

SENATE BILL No. 535

By Committee on Federal and State Affairs

3-5

1 AN ACT concerning gaming; relating to certification of gaming suppliers
2 by the Kansas racing and gaming commission; exempting certain
3 suppliers from such certification requirements; amending K.S.A. 2023
4 Supp. 74-8751 and repealing the existing section.
5

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

7 Section 1. K.S.A. 2023 Supp. 74-8751 is hereby amended to read as
8 follows: 74-8751. (a) The Kansas racing and gaming commission, through
9 rules and regulations, shall establish:

10 (1) A certification requirement, and enforcement procedure, for
11 officers, directors, key employees and persons directly or indirectly
12 owning a 5% or more interest in a lottery gaming facility manager or
13 racetrack gaming facility manager. Such certification requirement shall
14 include compliance with such security, fitness and background
15 investigations and standards as the executive director of the Kansas racing
16 and gaming commission deems necessary to determine whether such
17 person's reputation, habits or associations pose a threat to the public
18 interest of the state or to the reputation of or effective regulation and
19 control of the lottery gaming facility or racetrack gaming facility;

20 (2) (A) a certification requirement, and enforcement procedure, for
21 those persons, including electronic gaming machine manufacturers,
22 technology providers and computer system providers, who propose to
23 contract with a lottery gaming facility manager, a racetrack gaming facility
24 manager or the state for the provision of goods or services related to a
25 lottery gaming facility or racetrack gaming facility, including management
26 services. Such certification requirements shall include compliance with
27 such security, fitness and background investigations and standards of
28 officers, directors, key gaming employees and persons directly or
29 indirectly owning a 5% or more interest in such entity as the executive
30 director of the Kansas racing and gaming commission deems necessary to
31 determine whether such person's reputation, habits and associations pose a
32 threat to the public interest of the state or to the reputation of or effective
33 regulation and control of the lottery gaming facility or racetrack gaming
34 facility. If the executive director of the racing and gaming commission
35 determines the certification standards of another state are comprehensive,
36 thorough and provide similar adequate safeguards, the executive director

1 may certify an applicant already certified in such state without the
2 necessity of a full application and background check; *and*

3 (B) *the provisions of this paragraph shall not apply to any person*
4 *who:*

5 (i) *Manufactures or otherwise supplies goods or services to a person*
6 *who is required to be certified under subparagraph (A);*

7 (ii) *does not propose to contract with a lottery gaming facility*
8 *manager, racetrack gaming facility manager or the state for such goods or*
9 *services; and*

10 (iii) *does not perform any work or provide any services on the*
11 *premises of a lottery gaming facility or racetrack gaming facility;*

12 (3) (A) a certification requirement and enforcement procedure for:

13 (i) Employees of a lottery gaming facility manager or another entity
14 owned by the lottery gaming facility manager's parent company that are
15 directly involved in the management of sports wagering managed by such
16 manager; and

17 (ii) those persons who propose to contract with a lottery gaming
18 facility manager in an amount that exceeds \$250,000 per year for the
19 provision of goods or services related to sports wagering, including any
20 interactive sports wagering platform requested by a lottery gaming facility
21 manager under K.S.A. 2023 Supp. 74-8782, and amendments thereto; and

22 (B) such certification requirement shall include compliance with such
23 security, fitness and background investigations and standards as the
24 executive director deems necessary to determine whether such person's
25 reputation, habits or associations pose a threat to the public interest of the
26 state or to the reputation of, or effective regulation and control of, sports
27 wagering conducted by the lottery gaming facility. Such certification shall
28 be valid for one year from the date of issuance;

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

33 (A) Has knowingly provided false or misleading material information
34 to the Kansas lottery or its employees; or

35 (B) has been convicted of a felony, gambling related offense or any
36 crime of moral turpitude;

37 (5) provisions for suspension, revocation or nonrenewal of a
38 certification required by subsection (a)(1) or (a)(2) upon a finding that the
39 certificate holder, an officer or director thereof or a person directly or
40 indirectly owning a 5% or more interest therein:

41 (A) Has failed to notify the Kansas lottery about a material change in
42 ownership of the certificate holder, or any change in the directors or
43 officers thereof;

- 1 (B) is delinquent in remitting money owed to the Kansas lottery;
2 (C) has violated any provision of any contract between the Kansas
3 lottery and the certificate holder; or
4 (D) has violated any provision of the Kansas expanded lottery act or
5 any rule and regulation adopted hereunder; and
6 (6) provisions for suspension, revocation or nonrenewal of a
7 certification required by subsection (a)(3) upon a finding that the
8 certificate holder has:
- 9 (A) Knowingly provided false or misleading material information to
10 the Kansas lottery, the Kansas racing and gaming commission or to the
11 employees of either entity;
12 (B) been convicted of a felony, gambling-related offense or any crime
13 of moral turpitude;
14 (C) violated any provision of any contract between the Kansas lottery
15 and the certificate holder; or
16 (D) violated any provision of the Kansas expanded lottery act or any
17 rule and regulation adopted hereunder.
- 18 (b) A certification issued pursuant to this section shall not be
19 assignable or transferable.
- 20 Sec. 2. K.S.A. 2023 Supp. 74-8751 is hereby repealed.
21 Sec. 3. This act shall take effect and be in force from and after its
22 publication in the statute book.