

## HOUSE BILL No. 2014

By Committee on Federal and State Affairs

6-24

9 AN ACT concerning lotteries; enacting the Kansas expanded lottery act;  
10 authorizing operation of certain lottery gaming facilities, electronic  
11 gaming machines and other lottery games at certain locations; prohib-  
12 iting certain acts and providing penalties for violations; amending  
13 K.S.A. 74-8702, 74-8710 and 74-8723, K.S.A. 2004 Supp. 74-8711 and  
14 K.S.A. 2004 Supp. 19-101a, as amended by section 1 of 2005 Senate  
15 Bill No. 298, and repealing the existing sections.  
16

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

18 Section 1. K.S.A. 74-8702 is hereby amended to read as follows: 74-  
19 8702. As used in the Kansas lottery act, unless the context otherwise  
20 requires:

21 (a) "Commission" means the Kansas lottery commission.

22 (b) "Executive director" means the executive director of the Kansas  
23 lottery.

24 (c) ~~"Gaming equipment" means any electric, electronic or mechani-~~  
25 ~~cal device or other equipment unique to the Kansas lottery used directly~~  
26 ~~in the operation of any lottery and in the determination of winners pur-~~  
27 ~~suant to this act. "Gaming equipment" means any electric, electronic,~~  
28 ~~computerized or electromechanical machine, mechanism, supply or device~~  
29 ~~or any other equipment, which is: (1) Used pursuant to the Kansas lottery~~  
30 ~~act; and (2) integral to the operation of an electronic gaming machine or~~  
31 ~~lottery facility game; and (3) affects the results of an electronic gaming~~  
32 ~~machine or lottery facility game by determining win or loss.~~

33 (d) "Kansas lottery" means the state agency created by this act to  
34 operate a lottery or lotteries pursuant to this act.

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

37 (f) "Lottery" or "state lottery" means the lottery or lotteries operated  
38 pursuant to this act.

39 (g) (1) "Major procurement" means any gaming product or service,  
40 including but not limited to facilities, advertising and promotional serv-  
41 ices, annuity contracts, prize payment agreements, consulting services,  
42 equipment, tickets and other products and services unique to the Kansas  
43 lottery, but not including materials, supplies, equipment and services

1 common to the ordinary operations of state agencies.

2 (2) “Major procurement” shall not mean any product, service or other  
3 matter covered by or addressed in the Kansas expanded lottery act or a  
4 management contract executed pursuant to the Kansas expanded lottery  
5 act.

6 (h) “Person” means any natural person, association, *limited liability*  
7 *company*, corporation or partnership.

8 (i) “Prize” means any prize paid directly by the Kansas lottery pur-  
9 suant to ~~its~~ the Kansas lottery act or the Kansas expanded lottery act or  
10 any rules and regulations adopted pursuant to either act.

11 (j) “Share” means any intangible manifestation authorized by the  
12 Kansas lottery to prove participation in a lottery game, *except as provided*  
13 *by the Kansas expanded lottery act.*

14 (k) “Ticket” means any tangible evidence issued by the Kansas lottery  
15 to prove participation in a lottery game *other than a game on an electronic*  
16 *gaming machine or a lottery facility game.*

17 (l) “Vendor” means any person who has entered into a major pro-  
18 curement contract with the Kansas lottery.

19 (m) “Returned ticket” means any ticket which was transferred to a  
20 lottery retailer, which was not sold by the lottery retailer and which was  
21 returned to the Kansas lottery for refund by issuance of a credit or  
22 otherwise.

23 ~~(n) “Video lottery machine” means any electronic video game ma-~~  
24 ~~chine that, upon insertion of cash, is available to play or simulate the play~~  
25 ~~of a video game authorized by the commission, including but not limited~~  
26 ~~to bingo, poker, lack jack and keno, and which uses a video display and~~  
27 ~~microprocessors and in which, by chance, the player may receive free~~  
28 ~~games or credits that can be redeemed for cash.~~

29 ~~(n)~~ (n) (1) “Lottery machine” means any machine or device that al-  
30 lows a player to insert cash or other form of consideration and may deliver  
31 as the result of an element of chance, regardless of the skill required by  
32 the player, a prize or evidence of a prize, including, but not limited to:

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

37 (B) any machine or device in which the prize or evidence of a prize  
38 is determined only by chance, including, but not limited to, any slot ma-  
39 chine or bingo machine; or

40 (C) any lottery ticket vending machine, such as a keno ticket vending  
41 machine, pull-tab vending machine or an instant-bingo vending machine.

42 (2) “Lottery machine” shall not mean:

43 (A) Any food vending machine defined by K.S.A. 36-501, and amend-

1 ments thereto;

2 (B) any nonprescription drug machine authorized under K.S.A. 65-  
3 650, and amendments thereto;

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

6 (D) any machine excluded from the definition of gambling devices  
7 under subsection (d) of K.S.A. 21-4302, and amendments thereto; or

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

10 (o) *“Electronic gaming machine” means any electronic, electrome-*  
11 *chanical, video or computerized device, contrivance or machine author-*  
12 *ized by the Kansas lottery which, upon insertion of cash, tokens, electronic*  
13 *cards or any consideration, is available to play, operate or simulate the*  
14 *play of a game authorized by the Kansas lottery pursuant to the Kansas*  
15 *expanded lottery act, including, but not limited to, bingo, poker, blackjack,*  
16 *keno and slot machines, and which may deliver or entitle the player op-*  
17 *erating the machine to receive cash, tokens, merchandise or credits that*  
18 *may be redeemed for cash. Electronic gaming machines may use bill val-*  
19 *idators and may be single-position reel-type, single or multi-game video*  
20 *and single-position multi-game video electronic game, including, but not*  
21 *limited to, poker, blackjack and slot machines. Electronic gaming ma-*  
22 *chines shall be directly linked to a central computer at a location deter-*  
23 *mined by the executive director for purposes of security, monitoring and*  
24 *auditing.*

25 (p) *“Progressive electronic game” means a game played on an elec-*  
26 *tronic gaming machine for which the payoff increases uniformly as the*  
27 *game is played and for which the jackpot, determined by application of*  
28 *a formula to the income of independent, local or interlinked electronic*  
29 *gaming machines, may be won.*

30 (q) *“Token” means a representative of value, of metal or other ma-*  
31 *terial, which is not legal tender, redeemable for cash only by the issuing*  
32 *lottery gaming facility manager and which is issued and sold by a lottery*  
33 *gaming facility manager for the sole purpose of playing an electronic*  
34 *gaming machine or lottery facility game.*

35 (r) *“Lottery gaming facility” means that portion of a building, in-*  
36 *cluding the real and personal property, that is owned or leased by the*  
37 *lottery gaming facility manager for the purposes of operation, manage-*  
38 *ment and maintenance of electronic gaming machines and lottery facility*  
39 *games.*

40 (s) *“Lottery gaming enterprise” means an entertainment enterprise*  
41 *which includes a lottery gaming facility authorized pursuant to the Kansas*  
42 *expanded lottery act and ancillary lottery gaming operations that have a*  
43 *common business or marketing strategy. A lottery gaming enterprise shall*

1 *be designed to attract to its lottery gaming facility consumers who reside*  
2 *outside the immediate area of such enterprise.*

3 (t) *“Lottery gaming facility manager” means a resident tribe author-*  
4 *ized to construct and manage, or manage alone, pursuant to a manage-*  
5 *ment contract with the Kansas lottery, and on behalf of the state, a lottery*  
6 *gaming enterprise and lottery gaming facility.*

7 (u) *“Lottery gaming facility revenues” means the total revenues from*  
8 *electronic gaming machines and lottery facility games at a lottery gaming*  
9 *facility after all related prizes are paid.*

10 (v) *“Adjusted lottery gaming facility revenues” means total revenues*  
11 *from lottery facility games at a lottery gaming facility less deductions for*  
12 *(1) prizes or payouts and (2) participation fees for wide area progressive*  
13 *games.*

14 (w) *“Lottery facility games” means any lottery games in the form of*  
15 *Class II or III gaming which, as of May 1, 2004, are authorized to be*  
16 *conducted or operated at a tribal gaming facility, as defined in K.S.A. 74-*  
17 *9802, and amendments thereto, located within the boundaries of this state.*  
18 *Such games may include, but are not limited to, blackjack, craps, roulette,*  
19 *wheel-of-fortune, poker, pai gow or baccarat, or variation thereof ap-*  
20 *proved by the commission.*

21 (x) *“Ancillary lottery gaming facility operations” means additional*  
22 *non-electronic gaming machine and non-lottery facility game products*  
23 *and services not owned and operated by the state which may be included*  
24 *in the overall development associated with the lottery gaming facility.*  
25 *Such operations may include, but are not limited to, restaurants, hotels,*  
26 *motels, museums or entertainment facilities. Such operations conducted*  
27 *on state-owned property shall pay reasonable compensation to the state*  
28 *for the use of the space.*

29 (y) *“Management contract” means a contract, subcontract or collat-*  
30 *eral agreement between the state and a resident tribe for the management*  
31 *of a lottery gaming facility, owned and operated by the state, negotiated*  
32 *and signed by the executive director on behalf of the state. Management*  
33 *contracts shall not be subject to the provisions of K.S.A. 75-3738 through*  
34 *75-3744, and amendments thereto, or to any statutory provision regulat-*  
35 *ing major procurements.*

36 (z) *“Destination development zone” means one of the following zones*  
37 *where not more than one lottery gaming facility may be operated pursuant*  
38 *to the Kansas expanded lottery act as a part of an overall strategy of*  
39 *creating regional tourism destinations to enhance the local and state econ-*  
40 *omy through increased tourism opportunities:*

41 (1) *The northeast Kansas development zone, which consists of Wy-*  
42 *andotte county;*

43 (2) *the southeast Kansas development zone, which consists of Craw-*

1 *ford and Cherokee counties; or*

2 (3) *the south central Kansas development zone, which consists of*  
3 *Sedgwick county.*

4 (aa) *“Gray machine” means any mechanical, electromechanical or*  
5 *electronic device, capable of being used for gambling, that is: (1) Not*  
6 *authorized by the Kansas lottery, (2) not linked to a lottery central com-*  
7 *puter, (3) available to the public for play and (4) capable of simulating a*  
8 *game played on an electronic gaming machine or any similar gambling*  
9 *game authorized pursuant to the Kansas expanded lottery act.*

10 (bb) *“Resident tribe” means the Iowa Tribe of Kansas and Nebraska,*  
11 *the Kickapoo Tribe in Kansas, the Prairie Band Potawatomi Nation or the*  
12 *Sac and Fox Nation of Missouri.*

13 New Sec. 2. (a) Sections 2 through 22, and amendments thereto,  
14 shall be known and may be cited as the Kansas expanded lottery act. The  
15 Kansas expanded lottery act shall be part of and supplemental to the  
16 Kansas lottery act.

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

21 (c) The supreme court shall have original and exclusive jurisdiction  
22 in regard to any action arising under a management contract entered into  
23 pursuant to the Kansas expanded gaming act. If the plaintiff in such action  
24 is the lottery gaming facility manager, the court shall require such plaintiff  
25 to file with the court a surety bond or other financial security approved  
26 by the court, conditioned on and in an amount determined by the court  
27 as sufficient to provide for payment of any damages to the state resulting  
28 from delay if the action is dismissed or, if judgment is entered for the  
29 state, payment in full of such costs, interest and damages as the court  
30 may adjudge and award to the state.

31 New Sec. 3. (a) The lottery commission shall adopt rules and regu-  
32 lations establishing a procedure and standards for the receipt, consider-  
33 ation and approval of proposed management contracts submitted by res-  
34 ident tribes to the Kansas lottery pursuant to this act. Such procedure  
35 shall provide for review of competitive proposals for such facilities.

36 (b) Subject to the provisions of section 5, and amendments thereto,  
37 the executive director, with the approval of the Kansas lottery commis-  
38 sion, may enter into a management contract with a resident tribe, or two  
39 or more resident tribes jointly, to construct and manage, on behalf of the  
40 state of Kansas, a lottery gaming facility or lottery gaming enterprise at a  
41 specified destination location within a development zone where the ex-  
42 ecutive director determines the operation of such facility would promote  
43 tourism and economic development. Action on a management contract

1 shall be taken within 60 days of submission of the management contract  
2 proposal, unless extended by agreement of the proposed manager and  
3 the commission.

4 (c) In determining whether to approve a management contract with  
5 a resident tribe to manage a lottery gaming facility or lottery gaming  
6 enterprise pursuant to this act, the commission shall take into consider-  
7 ation the following factors: The size of the proposed facility; the proposed  
8 facility's location as a tourist and entertainment destination; the estimated  
9 number of tourists that would be attracted by the proposed facility; the  
10 number and type of electronic gaming machines and lottery facility games  
11 to be operated at the proposed facility; and agreements related to ancillary  
12 lottery gaming facility operations.

13 (d) A resident tribe may subcontract individuals or entities for serv-  
14 ices or to perform the tribe's duties and responsibilities under the man-  
15 agement contract provided that the subcontract is approved by the com-  
16 mission and the subcontractor is certified pursuant to section 8, and  
17 amendments thereto.

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

19 (1) The commission determines that the proposed development: (A)  
20 Constitutes a lottery gaming enterprise; and (B) demonstrates through a  
21 market study that, considering all other competing gaming and entertain-  
22 ment venues, the proposed development would: (i) Be economically fea-  
23 sible, (ii) be profitable for the state and (iii) not render economically  
24 infeasible any other lottery gaming enterprise; and

25 (2) the commission determines that the proposed development: (A)  
26 Consists of an investment in infrastructure, including ancillary lottery  
27 gaming facility operations, of at least \$150,000,000 for the northeast Kan-  
28 sas and south central Kansas development zones; or (B) consists of an  
29 investment infrastructure, including ancillary lottery gaming facility op-  
30 erations, of at least \$75,000,000 for the southeast Kansas development  
31 zone.

32 (f) All management contracts authorized under this section shall:

33 (1) Have an initial term of 25 years from the date of opening of the  
34 lottery gaming facility. At the end of the initial term, the contract may be  
35 renewed by mutual consent of the state and the lottery gaming facility  
36 manager;

37 (2) provide for: (A) The lottery gaming facility manager to pay a con-  
38 tract fee of \$50,000,000 to the state immediately upon execution of the  
39 management contract; (B) recovery by the lottery gaming facility manager  
40 of the contract fee, plus interest, by a credit of  $\frac{1}{7}$  of such fee, plus interest,  
41 each year from the state's share of adjusted lottery gaming facility reve-  
42 nues over a period of seven years; and (C) provide for refund of the  
43 contract fee if a court holds the provisions of this act to be invalid or

- 1 enjoins or otherwise stays implementation of such provisions;
- 2 (3) provide for termination of any preexisting gaming compact be-  
3 tween the state and the lottery gaming facility manager seven years after  
4 the date of opening the lottery gaming facility;
- 5 (4) provide for an annual state revenue share in an amount equal to  
6 12% of the first \$100 million of adjusted lottery gaming revenues from  
7 the lottery gaming facility annually and 22% of adjusted lottery gaming  
8 revenues above \$100 million from such facility annually;
- 9 (5) establish the types of electronic gaming machines and lottery fa-  
10 cility games to be installed in such facility;
- 11 (6) specify that financing for construction and operation of the lottery  
12 gaming facility and of the payment to the state of other sums required by  
13 the management contract is the responsibility of and is to be arranged by  
14 the lottery gaming facility manager;
- 15 (7) subject to approval of the executive director, designate as key  
16 employees, any employees or contractors providing services or functions  
17 which are related to electronic gaming machines or lottery facility games  
18 authorized by a management contract;
- 19 (8) include financing commitments for construction;
- 20 (9) include a resolution of endorsement from the governing body of  
21 the city, if the proposed facility is within the corporate limits of a city, or  
22 from the county commission, if the proposed facility is located in the  
23 unincorporated area of the county;
- 24 (10) allow the lottery gaming facility manager to operate the lottery  
25 gaming facility in a manner consistent with this act, but shall place full,  
26 complete and ultimate ownership and control of the gaming operation of  
27 the lottery gaming facility with the Kansas lottery. The Kansas lottery  
28 shall retain the ability to overrule any significant gaming decision without  
29 notice required prior to taking such action. The Kansas lottery shall retain  
30 full control over all decisions concerning electronic gaming machines and  
31 lottery gaming facility games; and
- 32 (11) authorize a lottery gaming facility manager to operate an interim  
33 lottery gaming facility, approved by the commission, while the lottery  
34 gaming facility is under construction.
- 35 (g) Management contracts authorized by this section shall include  
36 provisions relating to:
- 37 (1) Accounting procedures to determine the lottery gaming facility  
38 revenues and minimum internal control requirements;
- 39 (2) procedures for unclaimed prizes and credits;
- 40 (3) minimum requirements for a lottery gaming facility manager to  
41 provide qualified oversight, security, surveillance and supervision of the  
42 electronic gaming machines and lottery facility games, including the use  
43 of qualified personnel with experience in applicable technology;

- 1 (4) minimum eligibility requirements for employees, contractors or  
2 agents of a lottery gaming facility manager who will have responsibility  
3 for or involvement with actual gaming activities or for the handling of  
4 cash or tokens;
- 5 (5) background investigations of all employees, contractors and  
6 agents of a lottery gaming facility manager, to be performed by the Kansas  
7 lottery;
- 8 (6) licensure requirements of any employee, contractor or agent as  
9 provided by the Kansas expanded lottery act or rules and regulations  
10 adopted pursuant thereto;
- 11 (7) provision for termination of the management contract by either  
12 party for cause; and
- 13 (8) any other provision deemed necessary by the parties, including  
14 such other terms and restrictions as necessary to conduct any electronic  
15 gaming machine or lottery facility game in a legal and fair manner.
- 16 (h) A management contract shall not constitute property, nor shall it  
17 be subject to attachment, garnishment or execution, nor shall it be alien-  
18 able or transferable, except upon approval by the executive director, nor  
19 shall it be subject to being encumbered or hypothecated.
- 20 (i) A lottery gaming facility shall comply with any planning and zoning  
21 regulations of the city or county in which it is to be located. The executive  
22 director shall not contract with any prospective lottery gaming facility  
23 manager for the operation and management of such lottery gaming facility  
24 unless such manager first receives any necessary approval under planning  
25 and zoning requirements of the city or county in which it is to be located.
- 26 New Sec. 4. (a) Before the lottery commission may approve a man-  
27 agement contract for operation of a lottery gaming facility, the qualified  
28 voters of the county where the lottery gaming facility is proposed to be  
29 located must approve the operation of a lottery gaming facility within the  
30 county as provided by this section. Once the question has been submitted  
31 to and approved by the voters of the county, subsequent elections shall  
32 not be required for the approval of the operation of additional lottery  
33 gaming facilities in such county.
- 34 (b) (1) The board of county commissioners of any county may sub-  
35 mit, by resolution, and shall submit upon presentation of a petition filed  
36 in accordance with this section, to the qualified voters of the county a  
37 proposition to permit the operation of lottery gaming facilities within the  
38 county pursuant to this section. The proposition shall be submitted to the  
39 voters either at a special election called by the board of county commis-  
40 sioners for that purpose and held not less than 90 days after the resolution  
41 is adopted or the petition is filed or at the next general election, as shall  
42 be specified by the board of county commissioners or as specified in the  
43 petition, as the case may be.

1 (2) A petition to submit a proposition pursuant to this section shall  
2 be filed with the county election officer. The petition shall be signed by  
3 qualified voters of the county equal in number to not less than 10% of  
4 the voters of the county who voted for the office of secretary of state at  
5 the last preceding general election at which such office was elected. The  
6 following shall appear on the petition: "We request an election to deter-  
7 mine whether the Kansas lottery shall be authorized to operate a lottery  
8 gaming facility in \_\_\_\_\_ county."

9 (3) Upon the adoption of a resolution or the submission of a valid  
10 petition calling for an election pursuant to this section, the county election  
11 officer shall cause the following proposition to be placed on the ballot at  
12 the election called for that purpose: "Shall the Kansas lottery be author-  
13 ized to operate a lottery gaming facility in \_\_\_\_\_ county?"

14 (4) If a majority of the votes cast and counted at such election is in  
15 favor of approving the operation of lottery gaming facilities within the  
16 county, the lottery commission may accept applications for operation of  
17 lottery gaming facilities within the county pursuant to this act. If a ma-  
18 jority of the votes cast and counted at an election under this section is  
19 against permitting the operation of lottery gaming facilities within the  
20 county, the lottery commission shall not approve management contracts  
21 for the operation of lottery gaming facilities within the county. The county  
22 election officer shall transmit a copy of the certification of the results of  
23 the election to the executive director.

24 (5) The election provided for by this subsection (b) shall be con-  
25 ducted, and the votes counted and canvassed, in the manner provided by  
26 law for question submitted elections of the county.

27 (c) The lottery commission may consider qualified proposals for lot-  
28 tery gaming facility management contracts for developments in a county  
29 where the commission finds that after March 1, 2005, the county has held  
30 an election of qualified voters pursuant to the county's home rule au-  
31 thority if the commission determines that the ballot question was in sub-  
32 stantial compliance with the requirements of subsection (b)(3) and the  
33 election was administered by the county election officer in a manner  
34 consistent with the requirements of state election law.

35 (d) A ballot question submitted prior to April 15, 2005, which uses  
36 the phrase "destination casino" shall be deemed valid for the purposes of  
37 this section.

38 New Sec. 5. (a) Electronic gaming machines operated pursuant to  
39 this act shall:

40 (1) Pay out an average of not less than 87% of the amount wagered  
41 over the life of the machine;

42 (2) be directly linked to a central lottery communications system to  
43 provide monitoring, auditing and other available program information to

1 the Kansas lottery;

2 (3) be on-line and in constant communication with a central com-  
3 puter situated at a location determined by the executive director and  
4 specified in the management contract; and

5 (4) be subject to deactivation at any time by order of the executive  
6 director.

7 (b) The communications systems selected by the executive director  
8 shall not limit participation to only one electronic gaming machine man-  
9 ufacturer, distributor, supplier or provider. The lottery gaming facility  
10 manager shall lease or purchase for the Kansas lottery and at the lottery  
11 gaming facility's expense all equipment necessary to implement such cen-  
12 tral communications and auditing functions.

13 (c) No employee, contractor or other person who has any legal affil-  
14 iation with a lottery gaming facility manager shall loan money to or oth-  
15 erwise extend credit to patrons of a location where electronic gaming  
16 machines or lottery facility games are situated.

17 New Sec. 6. (a) Each specific type of electronic gaming machine and  
18 lottery facility game shall be approved by the Kansas lottery. The Kansas  
19 lottery shall examine prototypes of electronic gaming machines and lot-  
20 tery facility games and shall notify the lottery gaming facility manager  
21 which types of electronic gaming machines or lottery facility games are  
22 in compliance with the requirements of this act. The use of progressive  
23 electronic gaming machines is expressly permitted.

24 (b) No electronic gaming machine or lottery facility game shall be  
25 operated pursuant to this act unless the executive director first issues a  
26 certificate for such machine or game authorizing its use at a specified  
27 lottery gaming facility. Each electronic gaming machine and lottery fa-  
28 cility game shall have such certificate prominently displayed thereon. Any  
29 electronic gaming machine or lottery facility game which does not display  
30 the certificate required by this section is contraband and a public nuisance  
31 subject to confiscation by any law enforcement officer.

32 (c) The executive director shall require any manufacturer, supplier,  
33 provider, lottery gaming facility manager or other person seeking the  
34 examination and certification of electronic gaming machines or lottery  
35 facility games to pay the anticipated actual costs of the examination in  
36 advance. After the completion of the examination, the executive director  
37 shall refund any overpayment or charge and collect amounts sufficient to  
38 reimburse the executive director for any underpayment of actual costs.  
39 The executive director may contract for the examination of electronic  
40 gaming machines and lottery facility games required by this section, and  
41 may rely upon testing done by or for other states regulating electronic  
42 gaming machines or lottery facility games, if the executive director deems  
43 such testing to be reliable and in the best interest of the state of Kansas.

1 New Sec. 7. (a) The lottery gaming facility manager shall remit  
2 weekly to the state treasurer the state's revenue share from adjusted lot-  
3 tery gaming revenues as provided by the management contract. Upon  
4 receipt of the remittance, the state treasurer shall deposit the entire  
5 amount in the state treasury and credit it to the Kansas education op-  
6 portunity fund which is hereby established in the state treasury. Amounts  
7 deposited in such fund shall be expended solely for the purpose of sup-  
8 plementing the state's obligation to fund preschool, kindergarten, ele-  
9 mentary, secondary and postsecondary education programs. Expenditures  
10 from the Kansas education opportunity fund shall be made pursuant to  
11 appropriations acts.

12 (b) Such funding shall be supplemental to, and not in lieu of, any  
13 state revenues in existence as of the effective date of this act used to fund  
14 educational programs.

15 (c) Unless the payment or transfer has been authorized pursuant to  
16 a separate appropriations act which has been approved by a majority vote  
17 of the members of the house of representatives and a majority vote of  
18 the members of the senate, the state treasurer shall not make transfers  
19 or payments pursuant to an appropriation for any purpose other than  
20 supplementing the funding of education programs as described in sub-  
21 section (a). Such payment or transfer shall be made only upon certifica-  
22 tion of the governor that such payment meets the requirements of this  
23 section.

24 New Sec. 8. The Kansas lottery, through rules and regulations, shall  
25 establish:

26 (a) A certification requirement, and enforcement procedure, for of-  
27 ficers, directors, key employees and persons directly or indirectly owning  
28 a 5% or more interest in a lottery gaming facility manager. Such certifi-  
29 cation requirement shall include compliance with such security, fitness  
30 and background investigations and standards the executive director  
31 deems necessary to determine whether such person's reputation, habits  
32 or associations pose a threat to the public interest of the state or to the  
33 reputation of or effective regulation and control of the lottery gaming  
34 facility. Any person convicted of any felony, a crime involving gambling  
35 or a crime of moral turpitude prior to applying for a certificate as such  
36 sales agent or at any time thereafter shall be deemed unfit. The Kansas  
37 lottery shall conduct the security, fitness and background checks required  
38 pursuant to this subsection;

39 (b) a certification requirement, and enforcement procedure, for  
40 those persons, including electronic gaming machine manufacturers, tech-  
41 nology providers and computer system providers, who propose to contract  
42 with a lottery gaming facility manager or the state for the provision of  
43 goods or services related to a lottery gaming facility, including manage-

1 ment services. Such certification requirements shall include compliance  
2 with such security, fitness and background investigations and standards  
3 of officers, directors, key gaming employees and persons directly or in-  
4 directly owning a 5% or more interest in such entity, the executive direc-  
5 tor deems necessary to determine whether such person's reputation, hab-  
6 its and associations pose a threat to the public interest of the state or to  
7 the reputation of or effective regulation and control of the lottery gaming  
8 facility. Any person convicted of any felony, a crime involving gambling  
9 or a crime of moral turpitude prior to applying for a certificate hereunder  
10 or at any time thereafter shall be deemed unfit. If the executive director  
11 determines the certification standards of another state are comprehen-  
12 sive, thorough and provide similar adequate safeguards, the executive  
13 director may certify an applicant already certified in such state without  
14 the necessity of a full application and background check. The Kansas  
15 lottery shall conduct the security, fitness and background checks required  
16 under this subsection;

17 (c) provisions for revocation of a certification required by paragraph  
18 (a) or (b) upon a finding that the certificate holder, an officer or director  
19 thereof or a person directly or indirectly owning a 5% or more interest  
20 therein: (1) Has knowingly provided false or misleading material infor-  
21 mation to the Kansas lottery or its employees; or (2) has been convicted  
22 of a felony, gambling related offense or any crime of moral turpitude; and

23 (d) provisions for suspension, revocation or nonrenewal of a certifi-  
24 cation required by paragraph (a) or (b) upon a finding that the certificate  
25 holder, an officer or director thereof or a person directly or indirectly  
26 owning a 5% or more interest therein: (1) Has failed to notify the Kansas  
27 lottery about a material change in ownership of the certificate holder, or  
28 any change in the directors or officers thereof; (2) is delinquent in re-  
29 mitting money owed to the Kansas lottery; (3) has violated any provision  
30 of any contract between the Kansas lottery and the certificate holder; or  
31 (4) has violated any provision of the Kansas expanded lottery act or any  
32 rule and regulation adopted hereunder.

33 New Sec. 9. (a) The executive director, or the executive director's  
34 designee, may observe and inspect all electronic gaming machines, lottery  
35 facility games, lottery gaming facilities and all related equipment and fa-  
36 cilities operated by a lottery gaming facility manager.

37 (b) In addition to the powers granted pursuant to K.S.A. 74-8704 and  
38 section 3, and amendments thereto, the executive director shall have the  
39 power to:

40 (1) Examine, or cause to be examined by any agent or representative  
41 designated by the executive director, any books, papers, records or mem-  
42 oranda of any lottery gaming facility manager, or of any business involved  
43 in electronic gaming machines or lottery facility games authorized pur-

- 1 suant to the Kansas expanded lottery act, for the purpose of ascertaining  
2 compliance with any provision of the Kansas lottery act, the Kansas ex-  
3 panded lottery act, or any rules and regulations adopted thereunder;
- 4 (2) investigate alleged violations of the Kansas expanded lottery act  
5 and alleged violations of any rules and regulations, orders and final de-  
6 cisions of the commission or the executive director;
- 7 (3) request a court to issue subpoenas to compel access to or for the  
8 production of any books, papers, records or memoranda in the custody  
9 or control of any lottery gaming facility manager related to the manage-  
10 ment of the lottery gaming facility, or to compel the appearance of any  
11 lottery gaming facility manager for the purpose of ascertaining compli-  
12 ance with the provisions of the Kansas lottery act and the Kansas ex-  
13 panded lottery act or rules and regulations adopted thereunder; and
- 14 (4) take any other action as may be reasonable or appropriate to en-  
15 force the provisions of the Kansas expanded lottery act and any rules and  
16 regulations, orders and final decisions of the executive director or the  
17 commission.
- 18 (c) Appropriate security measures shall be required in any and all  
19 areas where electronic gaming machines or lottery facility games author-  
20 ized pursuant to the Kansas expanded lottery act are located or operated.  
21 The executive director shall approve all such security measures.
- 22 (d) The executive director shall require an annual audit of the elec-  
23 tronic gaming machine operations and lottery facility games of each lot-  
24 tery gaming facility manager contracting with the Kansas lottery. Such  
25 audit shall be conducted by a licensed accounting firm approved by the  
26 executive director. Such audit shall be conducted at the expense of the  
27 lottery.
- 28 (e) None of the information disclosed pursuant to this section shall  
29 be subject to disclosure under the Kansas open records act, K.S.A. 45-  
30 216 et seq., and amendments thereto.
- 31 New Sec. 10. (a) Wagers shall be received only from a person at the  
32 location where the electronic gaming machine or lottery facility game is  
33 authorized pursuant to the Kansas expanded lottery act. No person pres-  
34 ent at such location shall place or attempt to place a wager on behalf of  
35 another person who is not present at such location.
- 36 (b) Violation of this section is a class A nonperson misdemeanor upon  
37 a conviction for a first offense. Violation of this section is a severity level  
38 9, nonperson felony upon conviction for a second or subsequent offense.
- 39 New Sec. 11. (a) Except as authorized in subsection (c), it is unlawful  
40 for any lottery gaming facility manager, or its employees or agents, to  
41 allow any person to play electronic gaming machines or lottery facility  
42 games or share in winnings of a person knowing such person to be:  
43 (1) Under 21 years of age;

- 1 (2) the executive director, a member of the commission or an em-  
2 ployee of the Kansas lottery;
- 3 (3) an employee or agent of the lottery gaming facility manager; or
- 4 (4) an officer or employee of a vendor contracting with the Kansas  
5 lottery to supply gaming equipment to the Kansas lottery for use in the  
6 operation of any electronic gaming machine or lottery facility game con-  
7 ducted pursuant to the Kansas expanded lottery act.
- 8 (b) Violation of subsection (a) is a class A nonperson misdemeanor  
9 upon conviction for a first offense. Violation of subsection (a) is a severity  
10 level 9, nonperson felony upon conviction for a second or subsequent  
11 offense.
- 12 (c) The executive director may authorize in writing any employee of  
13 the Kansas lottery and any employee of a lottery vendor to play an elec-  
14 tronic gaming machine or a lottery facility game authorized pursuant to  
15 the Kansas expanded lottery act to verify the proper operation thereof  
16 with respect to security and contract compliance. Any prize awarded as  
17 a result of such play shall become the property of the Kansas lottery and  
18 be added to the prize pools of subsequent lottery games. No money or  
19 merchandise shall be awarded to any employee of the Kansas lottery play-  
20 ing an electronic gaming machine or lottery facility game pursuant to this  
21 subsection.
- 22 (d) It shall be a severity level 9, nonperson felony for any individual,  
23 firm, corporation or other legal entity to place in operation or continue  
24 to have in place any gray machine for use by members of the public at  
25 any location in this state.
- 26 New Sec. 12. A person under age 21 shall not be permitted in an  
27 area of any location where any electronic gaming machine or lottery fa-  
28 cility game authorized pursuant to the Kansas expanded lottery act is  
29 being operated or conducted, except for a person at least 18 years of age  
30 who is an employee of the lottery gaming facility manager. No employee  
31 under age 21 shall perform any function involved in gaming by patrons.  
32 No person under age 21 shall be permitted to make a wager on an elec-  
33 tronic gaming machine or lottery facility game authorized pursuant to the  
34 Kansas expanded lottery act.
- 35 New Sec. 13. Except for persons acting in accordance with rules and  
36 regulations of the Kansas lottery or by written authority of the executive  
37 director in performing installation, maintenance, inspection and repair  
38 services, any person who, with the intent to manipulate the outcome, pay  
39 out or operation of an electronic gaming machine or lottery facility game,  
40 manipulates the outcome, pay out or operation of an electronic gaming  
41 machine or lottery facility game by physical, electrical or mechanical  
42 means shall be guilty of a severity level 8, nonperson felony.
- 43 New Sec. 14. (a) Except in accordance with rules and regulations of

1 the Kansas lottery or by written authority from the executive director in  
2 performing installation, maintenance, inspection and repair services, it is  
3 a class A nonperson misdemeanor for the executive director, the com-  
4 mission or any employee or agent of the commission, or the lottery gam-  
5 ing facility manager or any employee of such manager, to knowingly, while  
6 in Kansas, place a wager on or bet or play an electronic gaming machine  
7 or other lottery facility game authorized pursuant to the Kansas expanded  
8 lottery act.

9 (b) It is a class A nonperson misdemeanor for any member, employee  
10 or appointee of the commission to knowingly accept any compensation,  
11 gift, loan, entertainment, favor or service from any lottery gaming facility  
12 manager.

13 (c) It is a severity level 8, nonperson felony for any person playing or  
14 using any electronic gaming machine or lottery facility game in Kansas  
15 knowingly to:

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

23 (2) use gaming billets, tokens or similar objects in a lottery gaming  
24 facility other than in the facility for which the billet, token or similar object  
25 was approved;

26 (3) possess or use, while on the premises of a lottery gaming facility,  
27 or any location where electronic gaming machines or other lottery facility  
28 games are authorized pursuant to this act, any cheating or thieving device,  
29 including, but not limited to, tools, wires, drills, coins attached to strings  
30 or wires or electronic or magnetic devices to facilitate removing from any  
31 electronic gaming machine or lottery facility game or any money or con-  
32 tents thereof;

33 (4) possess or use while on the premises of a lottery gaming facility,  
34 or any location where electronic gaming machines or other lottery facility  
35 games are authorized pursuant to the Kansas expanded lottery act, any  
36 key or device designed for the purpose of, or suitable for, opening or  
37 entering any electronic gaming machine, lottery facility game or similar  
38 gaming device or drop box.

39 (d) Any duly authorized agent or employee of the commission or a  
40 lottery gaming facility manager may possess and use any of the devices  
41 described in paragraphs (3) and (4) of subsection (c) in furtherance of  
42 inspection or testing as provided in the Kansas expanded lottery act or in  
43 furtherance of such person's employment at any location where electronic

1 gaming machines, lottery facility games or other lottery games are au-  
2 thorized pursuant to the Kansas expanded lottery act.

3 New Sec. 15. Each lottery gaming facility manager shall post one or  
4 more signs at the location where such manager operates electronic gam-  
5 ing machines or lottery facility games to inform patrons of the toll-free  
6 number available to provide information and referral services regarding  
7 compulsive or problem gambling. The text shall be determined by the  
8 secretary of the department of social and rehabilitation services. Failure  
9 by a lottery gaming facility manager to post and maintain such signs shall  
10 be cause for the imposition of a fine not to exceed \$500 per day.

11 New Sec. 16. Pursuant to section 2 of the federal act entitled “An  
12 Act to Prohibit Transportation of Gambling Devices in Interstate and  
13 Foreign Commerce,” 15 U.S.C. 1171 through 1777, the state of Kansas,  
14 acting by and through the duly elected and qualified members of the  
15 legislature, does hereby in this section, and in accordance with and in  
16 compliance with the provisions of section 2 of such federal act, declare  
17 and proclaim that it is exempt from the provision of section 2 of such  
18 federal act to the extent that such gambling devices as described therein  
19 are being transported to or from the Kansas lottery or to or from a lottery  
20 gaming facility manager at a location within the state of Kansas where  
21 electronic gaming machines or lottery facility games are authorized pur-  
22 suant to the Kansas expanded lottery act.

23 New Sec. 17. No taxes, fees, charges, transfers or distributions, other  
24 than those provided for in the Kansas expanded lottery act, shall be made  
25 or levied by any city, county or other municipality from or against lottery  
26 gaming facility revenue derived from electronic gaming machines and  
27 lottery facility games operated pursuant to this act. A city or county may  
28 levy a business tax against or require a business license of a lottery gaming  
29 facility if the tax or license fee is not based on lottery gaming facility  
30 revenue derived from electronic gaming machines and lottery facility  
31 games operated pursuant to this act.

32 New Sec. 18. (a) All sales of electronic gaming machine games and  
33 lottery facility games authorized by the Kansas expanded lottery act shall  
34 be exempt from sales taxes imposed pursuant to K.S.A. 12-187 et seq.  
35 and 79-3601 et seq., and amendments thereto. All other sales by a lottery  
36 gaming facility manager shall be subject to such sales tax as provided by  
37 K.S.A. 12-187 et seq. and 79-3601 et seq., and amendments thereto.

38 (b) A lottery gaming facility shall be subject to ad valorem taxation as  
39 provided by law.

40 New Sec. 19. Each lottery gaming facility manager shall hold the  
41 executive director, the commission and the state harmless from and de-  
42 fend any and all claims which may be asserted against the executive di-  
43 rector, the commission and the state, or the agents or employees thereof,

1 arising from the operation of electronic gaming machines, lottery facility  
2 games or other lottery-type games pursuant to the Kansas expanded lot-  
3 tery act. This section may be satisfied by procurement of insurance as a  
4 lottery gaming facility expense of the lottery gaming facility naming the  
5 executive director, the commission and the state as additional insured  
6 parties. The provisions of this section shall not apply to any claims arising  
7 from a negligent act or omission or willful or malicious misconduct of the  
8 executive director, the commission or the state, or the agents or employ-  
9 ees thereof.

10 New Sec. 20. As a condition precedent to contracting for the privi-  
11 lege of being a lottery gaming facility manager, a resident tribe shall file  
12 with the secretary of state of this state a written and irrevocable consent  
13 that any action or garnishment proceeding may be commenced against it  
14 as a lottery gaming facility manager in the proper court of any county in  
15 this state by the service of process on a resident agent, and stipulating  
16 and agreeing that such service shall be valid and binding as if service had  
17 been made upon such manager. Such written consent shall state that the  
18 courts of this state have jurisdiction over the lottery gaming facility man-  
19 ager and are the proper and convenient forum for such action and shall  
20 waive the right to request a change of jurisdiction or venue to a court  
21 outside this state and that all actions arising under this act and com-  
22 menced by such manager shall be brought in this state's courts as the  
23 proper and convenient forum. Such consent shall be executed by the  
24 lottery gaming facility manager and its officers. Such consent shall be  
25 accompanied by a certified copy of the order or resolution of the tribal  
26 governing body authorizing its officers to execute the same.

27 New Sec. 21. The Kansas expanded lottery act, lottery gaming facility  
28 managers and management contracts under the Kansas expanded lottery  
29 act shall not be subject to the provisions of and restrictions on major  
30 procurement contracts, including, but not limited to, the provisions of  
31 K.S.A. 74-8705, and amendments thereto.

32 New Sec. 22. The sale or service by lottery gaming facility managers  
33 or ancillary lottery gaming facility operations and the consumption by  
34 patrons of lottery gaming facilities of alcohol, liquor, wine, spirits, cereal  
35 malt beverages and other intoxicating liquors is hereby permitted upon  
36 and in lottery gaming facilities and ancillary lottery gaming facility oper-  
37 ations. The provisions of K.S.A. 41-719, and amendments thereto, relating  
38 to alcoholic liquor shall not be applicable to lottery gaming facilities and  
39 ancillary lottery gaming facility operations.

40 Sec. 23. 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  
43 and operation of a state lottery, *sales of lottery tickets and the operation*

- 1 *of lottery gaming facilities* as necessary to carry out the purposes of ~~this~~  
2 *the Kansas lottery act and the Kansas expanded lottery act*. Temporary  
3 rules and regulations may be adopted by the commission without being  
4 subject to the provisions and requirements of K.S.A. 77-415 through 77-  
5 438, and amendments thereto, but shall be subject to approval by the  
6 attorney general as to legality and shall be filed with the secretary of state  
7 and published in the Kansas register. Temporary and permanent rules  
8 and regulations may include but shall not be limited to:
- 9 (1) Subject to the provisions of subsection (c), the types of lottery  
10 games to be conducted, including but not limited to instant lottery, on-  
11 line and traditional games, but not including games on video lottery ma-  
12 chines or lottery machines.
- 13 (2) The manner of selecting the winning tickets or shares, except that,  
14 if a lottery game utilizes a drawing of winning numbers, a drawing among  
15 entries or a drawing among finalists, such drawings shall always be open  
16 to the public and shall be recorded on both video and audio tape.
- 17 (3) The manner of payment of prizes to the holders of winning tickets  
18 or shares.
- 19 (4) The frequency of the drawings or selections of winning tickets or  
20 shares.
- 21 (5) The type or types of locations at which tickets or shares may be  
22 sold.
- 23 (6) The method or methods to be used in selling tickets or shares.
- 24 (7) Additional qualifications for the selection of lottery retailers and  
25 the amount of application fees to be paid by each.
- 26 (8) The amount and method of compensation to be paid to lottery  
27 retailers, including special bonuses and incentives.
- 28 (9) Deadlines for claims for prizes by winners of each lottery game.
- 29 (10) Provisions for confidentiality of information submitted by ven-  
30 dors pursuant to K.S.A. 74-8705, and amendments thereto.
- 31 (11) Information required to be submitted by vendors, in addition to  
32 that required by K.S.A. 74-8705, and amendments thereto.
- 33 (12) The major procurement contracts or portions thereof to be  
34 awarded to minority business enterprises pursuant to subsection (a) of  
35 K.S.A. 74-8705, and amendments thereto, and procedures for the award  
36 thereof.
- 37 (13) *Rules and regulations to implement, administer and enforce the*  
38 *provisions of the Kansas expanded lottery act.*
- 39 (14) *The types of electronic gaming machines and lottery facility*  
40 *games to be operated pursuant to the Kansas expanded lottery act.*
- 41 (b) No new lottery game shall commence operation after the effective  
42 date of this act unless first approved by the governor or, in the governor's  
43 absence or disability, the lieutenant governor. *This subsection shall not*

1 *be construed to require approval of games played on an electronic gaming*  
2 *machine or lottery facility games.*

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

7 Sec. 24. K.S.A. 2004 Supp. 74-8711 is hereby amended to read as  
8 follows: 74-8711. (a) There is hereby established in the state treasury the  
9 lottery operating fund.

10 (b) Except as provided by K.S.A. 2004 Supp. 74-8724 *and the Kansas*  
11 *expanded lottery act*, and amendments thereto, the executive director  
12 shall remit all moneys collected from the sale of lottery tickets and shares  
13 and any other moneys received by or on behalf of the Kansas lottery to  
14 the state treasurer in accordance with the provisions of K.S.A. 75-4215,  
15 and amendments thereto. Upon receipt of each such remittance, the state  
16 treasurer shall deposit the entire amount in the state treasury to the credit  
17 of the lottery operating fund. Moneys credited to the fund shall be ex-  
18 pended or transferred only as provided by this act. Expenditures from  
19 such fund shall be made in accordance with appropriations acts upon  
20 warrants of the director of accounts and reports issued pursuant to vouch-  
21 ers approved by the executive director or by a person designated by the  
22 executive director.

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

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

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

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

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

38 (5) transfers to the state gaming revenues fund pursuant to subsection  
39 ~~(d) of this section~~ and as otherwise provided by law; and

40 (6) transfers to the county reappraisal fund as prescribed by law.

41 (d) The director of accounts and reports shall transfer moneys in the  
42 lottery operating fund to the state gaming revenues fund created by  
43 K.S.A. 79-4801, and amendments thereto, on or before the 15th day of

1 each month in an amount certified monthly by the executive director and  
2 determined as follows, whichever is greater:

3 (1) An amount equal to the moneys in the lottery operating fund in  
4 excess of those needed for the purposes described in subsections (c)(1)  
5 through (c)(4); or

6 (2) except for pull-tab lottery tickets and shares, an amount equal to  
7 not less than 30% of total monthly revenues from the sales of lottery  
8 tickets and shares less estimated returned tickets. In the case of pull-tab  
9 lottery tickets and shares, an amount equal to not less than 20% of the  
10 total monthly revenues from the sales of pull-tab lottery tickets and shares  
11 less estimated returned tickets.

12 Sec. 25. K.S.A. 74-8723 is hereby amended to read as follows: 74-  
13 8723. (a) The Kansas lottery and the office of executive director of the  
14 Kansas lottery, established by K.S.A. 74-8703, and amendments thereto,  
15 and the Kansas lottery commission, created by K.S.A. 74-8709, and  
16 amendments thereto, shall be and hereby are abolished on July 1, ~~2008~~  
17 2022.

18 (b) This section shall be part of and supplemental to the Kansas lot-  
19 tery act.

20 Sec. 26. K.S.A. 2004 Supp. 19-101a, as amended by section 1 of 2005  
21 Senate Bill No. 298, is hereby amended to read as follows: 19-101a. (a)  
22 The board of county commissioners may transact all county business and  
23 perform all powers of local legislation and administration it deems ap-  
24 propriate, subject only to the following limitations, restrictions or  
25 prohibitions:

26 (1) Counties shall be subject to all acts of the legislature which apply  
27 uniformly to all counties.

28 (2) Counties may not consolidate or alter county boundaries.

29 (3) Counties may not affect the courts located therein.

30 (4) Counties shall be subject to acts of the legislature prescribing  
31 limits of indebtedness.

32 (5) In the exercise of powers of local legislation and administration  
33 authorized under provisions of this section, the home rule power con-  
34 ferred on cities to determine their local affairs and government shall not  
35 be superseded or impaired without the consent of the governing body of  
36 each city within a county which may be affected.

37 (6) Counties may not legislate on social welfare administered under  
38 state law enacted pursuant to or in conformity with public law No. 271—  
39 74th congress, or amendments thereof.

40 (7) Counties shall be subject to all acts of the legislature concerning  
41 elections, election commissioners and officers and their duties as such  
42 officers and the election of county officers.

43 (8) Counties shall be subject to the limitations and prohibitions im-

- 1 posed under K.S.A. 12-187 to 12-195, inclusive, and amendments thereto,  
2 prescribing limitations upon the levy of retailers' sales taxes by counties.
- 3 (9) Counties may not exempt from or effect changes in statutes made  
4 nonuniform in application solely by reason of authorizing exceptions for  
5 counties having adopted a charter for county government.
- 6 (10) No county may levy ad valorem taxes under the authority of this  
7 section upon real property located within any redevelopment project area  
8 established under the authority of K.S.A. 12-1772, and amendments  
9 thereto, unless the resolution authorizing the same specifically authorized  
10 a portion of the proceeds of such levy to be used to pay the principal of  
11 and interest upon bonds issued by a city under the authority of K.S.A.  
12 12-1774, and amendments thereto.
- 13 (11) Counties shall have no power under this section to exempt from  
14 any statute authorizing or requiring the levy of taxes and providing sub-  
15 stitute and additional provisions on the same subject, unless the resolution  
16 authorizing the same specifically provides for a portion of the proceeds  
17 of such levy to be used to pay a portion of the principal and interest on  
18 bonds issued by cities under the authority of K.S.A. 12-1774, and amend-  
19 ments thereto.
- 20 (12) Counties may not exempt from or effect changes in the provi-  
21 sions of K.S.A. 19-4601 through 19-4625, and amendments thereto.
- 22 (13) Except as otherwise specifically authorized by K.S.A. 12-1,101  
23 through 12-1,109, and amendments thereto, counties may not levy and  
24 collect taxes on incomes from whatever source derived.
- 25 (14) Counties may not exempt from or effect changes in K.S.A. 19-  
26 430, and amendments thereto.
- 27 (15) Counties may not exempt from or effect changes in K.S.A. 19-  
28 302, 19-502b, 19-503, 19-805 or 19-1202, and amendments thereto.
- 29 (16) (A) Counties may not exempt from or effect changes in K.S.A.  
30 13-13a26, and amendments thereto.
- 31 (B) This provision shall expire on June 30, 2006.
- 32 (17) (A) Counties may not exempt from or effect changes in K.S.A.  
33 71-301a, and amendments thereto.
- 34 (B) This provision shall expire on June 30, 2006.
- 35 (18) Counties may not exempt from or effect changes in K.S.A. 19-  
36 15,139, 19-15,140 and 19-15,141, and amendments thereto.
- 37 (19) Counties may not exempt from or effect changes in the provi-  
38 sions of K.S.A. 12-1223, 12-1225, 12-1225a, 12-1225b, 12-1225c and 12-  
39 1226, and amendments thereto, or the provisions of K.S.A. 12-1260  
40 through 12-1270 and 12-1276, and amendments thereto.
- 41 (20) Counties may not exempt from or effect changes in the provi-  
42 sions of K.S.A. 19-211, and amendments thereto.
- 43 (21) Counties may not exempt from or effect changes in the provi-

- 1 sions of K.S.A. 19-4001 through 19-4015, and amendments thereto.
- 2 (22) Counties may not regulate the production or drilling of any oil  
3 or gas well in any manner which would result in the duplication of reg-  
4 ulation by the state corporation commission and the Kansas department  
5 of health and environment pursuant to chapter 55 and chapter 65 of the  
6 Kansas Statutes Annotated, and amendments thereto, and any rules and  
7 regulations adopted pursuant thereto. Counties may not require any li-  
8 cense or permit for the drilling or production of oil and gas wells. Counties  
9 may not impose any fee or charge for the drilling or production of any  
10 oil or gas well.
- 11 (23) Counties may not exempt from or effect changes in K.S.A. 79-  
12 41a04, and amendments thereto.
- 13 (24) Counties may not exempt from or effect changes in K.S.A. 79-  
14 1611, and amendments thereto.
- 15 (25) Counties may not exempt from or effect changes in K.S.A. 79-  
16 1494, and amendments thereto.
- 17 (26) Counties may not exempt from or effect changes in subsection  
18 (b) of K.S.A. 19-202, and amendments thereto.
- 19 (27) Counties may not exempt from or effect changes in subsection  
20 (b) of K.S.A. 19-204, and amendments thereto.
- 21 (28) Counties may not levy or impose an excise, severance or any  
22 other tax in the nature of an excise tax upon the physical severance and  
23 production of any mineral or other material from the earth or water.
- 24 (29) Counties may not exempt from or effect changes in K.S.A. 79-  
25 2017 or 79-2101, and amendments thereto.
- 26 (30) Counties may not exempt from or effect changes in K.S.A. 2-  
27 3302, 2-3305, 2-3307, 2-3318, 17-5904, 17-5908, 47-1219, 65-171d, 65-  
28 1,178 through 65-1,199, and amendments thereto.
- 29 (31) Counties may not exempt from or effect changes in K.S.A. 2004  
30 Supp. 80-121, and amendments thereto.
- 31 (32) Counties may not exempt from or effect changes in K.S.A. 19-  
32 228, and amendments thereto.
- 33 (33) Counties may not exempt from or effect changes in the wireless  
34 enhanced 911 act or in the provisions of K.S.A. 12-5301 through 12-5308,  
35 and amendments thereto.
- 36 (34) Counties may not exempt from or effect changes in K.S.A. 2004  
37 Supp. 26-601, and amendments thereto.
- 38 (35) (A) From and after November 15, 2005, counties may not ex-  
39 empt from or effect changes in the Kansas liquor control act except as  
40 provided by paragraph (B).
- 41 (B) From and after November 15, 2005, counties may adopt resolu-  
42 tions which are not in conflict with the Kansas liquor control act.
- 43 (36) (A) From and after November 15, 2005, counties may not ex-

1   empt from or effect changes in the Kansas cereal malt beverage act except  
2   as provided by paragraph (B).

3    (B) From and after November 15, 2005, counties may adopt resolu-  
4   tions which are not in conflict with the Kansas cereal malt beverage act.

5    (37) *Counties may not exempt from or effect changes in the Kansas*  
6   *lottery act.*

7    (38) *Counties may not exempt from or effect changes in the Kansas*  
8   *expanded lottery act.*

9    (b) Counties shall apply the powers of local legislation granted in  
10   subsection (a) by resolution of the board of county commissioners. If no  
11   statutory authority exists for such local legislation other than that set forth  
12   in subsection (a) and the local legislation proposed under the authority  
13   of such subsection is not contrary to any act of the legislature, such local  
14   legislation shall become effective upon passage of a resolution of the  
15   board and publication in the official county newspaper. If the legislation  
16   proposed by the board under authority of subsection (a) is contrary to an  
17   act of the legislature which is applicable to the particular county but not  
18   uniformly applicable to all counties, such legislation shall become effec-  
19   tive by passage of a charter resolution in the manner provided in K.S.A.  
20   19-101b, and amendments thereto.

21    (c) Any resolution adopted by a county which conflicts with the re-  
22   strictions in subsection (a) is null and void.

23    Sec. 27. K.S.A. 74-8702, 74-8710 and 74-8723, K.S.A. 2004 Supp.  
24   74-8711 and K.S.A. 2004 Supp. 19-101a, as amended by section 1 of 2005  
25   Senate Bill No. 298, are hereby repealed.

26    Sec. 28. This act shall take effect and be in force from and after its  
27   publication in the Kansas register.