

February 23, 2026

The Honorable Mike Thompson, Chairperson  
Senate Committee on Federal and State Affairs  
300 SW 10th Avenue, Room 144-S  
Topeka, Kansas 66612

Dear Senator Thompson:

SUBJECT: Fiscal Note for SB 502 by Senate Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning SB 502 is respectfully submitted to your committee.

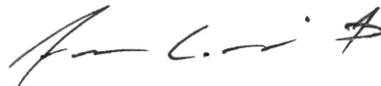
Under current law, if the annual implementation and compliance costs of proposed rules and regulations are reasonably expected to be incurred by or passed along to businesses, local governmental unit, or individuals that exceed \$1.0 million over the initial five-year period following adoption of the proposed rules and regulations, then the proposed rules and regulations would be required to be ratified by the Legislature. SB 502 would ratify permanent rules and regulations related to sports wagering from the Kansas Racing and Gaming Commission (KRG). The bill would take effect upon publication in the *Kansas Register*.

KRG indicates that SB 502 would have no fiscal effect on its operations. The Economic Impact Statement of proposed rules and regulations approved by the Division of the Budget estimates that the total annual implementation and compliance cost incurred by lottery gaming facility managers and interactive sport wagering platforms to be \$297,306 and will exceed \$1.0 million over the initial five-year period following adoption of the proposed rules and regulations. KRG, lottery gaming facilities, and interactive sports wagering platforms have been operating sports wagering in Kansas since August of 2022, and no changes to current sports wagering operations are expected after the passage of SB 502.

KRG indicates the permanent regulations are necessary to carry out the Kansas Expanded Lottery Act and monitor the activities of lottery gaming facility managers and interactive sport wagering platforms to ensure integrity and security of gaming in Kansas. The regulations include definitions, accounting controls, reserve requirements, wagering requirements, recordkeeping and

reporting requirements, payment of winning wagers, wager cancellation, reporting of suspicious activity, and other requirements. KRGC indicates that these regulations are necessary to protect the integrity of sports wagering in Kansas and carry out the statutory mission of the KRGC. KRGC indicates that the regulatory approach taken in these proposed regulations is similar to the regulatory approach taken by other contiguous states in terms of internal controls, audits, house rules, geofencing, and patron verification; there are small variations which are necessary to comply with the legal requirements of the Kansas Expanded Lottery Act with respect to sports wagering activities.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt" with a stylized flourish at the end.

Adam C. Proffitt  
Director of the Budget

cc: Brandi White, Kansas Racing & Gaming Commission  
Keith Kocher, Kansas Lottery