

To: House Committee on Federal and State Affairs

From: James Bain, General Counsel, on behalf of Kansas Racing and Gaming Commission staff

Date: March 16, 2026

Re: SB502 Proponent Testimony

Chairman Kessler and Members of the Committee,

The staff of the Kansas Racing and Gaming Commission (KRGC) thank Chairman Kessler and the rest of the committee for the opportunity to discuss SB502 and the ratification of sports wagering regulations. K.S.A. 77-441 requires legislative ratification of new permanent regulations when the total cost to implement the regulations is over \$1 million in the first five years of implementation. The Senate passed SB502 by a vote of 39-0.

The KRGC is tasked, in K.S.A. 74-8772, with crafting and enforcing regulations concerning operations of lottery gaming facilities and sports wagering in Kansas. Most regulations are written for the purpose of consumer protection, financial auditing, employee and vendor licensing, and enforcement of Kansas law.

Sports wagering launched in Kansas in September of 2022. Since that time seven platforms have entered into an agreement with the Kansas Lottery and have been licensed and regulated by the KRGC under temporary regulations. For the most part the regulations before you in SB502 are the same regulations that have been in place since the launch of sports wagering. The regulations were approved by the Department of Administration and Attorney General's Office for form and legality.

The Department of Budget approved Economic Impact Statement (EIS) estimates the regulations for sports wagering will cost the lottery gaming facilities and sports wagering platforms a total of \$1,485,000 over the first five years of implementation. The approved EIS estimated no cost being incurred by state or local governments or individual Kansas residents. No opposing testimony was submitted at the Senate Fed and State committee hearing or the KRGC public hearing addressing the EIS.

The majority of the costs incurred by the sports wagering platforms come from monitoring and reporting of suspicious activity, integrity and security audits, and technology certification and testing.

A vote in favor of SB502 will implement permanent sports wagering regulations. The regulations allow for the continued sensible and prudent oversight of sports wagering in Kansas.

Thank you for your time and consideration.

James Bain
Kansas Racing and Gaming Commission