or contest viewed by the public;

16 (2) "sports participant" means any person who participates or expects  
 17 to participate in a sports contest as a player, contestant or member of a  
 18 team, or as a coach, manager, trainer or other person directly associated  
 19 with a player, contestant or team; and

20 (3) "sports official" means any person who acts or expects to act in a  
 21 sports contest as an umpire, referee, judge or otherwise to officiate at a  
 22 sports contest.

23 Sec. 15. K.S.A. 2020 Supp. 21-6508 is hereby amended to read as  
 24 follows: 21-6508. (a) Tampering with a sports contest is seeking to  
 25 influence a sports participant or sports official, or tampering with any  
 26 animal or equipment or other thing involved in the conduct or operation of  
 27 a sports contest, in a manner known to be contrary to the rules and usages  
 28 governing such contest and with intent to influence the outcome of such  
 29 contest.

30 (b) Tampering with a sports contest is a severity level 98, nonperson  
 31 felony.

32 Sec. 16. K.S.A. 46-2301 is hereby amended to read as follows: 46-  
 33 2301. As used in ~~this act~~ *K.S.A. 46-2301 through 46-2304, and*  
 34 *amendments thereto, and section 12, and amendments thereto:*

35 (a) "Class III gaming" has the meaning provided by the Indian  
 36 gaming regulatory act (25 U.S.C. 2701 et seq.).

37 (b) "Gaming compact" means a tribal-state compact regarding class  
 38 III gaming as provided by section 11 of the Indian gaming regulatory act  
 39 (25 U.S.C. 2710).

40 (c) "Committee" or "joint committee" means the joint committee on  
 41 state-tribal relations.

42 Sec. 17. K.S.A. 74-8702 is hereby amended to read as follows: 74-  
 43 8702. As used in the Kansas lottery act, unless the context otherwise

1 requires:

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

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

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

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

25 (e) "Gaming equipment" means any electric, electronic, computerized  
26 or electromechanical machine, mechanism, supply or device or any other  
27 equipment, ~~which~~ that is:

28 (1) Unique to the Kansas lottery and used pursuant to the Kansas  
29 lottery act; ~~and~~

30 (2) integral to the operation of an electronic gaming machine or  
31 lottery facility game; and

32 (3) affects the results of an electronic gaming machine or lottery  
33 facility game by determining win or loss.

34 (f) "Gaming zone" means:

35 (1) The northeast Kansas gaming zone, which consists of Wyandotte  
36 county;

37 (2) the southeast Kansas gaming zone, which consists of Crawford  
38 and Cherokee counties;

39 (3) the south central Kansas gaming zone, which consists of  
40 Sedgwick and Sumner counties; and

41 (4) the southwest Kansas gaming zone, which consists of Ford  
42 county.

43 (g) "Gray machine" means any mechanical, electro-mechanical or

1 electronic device, capable of being used for gambling; that is:

2 (1) Not authorized by the Kansas lottery;

3 (2) not linked to a lottery central computer system;

4 (3) available to the public for play; or

5 (4) capable of simulating a game played on an electronic gaming  
6 machine or any similar gambling game authorized pursuant to the Kansas  
7 expanded lottery act.

8 (h) *"Interactive sports wagering platform" means sports wagering*  
9 *made available to persons physically located within the state of Kansas at*  
10 *the time of submitting the wager through a lottery gaming facility over the*  
11 *internet or wireless services as defined in K.S.A. 66-2019, and*  
12 *amendments thereto, including, but not limited to, through websites and*  
13 *mobile device applications.*

14 (i) (1) "Instant bingo vending machine" means a machine or  
15 electronic device that is purchased or leased by a licensee, as defined by  
16 K.S.A. 2019 Supp. 75-5173, and amendments thereto, from a distributor  
17 who has been issued a distributor registration certificate pursuant to K.S.A.  
18 2019 Supp. 75-5184, and amendments thereto, or leased from the Kansas  
19 lottery in fulfillment of the Kansas lottery's obligations under an  
20 agreement between the Kansas lottery and a licensee entered into pursuant  
21 to K.S.A. 2019 Supp. 75-5189, and amendments thereto, and the sole  
22 purpose of which is to:

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

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

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

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

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

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

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

36 (E) dispense any winnings;

37 (F) dispense any prize;

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

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

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

43 All physical instant bingo tickets dispensed by an instant bingo vending

1 machine shall be purchased by a licensee, as defined by K.S.A. 2019 Supp.  
2 75-5173, and amendments thereto, from a registered distributor.

3 ~~Not~~ *Not* more than two instant bingo vending machines may be located  
4 on the premises of each licensee location.

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

7 ~~(k)~~*(k)* "Lottery" or "state lottery" means the lottery or lotteries  
8 operated pursuant to this act.

9 ~~(l)~~*(l)* "Lottery facility games" means any electronic gaming machines  
10 and any other games ~~which, as of January 1, 2007, that~~ are authorized to  
11 be conducted or operated at ~~a tribal gaming facility, as defined in K.S.A.~~  
12 ~~74-9802, and amendments thereto, located within the boundaries of this~~  
13 ~~state any licensed gaming facility in the United States, except that the state~~  
14 ~~may also operate sports wagering as authorized by this act.~~

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

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

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

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

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

38 ~~(r)~~*(r)* "Lottery gaming facility revenues" means the total revenues  
39 from lottery facility games at a lottery gaming facility after all related  
40 prizes are paid. *"Lottery gaming facility revenues" do not include any*  
41 *sports wagering revenues.*

42 ~~(s)~~*(s)* (1) "Lottery machine" means any machine or device that allows  
43 a purchaser to insert cash or other form of consideration and may deliver

1 as the result of an element of chance, regardless of the skill required by the  
2 purchaser, a prize or evidence of a prize, including, but not limited to:

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

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

10 (2) "Lottery machine" ~~shall~~ *does* not mean:

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

13 (B) any nonprescription drug machine authorized under K.S.A. 65-  
14 650, and amendments thereto;

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

17 (D) any machine excluded from the definition of gambling devices  
18 under K.S.A. 21-4302(d), prior to its repeal, or K.S.A. 2020 Supp. 21-  
19 6403, and amendments thereto;

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

22 (F) any lottery ticket vending machine; or

23 (G) any instant bingo vending machine.

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

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

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

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

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

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

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

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

43 (C) automatically determine or display the winning status of any

1 dispensed ticket;

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

3 (E) dispense any winnings;

4 (F) dispense any prize;

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

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

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

11 ~~Not~~ *Not* more than two lottery ticket vending machines may be located  
12 at each Kansas lottery retailer selling location.

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

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

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

31 ~~(w)~~(w) "*Match-fixing*" means to arrange or determine any action that  
32 occurs during a sporting event, including, but not limited to, any action  
33 resulting in the final outcome of such sporting event, for financial gain.

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

38 ~~(y)~~(y) "Organization licensee" ~~has the meaning provided by~~ *means*  
39 *the same as defined in K.S.A. 74-8802, and amendments thereto.*

40 ~~(z)~~(z) "Parimutuel licensee" means a facility owner licensee or  
41 facility manager licensee under the Kansas parimutuel racing act.

42 ~~(aa)~~(aa) "Parimutuel licensee location" means a racetrack facility, as  
43 defined in K.S.A. 74-8802, and amendments thereto, owned or managed



1 by the parimutuel licensee. A parimutuel licensee location may include any  
 2 existing structure at such racetrack facility or any structure that may be  
 3 constructed on real estate where such racetrack facility is located.

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

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

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

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

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

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

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

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

33 ~~(hh)~~(jj) (1) *"Sporting event" means any professional or collegiate*  
 34 *sport or athletic event, motor race event, horse race or any other special*  
 35 *event authorized by the executive director that has not been completed at*  
 36 *the time any wager is placed on such event.*

37 (2) *"Sporting event" does not include any greyhound race that is*  
 38 *subject to the provisions of K.S.A. 74-8801 et seq., and amendments*  
 39 *thereto, or any sporting or athletic event played by individuals that are at*  
 40 *the high school level or below unless the majority of the participants in the*  
 41 *sporting or athletic event are 18 years of age or older.*

42 ~~(kk)~~(1) *"Sports wagering" means placing a wager on one or more*  
 43 *sporting events, or any portion thereof, or on the individual performance*

1 *statistics of athletes participating in a sporting event, or combination of*  
 2 *sporting events, with the betting made at or through a lottery gaming*  
 3 *facility, including the interactive sports wagering platform of a lottery*  
 4 *gaming facility manager. "Sports wagering" includes, but is not limited to,*  
 5 *single-game wagers, teaser wagers, parlays, over-under wagers,*  
 6 *moneyline wagers, pools, exchange wagers, in-play wagers, in-game*  
 7 *wagers, proposition wagers and straight wagers.*

8 (2) *"Sports wagering" does not include parimutuel wagering as*  
 9 *defined in K.S.A. 74-8802, and amendments thereto, or fantasy sports*  
 10 *leagues as defined in K.S.A. 2019 Supp. 21-6403, and amendments*  
 11 *thereto.*

12 (ll) *"Sports wagering manager" means any lottery gaming facility*  
 13 *manager that has an approved management contract that provides for*  
 14 *management of sports wagering.*

15 (mm) *"Sports wagering revenues" means the amount of revenue*  
 16 *generated from sports wagering equal to the total amount of all wagers,*  
 17 *less any voided wagers, federal excise taxes, any free play approved by the*  
 18 *Kansas lottery and any amounts paid as prizes. "Sports wagering*  
 19 *revenues" shall not be considered lottery gaming facility revenues.*

20 (nn) *"Ticket" means any tangible evidence issued by the Kansas*  
 21 *lottery to prove participation in a lottery game other than a lottery facility*  
 22 *game.*

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

29 (jj)(pp) *"Vendor" means any person who has entered into a major*  
 30 *procurement contract with the Kansas lottery.*

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

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

40 Sec. 18. K.S.A. 74-8710 is hereby amended to read as follows: 74-  
 41 8710. (a) The commission, upon the recommendation of the executive  
 42 director, shall adopt rules and regulations governing the establishment and  
 43 operation of a state lottery, sales of lottery tickets, *sports wagering* and the

1 operation of lottery gaming facilities and racetrack gaming facilities as  
2 necessary to carry out the purposes of the Kansas lottery act and the  
3 Kansas expanded lottery act. Temporary rules and regulations may be  
4 adopted by the commission without being subject to the provisions and  
5 requirements of K.S.A. 77-415 through 77-438, and amendments thereto,  
6 but shall be subject to approval by the attorney general as to legality and  
7 shall be filed with the secretary of state and published in the Kansas  
8 register. Temporary and permanent rules and regulations may include, but  
9 shall not be limited to:

10 (1) Subject to the provisions of subsection (c), the types of lottery  
11 games to be conducted, including, but not limited to, instant lottery, on-  
12 line, traditional games, lottery facility games and electronic gaming  
13 machine games but not including games on video lottery machines or  
14 lottery machines. *No online lottery games shall:*

15 (A) *Provide or be accompanied by any music or audio sound effects,*  
16 *animated visual display or any audio or visual effects that portray,*  
17 *simulate, emulate or resemble an electronic gaming machine;*

18 (B) *visually or functionally operate or appear to operate as an*  
19 *electronic gaming machine or a facsimile thereof;*

20 (C) *extend or arrange credit for the purchase of a ticket;*

21 (D) *allow for the redemption of a lottery ticket other than at a lottery*  
22 *retail location or a Kansas lottery office; or*

23 (E) *determine the winner of any game in less than four minutes from*  
24 *the time the lottery ticket is purchased or acquired.*

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

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

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

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

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

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

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

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

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

43 (11) Information required to be submitted by vendors, in addition to

1 that required by K.S.A. 74-8705, and amendments thereto.

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

6 (13) Rules and regulations to implement, administer and enforce the  
7 provisions of the Kansas expanded lottery act. Such rules and regulations  
8 shall include, but not be limited to, rules and regulations ~~which~~ *that* govern  
9 management contracts and ~~which~~ are designed to:

10 (A) Ensure the integrity of electronic gaming machines ~~and~~, *sports*  
11 *wagering*, other lottery facility games and the finances of lottery gaming  
12 facilities and racetrack gaming facilities; and

13 (B) *promote responsible gaming and* alleviate problem gambling,  
14 including a requirement that each lottery gaming facility and each  
15 racetrack gaming facility maintain a self-exclusion list by which  
16 individuals may exclude themselves from access to electronic gaming  
17 machines ~~and~~, *sports wagering and* other lottery facility games.

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

21 (15) *Rules and regulations to implement, administer and enforce*  
22 *sports wagering. Such rules and regulations shall include, but not be*  
23 *limited to:*

24 (A) *Management contracts for sports wagering conducted by lottery*  
25 *gaming facility managers;*

26 (B) *provisions ensuring the integrity of sports wagering conducted in*  
27 *the state;*

28 (C) *permitting each lottery gaming facility manager, or such*  
29 *manager's contracted parties, to have employees located outside the state*  
30 *of Kansas so that all job functions will conform with 18 U.S.C. § 1081 et*  
31 *seq.;*

32 (D) *permitting preestablished online accounts from other states to be*  
33 *accessed within the borders of Kansas so that revenue is recorded*  
34 *correctly and all other Kansas online rules are followed; and*

35 (E) *allowing lottery gaming facility managers to carry over negative*  
36 *amounts to returns filed for subsequent weeks when sports wagering*  
37 *revenues for a week are a negative number because the winnings paid to*  
38 *patrons wagering on the manager's sports wagering exceeds the*  
39 *manager's total bets accepted from sports wagering by patrons. The*  
40 *negative amounts of sports wagering revenues may not be carried back to*  
41 *an earlier week and moneys previously received by the lottery will not be*  
42 *refunded, except if the manager ceases to operate sports wagering and the*  
43 *last return reported negative adjusted gross receipts.*

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

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

10 Sec. 19. K.S.A. 74-8711 is hereby amended to read as follows: 74-  
11 8711. (a) There is hereby established in the state treasury the lottery  
12 operating fund.

13 (b) Except as provided by K.S.A. 74-8724, *and amendments thereto*,  
14 and the Kansas expanded lottery act, ~~and amendments thereto~~, the  
15 executive director shall remit all moneys collected from the sale of lottery  
16 tickets and shares and any other moneys received by or on behalf of the  
17 Kansas lottery to the state treasurer in accordance with the provisions of  
18 K.S.A. 75-4215, and amendments thereto. Upon receipt of each such  
19 remittance, the state treasurer shall deposit the entire amount in the state  
20 treasury to the credit of the lottery operating fund. Moneys credited to the  
21 fund shall be expended or transferred only as provided by this act.  
22 Expenditures from such fund shall be made in accordance with  
23 appropriations acts upon warrants of the director of accounts and reports  
24 issued pursuant to vouchers approved by the executive director or by a  
25 person designated by the executive director.

26 (c) Moneys in the lottery operating fund shall be used for:

27 (1) The payment of expenses of the lottery, which shall include all  
28 costs incurred in the operation and administration of the Kansas lottery; all  
29 costs resulting from contracts entered into for the purchase or lease of  
30 goods and services needed for operation of the lottery, including but not  
31 limited to supplies, materials, tickets, independent studies and surveys,  
32 data transmission, advertising, printing, promotion, incentives, public  
33 relations, communications and distribution of tickets and shares; and  
34 reimbursement of costs of facilities and services provided by other state  
35 agencies;

36 (2) the payment of compensation to lottery retailers;

37 (3) transfers of moneys to the lottery prize payment fund pursuant to  
38 K.S.A. 74-8712, and amendments thereto;

39 (4) transfers to the state general fund pursuant to K.S.A. 74-8713, and  
40 amendments thereto;

41 (5) transfers to the community crisis stabilization centers fund and  
42 clubhouse model program fund of the Kansas department for aging and  
43 disability services pursuant to subsection (e);

1 (6) transfers to the state gaming revenues fund pursuant to subsection  
2 (d) and as otherwise provided by law; and

3 (7) transfers to the county reappraisal fund as prescribed by law.

4 (d) The director of accounts and reports shall transfer moneys in the  
5 lottery operating fund to the state gaming revenues fund created by K.S.A.  
6 79-4801, and amendments thereto, on or before the 15<sup>th</sup> day of each month  
7 in an amount certified monthly by the executive director and determined as  
8 follows, whichever is greater:

9 (1) An amount equal to the moneys in the lottery operating fund in  
10 excess of those needed for the purposes described in subsections (c)(1)  
11 through (c)(5); or

12 (2) except for pull-tab lottery tickets and shares, an amount equal to  
13 not less than 30% of total monthly revenues from the sales of lottery  
14 tickets and shares less estimated returned tickets. In the case of pull-tab  
15 lottery tickets and shares, an amount equal to not less than 20% of the total  
16 monthly revenues from the sales of pull-tab lottery tickets and shares less  
17 estimated returned tickets.

18 (e) (1) Subject to the limitations set forth in paragraph (2),  
19 commencing in fiscal year 2019, on or before the 10<sup>th</sup> day of each month,  
20 the director of the lottery shall certify to the director of accounts and  
21 reports all net profits from the sale of lottery tickets and shares via lottery  
22 ticket vending machines. Of such certified amount, the director of  
23 accounts and reports shall transfer 75% from the lottery operating fund to  
24 the community crisis stabilization centers fund of the Kansas department  
25 for aging and disability services and 25% from the lottery operating fund  
26 to the clubhouse model program fund of the Kansas department for aging  
27 and disability services.

28 (2) Moneys transferred pursuant to paragraph (1) shall not exceed in  
29 the aggregate \$4,000,000 in fiscal year 2019, and shall not exceed in the  
30 aggregate \$8,000,000 in fiscal year 2020 and each fiscal year thereafter.

31 *(f) On July 1, 2022, and each July 1 thereafter, or as soon as moneys*  
32 *are available, the first \$750,000 credited to the lottery operating fund from*  
33 *sports wagering revenues deposited in the lottery operating fund shall be*  
34 *transferred by the director of accounts and reports from the lottery*  
35 *operating fund to the white collar crime fund established in section 10,*  
36 *and amendments thereto.*

37 Sec. 20. K.S.A. 74-8716 is hereby amended to read as follows: 74-  
38 8716. (a) It is unlawful for the executive director, a member of the  
39 commission or any employee of the Kansas lottery, or any person residing  
40 in the household thereof to:

41 (1) Have, either directly or indirectly, an interest in a business  
42 knowing that such business contracts with the Kansas lottery for a major  
43 procurement, whether such interest is as a natural person, partner, member

1 of an association, stockholder or director or officer of a corporation; or

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

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

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

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

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

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

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

39 (f) It shall be unlawful for the executive director, a member of the  
40 commission or an employee of the Kansas lottery to accept any  
41 compensation, gift, loan, entertainment, favor or service from any lottery  
42 gaming facility manager, subcontractor or agent of a lottery gaming  
43 facility manager, manufacturer or vendor of electronic gaming machines,

1 *an interactive sports wagering platform* or central computer system  
2 provider.

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

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

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

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

19 Sec. 21. K.S.A. 74-8718 is hereby amended to read as follows: 74-  
20 8718. (a) It is unlawful:

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

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

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

27 (4) to sell a lottery ticket at retail by electronic mail, the internet or  
28 telephone *if the lottery ticket or any related online game:*

29 (A) *Provides or is accompanied by any music or audio sound effects,*  
30 *animated visual display or any audio or visual effects that portray,*  
31 *simulate, emulate or resemble an electronic gaming machine;*

32 (B) *visually or functionally operates or appears to operate as an*  
33 *electronic gaming machine or facsimile thereof;*

34 (C) *extends or arranges credit for the purchase of a ticket;*

35 (D) *allows for the redemption of a lottery ticket other than at a*  
36 *lottery retail location or a Kansas lottery office;*

37 (E) *determines the winner of any game in less than four minutes from*  
38 *the time the lottery ticket is purchased or acquired;* or

39 (F) *allows a player to play more than one game at a time for any one*  
40 *device or any one player.*

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

43 (2) violation of this section is a severity level 9, nonperson felony



1 upon conviction for a second or subsequent offense.

2 Sec. 22. K.S.A. 74-8733 is hereby amended to read as follows: 74-  
3 8733. (a) K.S.A. 74-8733 through 74-8773, *and amendments thereto, and*  
4 *sections 1 through 10*, and amendments thereto, shall be known and may  
5 be cited as the Kansas expanded lottery act. The Kansas expanded lottery  
6 act shall be *a* part of and supplemental to the Kansas lottery act.

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

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

16 Sec. 23. K.S.A. 74-8734 is hereby amended to read as follows: 74-  
17 8734. (a) The Kansas lottery may operate one lottery gaming facility in  
18 each gaming zone.

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

27 (c) The lottery commission shall adopt standards to promote the  
28 integrity of the gaming and finances of lottery gaming facilities, which  
29 shall apply to all management contracts, shall meet or exceed industry  
30 standards for monitoring and controlling the gaming and finances of  
31 gaming facilities and shall give the executive director sufficient authority  
32 to monitor and control the gaming operation and to ensure its integrity and  
33 security.

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

1 pursuant to subsection (b).

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

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

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

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

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

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

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

- 1 (1) Have a maximum initial term of 15 years from the date of opening  
2 of the lottery gaming facility. At the end of the initial term, the contract  
3 may be renewed by mutual consent of the state and the lottery gaming  
4 facility manager;
- 5 (2) specify the total amount to be paid to the lottery gaming facility  
6 manager pursuant to the contract;
- 7 (3) establish a mechanism to facilitate payment of lottery gaming  
8 facility expenses, payment of the lottery gaming facility manager's share of  
9 the lottery gaming facility revenues and distribution of the state's share of  
10 the lottery gaming facility revenues;
- 11 (4) include a provision for the lottery gaming facility manager to pay  
12 the costs of oversight and regulation of the lottery gaming facility manager  
13 and the operations of the lottery gaming facility by the Kansas racing and  
14 gaming commission;
- 15 (5) establish the types of lottery facility games to be installed in such  
16 facility;
- 17 (6) provide for the prospective lottery gaming facility manager, upon  
18 approval of the proposed lottery gaming facility management contract, to  
19 pay to the state treasurer a privilege fee of \$25,000,000 for the privilege of  
20 being selected as a lottery gaming facility manager of a lottery gaming  
21 facility in the northeast or south central Kansas gaming zone and  
22 \$5,500,000 for the privilege of being selected as a lottery gaming facility  
23 manager of a lottery gaming facility in the southeast or southwest Kansas  
24 gaming zone. Such fee shall be deposited in the state treasury and credited  
25 to the lottery gaming facility manager fund, which is hereby created in the  
26 state treasury;
- 27 (7) incorporate terms and conditions for the ancillary lottery gaming  
28 facility operations;
- 29 (8) designate as key employees, subject to approval of the executive  
30 director, any employees or contractors providing services or functions  
31 which are related to lottery facility games authorized by a management  
32 contract;
- 33 (9) include financing commitments for construction;
- 34 (10) include a resolution of endorsement from the city governing  
35 body, if the proposed facility is within the corporate limits of a city, or  
36 from the county commission, if the proposed facility is located in the  
37 unincorporated area of the county;
- 38 (11) include a requirement that any parimutuel licensee developing a  
39 lottery gaming facility pursuant to this act comply with all orders and rules  
40 and regulations of the Kansas racing and gaming commission with regard  
41 to the conduct of live racing, including the same minimum days of racing  
42 as specified in K.S.A. 74-8746, and amendments thereto, for operation of  
43 electronic gaming machines at racetrack gaming facilities;

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

5 (13) include a provision for 2% of lottery gaming facility revenues to  
6 be paid to the problem gambling and addictions grant fund established by  
7 K.S.A. ~~2019 Supp.~~ 79-4805, and amendments thereto;

8 (14) if the prospective lottery gaming facility manager is an American  
9 Indian tribe, include a provision that such tribe agrees to waive its  
10 sovereign immunity with respect to any actions arising from or to enforce  
11 either the Kansas expanded lottery act or any provision of the lottery  
12 gaming facility management contract; any action brought by an injured  
13 patron or by the state of Kansas; any action for purposes of enforcing the  
14 workers compensation act or any other employment or labor law; and any  
15 action to enforce laws, rules and regulations and codes pertaining to  
16 health, safety and consumer protection; and for any other purpose deemed  
17 necessary by the executive director to protect patrons or employees and  
18 promote fair competition between the tribe and others seeking a lottery  
19 gaming facility management contract;

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

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

41 (17) allow the lottery gaming facility manager to manage the lottery  
42 gaming facility in a manner consistent with this act and applicable law, but  
43 shall place full, complete and ultimate ownership and operational control

1 of the gaming operation of the lottery gaming facility with the Kansas  
2 lottery. The Kansas lottery shall not delegate and shall explicitly retain the  
3 power to overrule any action of the lottery gaming facility manager  
4 affecting the gaming operation without prior notice. The Kansas lottery  
5 shall retain full control over all decisions concerning lottery gaming  
6 facility games *and sports wagering*;

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

17 (19) include enforceable provisions: (A) Prohibiting the state, until  
18 July 1, 2032, from: (i) Entering into management contracts for more than  
19 four lottery gaming facilities or similar gaming facilities, one ~~to be~~-located  
20 in the northeast Kansas gaming zone, one ~~to be~~-located in the south central  
21 Kansas gaming zone, one ~~to be~~-located in the southwest Kansas gaming  
22 zone and one ~~to be~~-located in the southeast Kansas gaming zone; (ii)  
23 designating additional areas of the state where operation of lottery gaming  
24 facilities or similar gaming facilities would be authorized; or (iii) operating  
25 an aggregate of more than 2,800 electronic gaming machines at all  
26 parimutuel licensee locations; and (B) requiring the state to repay to the  
27 lottery gaming facility manager an amount equal to the privilege fee paid  
28 by such lottery gaming facility manager, plus interest on such amount,  
29 compounded annually at the rate of 10%, if the state violates the  
30 prohibition provision described in *subparagraph (A)*.

31 (i) (1) *Any management contract approved by the commission under  
32 this section may include provisions for operating and managing sports  
33 wagering by the lottery gaming facility manager in person at the lottery  
34 gaming facility and via the lottery gaming facility through no more than  
35 two interactive sports wagering platforms using the odds and wagers  
36 authorized by the Kansas lottery.*

37 (2) *If a management contract includes provisions for sports  
38 wagering, then such contract shall provide that the state shall retain 7.5%  
39 of all sports wagering revenues received from wagers placed in person at  
40 each lottery gaming facility and 10% of all sports wagering revenues  
41 received by each lottery gaming facility manager from wagers placed on  
42 the interactive sports betting platform selected by the lottery gaming  
43 facility manager and approved by the executive director.*

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

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

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

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

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

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

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

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

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

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

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

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

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

43       (2) A lottery gaming facility manager, on behalf of the state, shall

1 purchase or lease for the Kansas lottery all lottery facility games. All  
 2 lottery facility games shall be subject to the ultimate control of the Kansas  
 3 lottery in accordance with this act.

4 (3) *If a lottery gaming facility manager agrees to manage sports*  
 5 *wagering, the Kansas lottery shall be the licensee or owner of all software*  
 6 *programs used in conducting sports wagering and the lottery gaming*  
 7 *facility manager, on behalf of the state, shall purchase or lease for the*  
 8 *Kansas lottery in the name of the Kansas lottery any equipment or other*  
 9 *property deemed necessary for the lottery gaming facility manager for*  
 10 *managing sports wagering at the lottery gaming facility. All sports*  
 11 *wagering shall be subject to the control of the Kansas lottery in*  
 12 *accordance with the Kansas expanded lottery act.*

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

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

27 Sec. 24. K.S.A. 74-8751 is hereby amended to read as follows: 74-  
 28 8751. (a) The Kansas racing and gaming commission, through *temporary*  
 29 *and permanent* rules and regulations, shall establish:

30 (1) A certification requirement, and enforcement procedure, for  
 31 officers, directors, key employees and persons directly or indirectly  
 32 owning a ~~0.5%~~ 5% or more interest in a lottery gaming facility manager or  
 33 racetrack gaming facility manager. Such certification requirement shall  
 34 include compliance with such security, fitness and background  
 35 investigations and standards as the executive director of the Kansas racing  
 36 and gaming commission deems necessary to determine whether such  
 37 person's reputation, habits or associations pose a threat to the public  
 38 interest of the state or to the reputation of or effective regulation and  
 39 control of the lottery gaming facility or racetrack gaming facility. ~~Any~~  
 40 ~~person convicted of any felony, a crime involving gambling or a crime of~~  
 41 ~~moral turpitude prior to applying for a certificate hereunder or at any time~~  
 42 ~~thereafter shall be deemed unfit. The Kansas racing and gaming~~  
 43 ~~commission shall conduct the security, fitness and background checks~~

1 ~~required pursuant to this subsection. Certification pursuant to this~~  
2 ~~subsection shall not be assignable or transferable;~~

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

28 ~~(e)(3) (A) a certification requirement and enforcement procedure for:~~

29 ~~(i) Employees of a lottery gaming facility manager or another entity~~  
30 ~~owned by the lottery gaming facility manager's parent company that are~~  
31 ~~directly involved in the operation or management of sports wagering~~  
32 ~~managed by such manager; and~~

33 ~~(ii) those persons who propose to contract with a lottery gaming~~  
34 ~~facility manager in an amount that exceeds \$250,000 per year for the~~  
35 ~~provision of goods or services related to sports wagering, including any~~  
36 ~~interactive sports wagering platform requested by a lottery gaming facility~~  
37 ~~manager under section 3, and amendments thereto; and~~

38 ~~(B) such certification requirement shall include compliance with such~~  
39 ~~security, fitness and background investigations and standards as the~~  
40 ~~executive director deems necessary to determine whether such person's~~  
41 ~~reputation, habits or associations pose a threat to the public interest of the~~  
42 ~~state or to the reputation of, or effective regulation and control of, sports~~  
43 ~~wagering conducted by the lottery gaming facility. Such certification shall~~



1 *be valid for one year from the date of issuance;*

2 (4) provisions for revocation of a certification required by subsection  
3 (a) ~~or (b)~~(1) or (2) upon a finding that the certificate holder, an officer or  
4 director thereof or a person directly or indirectly owning a ~~0.5%~~ 5% or  
5 more interest therein:

6 ~~(A)~~(A) Has knowingly provided false or misleading material  
7 information to the Kansas lottery or its employees; or

8 ~~(B)~~(B) has been convicted of a felony, gambling related offense or  
9 any crime of moral turpitude; ~~and~~

10 ~~(5)~~(5) provisions for suspension, revocation or nonrenewal of a  
11 certification required by subsection (a) ~~or (b)~~(1) or (2) upon a finding that  
12 the certificate holder, an officer or director thereof or a person directly or  
13 indirectly owning a ~~0.5%~~ 5% or more interest therein:

14 ~~(A)~~(A) Has failed to notify the Kansas lottery about a material change  
15 in ownership of the certificate holder, or any change in the directors or  
16 officers thereof;

17 ~~(B)~~(B) is delinquent in remitting money owed to the Kansas lottery;

18 ~~(C)~~(C) has violated any provision of any contract between the Kansas  
19 lottery and the certificate holder; or

20 ~~(D)~~(D) has violated any provision of the Kansas expanded lottery act  
21 or any rule and regulation adopted hereunder; *and*

22 (6) *provisions for suspension, revocation or nonrenewal of a*  
23 *certification required by subsection (a)(3) upon a finding that the*  
24 *certificate holder has:*

25 (A) *Knowingly provided false or misleading material information to*  
26 *the Kansas lottery, the Kansas racing and gaming commission or to the*  
27 *employees of either;*

28 (B) *been convicted of a felony, gambling-related offense or any crime*  
29 *of moral turpitude;*

30 (C) *intentionally violated any provision of any contract between the*  
31 *Kansas lottery and the certificate holder; or*

32 (D) *intentionally violated any provision of the Kansas expanded*  
33 *lottery act or any rule and regulation adopted pursuant to such act.*

34 (b) *A certification issued pursuant to this section shall not be*  
35 *assignable or transferable.*

36 Sec. 25. K.S.A. 74-8752 is hereby amended to read as follows: 74-  
37 8752. (a) The executive director of the Kansas lottery and the executive  
38 director of the Kansas racing and gaming commission, or their designees,  
39 may observe and inspect all electronic gaming machines, lottery facility  
40 games, *sports wagering operations*, lottery gaming facilities, racetrack  
41 gaming facilities and all related equipment and facilities operated by a  
42 lottery gaming facility manager or racetrack gaming facility manager.

43 (b) In addition to any other powers granted pursuant to this act, the

1 executive director of the racing and gaming commission shall have the  
2 power to:

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

12 (2) investigate alleged violations of the Kansas expanded lottery act  
13 and alleged violations of any rules and regulations, orders and final  
14 decisions of the Kansas lottery commission, the executive director of the  
15 Kansas lottery, the Kansas racing and gaming commission or the executive  
16 director of the Kansas racing and gaming commission;

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

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

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

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

40 (d) The executive director of the Kansas racing and gaming  
41 commission shall require an annual audit of the operations of each lottery  
42 gaming facility and ancillary lottery gaming facility operations and each  
43 racetrack gaming facility as determined by the commission. Such audit

1 shall be conducted by the Kansas racing and gaming commission or a  
 2 licensed accounting firm approved by the executive director of the Kansas  
 3 racing and gaming commission and shall be conducted at the expense of  
 4 the lottery gaming facility manager or racetrack facility manager.

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

8 Sec. 26. K.S.A. 74-8757 is hereby amended to read as follows: 74-  
 9 8757. (a) A person less than 21 years of age shall not be permitted in an  
 10 area where electronic gaming machines or lottery facility games are being  
 11 conducted, except for a person at least 18 years of age who is an employee  
 12 of the lottery gaming facility manager or the racetrack gaming facility  
 13 manager. No employee under age 21 shall perform any function involved  
 14 in gaming by the patrons.

15 (b) No person under ~~age~~ 21 *years of age* shall:

16 (1) Play or make a wager on an electronic gaming machine game or a  
 17 lottery facility game; *or*

18 (2) *be authorized to directly or indirectly make a wager on any*  
 19 *sporting event or otherwise be permitted to engage in sports wagering.*

20 Sec. 27. K.S.A. 74-8758 is hereby amended to read as follows: 74-  
 21 8758. (a) Except as authorized in subsection (c), it is unlawful for any  
 22 racetrack gaming facility manager, or any employee or agent thereof, to  
 23 allow any person to play an electronic gaming machine game at a  
 24 racetrack gaming facility, or share in winnings of such person, knowing  
 25 such person to be:

26 (1) Less than 21 years of age;

27 (2) the executive director of the Kansas lottery, a member of the  
 28 Kansas lottery commission or an employee of the Kansas lottery;

29 (3) the executive director, a member or an employee of the Kansas  
 30 racing and gaming commission;

31 (4) an officer or employee of a vendor contracting with the Kansas  
 32 lottery to supply gaming equipment or tickets to the Kansas lottery for use  
 33 in the operation of any lottery conducted pursuant to the Kansas expanded  
 34 lottery act;

35 (5) an employee or agent of the racetrack gaming facility manager;

36 (6) a spouse, child, stepchild, brother, stepbrother, sister, stepsister,  
 37 parent or stepparent of a person described by subsection (a)(2); *or* (a)(3);  
 38 ~~(a)(4) or (a)(5);~~ *or*

39 (7) a person who resides in the same household as any person  
 40 described by subsection (a)(2); *or* (a)(3); ~~(a)(4) or (a)(5).~~

41 Violation of this subsection is a class A nonperson misdemeanor upon  
 42 conviction for a first offense. Violation of this subsection is a severity level  
 43 9, nonperson felony upon conviction for the second or a subsequent

1 offense.

2 (b) Except as authorized in subsection (c), it is unlawful for any  
3 lottery gaming facility manager, or its employees or agents, to allow any  
4 person to play electronic gaming machines or lottery facility games at a  
5 lottery gaming facility or share in winnings of such person knowing such  
6 person to be:

7 (1) Under 21 years of age;

8 (2) the executive director of the Kansas lottery, a member of the  
9 Kansas lottery commission or an employee of the Kansas lottery;

10 (3) the executive director, a member or an employee of the Kansas  
11 racing and gaming commission;

12 (4) an employee or agent of the lottery gaming facility manager;

13 (5) an officer or employee of a vendor contracting with the Kansas  
14 lottery to supply gaming equipment to the Kansas lottery for use in the  
15 operation of any electronic gaming machine or lottery facility game  
16 conducted pursuant to the Kansas expanded lottery act;

17 (6) a spouse, child, stepchild, brother, stepbrother, sister, stepsister,  
18 parent or stepparent of a person described in subsection (b)(2); *or* (b)(3);  
19 ~~(b)(4) or (b)(5)~~; or

20 (7) a person who resides in the same household as any person  
21 described by subsection (b)(2); *or* (b)(3); ~~(b)(4) or (b)(5)~~.

22 Violation of this subsection is a class A nonperson misdemeanor upon  
23 conviction for a first offense. Violation of this subsection is a severity level  
24 9, nonperson felony upon conviction for a second or subsequent offense.

25 (c) The executive director of the Kansas racing and gaming  
26 commission may authorize in writing any employee of the Kansas racing  
27 and gaming commission and any employee of a lottery vendor to play an  
28 electronic gaming machine game or a lottery facility game to verify the  
29 proper operation thereof with respect to security and contract compliance.  
30 Any prize awarded as a result of such ticket purchase shall become the  
31 property of the Kansas lottery and be added to the prize pools of  
32 subsequent electronic gaming machine games or lottery facility games. No  
33 money or merchandise shall be awarded to any employee playing an  
34 electronic gaming machine game or a lottery facility game pursuant to this  
35 subsection.

36 Sec. 28. K.S.A. 74-8760 is hereby amended to read as follows: 74-  
37 8760. (a) Except in accordance with rules and regulations of the Kansas  
38 racing and gaming commission or by written authority from the executive  
39 director of the Kansas racing and gaming commission in performing  
40 installation, maintenance, inspection and repair services, it is a class A  
41 nonperson misdemeanor for the following to place a wager on or play an  
42 electronic gaming machine game or a lottery facility game at a lottery  
43 gaming facility in this state: The executive director of the Kansas lottery, a

1 member of the Kansas lottery commission or any employee or agent of the  
2 Kansas lottery; the executive director, a member or any employee or agent  
3 of the Kansas racing and gaming commission; or the lottery gaming  
4 facility manager or any employee of the lottery gaming facility manager.

5 (b) Except in accordance with rules and regulations of the Kansas  
6 racing and gaming commission or by written authority from the executive  
7 director of the Kansas racing and gaming commission in performing  
8 installation, maintenance, inspection and repair services, it is a class A  
9 nonperson misdemeanor for the following to place a ~~wager on or play an~~  
10 ~~electronic gaming machine at a racetrack gaming facility in this state~~  
11 ~~sports wager in the state:~~

12 (1) The executive director of the Kansas lottery, a member of the  
13 Kansas lottery commission or any employee or agent of the Kansas lottery;

14 (2) the executive director, a member or any employee or agent of the  
15 Kansas racing and gaming commission; ~~or the racetrack gaming facility~~  
16 ~~manager or any employee of the racetrack gaming facility manager~~

17 (3) *a sports wagering manager, any director, officer, owner or*  
18 *employee of such sports wagering manager or any relative living in the*  
19 *same household as such persons who places any wager with the manager*  
20 *at the manager's location or through the manager's interactive sports*  
21 *wagering platform;*

22 (4) *an interactive sports wagering platform, any director, officer,*  
23 *owner or employee of such platform or any relative living in the same*  
24 *household as such persons who places any wager with the manager at the*  
25 *manager's location or through the manager's interactive sports wagering*  
26 *platform;*

27 (5) *any owner, officer, athlete, coach or other employee of a team; or*

28 (6) *any director, officer or employee of a player or referee union.*

29 (c) *It is a severity level 8, nonperson felony for any person knowingly*  
30 *to place a sports wager:*

31 (1) *As an agent or proxy for other persons;*

32 (2) *using funds derived from illegal activity;*

33 (3) *to conceal money derived from illegal activity;*

34 (4) *through the use of other individuals to place wagers as part of*  
35 *any wagering scheme to circumvent any provision of federal or state law;*  
36 *or*

37 (5) *using false identification to facilitate the placement of the wager*  
38 *or the collection of any prize in violation of federal or state law.*

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

41 (1) Use other than a lawful coin or legal tender of the United States of  
42 America, or to use coin not of the same denomination as the coin intended  
43 to be used in an electronic gaming machine, except that in the playing of

1 any electronic gaming machine or similar gaming device, it shall be lawful  
 2 for any person to use gaming billets, tokens or similar objects therein  
 3 which are approved by the Kansas racing and gaming commission;

4 (2) possess or use, while on premises where electronic gaming  
 5 machines are authorized pursuant to the Kansas expanded lottery act, any  
 6 cheating or thieving device, including, but not limited to, tools, wires,  
 7 drills, coins attached to strings or wires or electronic or magnetic devices  
 8 to facilitate removing from any electronic gaming machine any money or  
 9 contents thereof, except that a duly authorized agent or employee of the  
 10 Kansas racing and gaming commission, lottery gaming facility manager or  
 11 racetrack gaming facility manager may possess and use any of the  
 12 foregoing only in furtherance of the agent's or employee's employment at  
 13 the lottery gaming facility or racetrack gaming facility; or

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

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

27 Sec. 29. K.S.A. 74-8772 is hereby amended to read as follows: 74-  
 28 8772. The Kansas racing and gaming commission shall adopt such rules  
 29 and regulations as the commission deems necessary to carry out the duties  
 30 and functions of the commission pursuant to the Kansas expanded lottery  
 31 act. ~~Such Temporary rules and regulations may be adopted by the~~  
 32 ~~commission without being subject to the provisions and requirements of~~  
 33 ~~K.S.A. 77-415 through 77-438, and amendments thereto, but shall be~~  
 34 ~~subject to approval by the attorney general as to legality and shall be filed~~  
 35 ~~with the secretary of state and published in the Kansas register. Temporary~~  
 36 ~~and permanent rules and regulations shall include, but not be limited to,~~  
 37 rules and regulations:

38 (a) Promoting the integrity of the gaming and finances of lottery  
 39 gaming facilities and racetrack gaming facilities and shall meet or exceed  
 40 industry standards for monitoring and controlling the gaming and finances  
 41 of lottery gaming facility operations and racetrack gaming facility  
 42 operations and shall give the Kansas racing and gaming commission  
 43 sufficient authority to monitor and control the gaming operation and to

1 ensure its integrity and security;

2 (b) prescribing the on-site security arrangements for lottery gaming  
3 facilities and racetrack gaming facilities;

4 (c) requiring reporting of information about any lottery gaming  
5 facility manager or racetrack gaming facility manager, and its employees,  
6 vendors and finances, necessary or desirable to ensure the security of  
7 lottery gaming facility and racetrack gaming facility operations. None of  
8 the information disclosed pursuant to this subsection shall be subject to  
9 disclosure under the Kansas open records act;

10 (d) requiring reporting and auditing of financial information of lottery  
11 gaming facility managers and racetrack gaming facility managers,  
12 including, but not limited to, the reporting of profits or losses incurred by  
13 lottery gaming facility managers and racetrack gaming facility managers  
14 and the reporting of such other information as the Kansas racing and  
15 gaming commission requires to determine compliance with the Kansas  
16 expanded lottery act and rules and regulations adopted hereunder. None of  
17 the information disclosed pursuant to this subsection shall be subject to  
18 disclosure under the Kansas open records act; and

19 (e) provisions for oversight of all lottery gaming facility operations  
20 and racetrack gaming facility operations, including, but not limited to,  
21 oversight of internal controls; oversight of security of facilities;  
22 performance of background investigations, determination of qualifications  
23 and credentialing of employees, contractors and agents of lottery gaming  
24 facility managers, ancillary lottery gaming facility operations and  
25 racetrack gaming facilities; auditing of lottery gaming facility revenues  
26 and net electronic gaming machine income of racetrack gaming facilities;  
27 enforcement of all state laws; and maintenance of the integrity of lottery  
28 gaming facility and racetrack gaming facility operations.

29 Sec. 30. K.S.A. 79-4806 is hereby amended to read as follows: 79-  
30 4806. On July 1 of each year or as soon thereafter as sufficient moneys are  
31 available, ~~\$80,000~~ \$100,000 credited to the state gaming revenues fund  
32 shall be transferred and credited to the problem gambling *and addictions*  
33 grant fund established by K.S.A. 79-4805, and amendments thereto.

34 Sec. 31. K.S.A. 46-2301, 74-8702, 74-8710, 74-8711, 74-8716, 74-  
35 8718, 74-8733, 74-8734, 74-8751, 74-8752, 74-8757, 74-8758, 74-8760,  
36 74-8772 and 79-4806 and K.S.A. 2020 Supp. 21-6403, 21-6507 and 21-  
37 6508 are hereby repealed.

38 Sec. 32. This act shall take effect and be in force from and after its  
39 publication in the statute book.