

**SENATE BILL No. 508**

By Committee on Federal and State Affairs

2-12

1 AN ACT concerning federal and state affairs; relating to the lottery  
2 operating fund; increasing transfers from such fund to the community  
3 crisis stabilization centers fund and the clubhouse model program fund  
4 of the Kansas department for aging and disability services; amending  
5 K.S.A. 2025 Supp. 74-8711 and repealing the existing section.  
6

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

8 Section 1. K.S.A. 2025 Supp. 74-8711 is hereby amended to read as  
9 follows: 74-8711. (a) There is hereby established in the state treasury the  
10 lottery operating fund.

11 (b) Except as provided by K.S.A. 74-8724 and the Kansas expanded  
12 lottery act, and amendments thereto, the executive director shall remit all  
13 moneys collected from the sale of lottery tickets and shares and any other  
14 moneys received by or on behalf of the Kansas lottery to the state treasurer  
15 in accordance with the provisions of K.S.A. 75-4215, and amendments  
16 thereto. Upon receipt of each such remittance, the state treasurer shall  
17 deposit the entire amount in the state treasury to the credit of the lottery  
18 operating fund. Moneys credited to the fund shall be expended or  
19 transferred only as provided by this act. Expenditures from such fund shall  
20 be made in accordance with appropriations acts upon warrants of the  
21 director of accounts and reports issued pursuant to vouchers approved by  
22 the executive director or by a person designated by the 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; all  
26 costs resulting from contracts entered into for the purchase or lease of  
27 goods and services needed for operation of the lottery, including, but not  
28 limited to, supplies, materials, tickets, independent studies and surveys,  
29 data transmission, advertising, printing, promotion, incentives, public  
30 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, and

1 amendments thereto;

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

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

7 (7) transfers to the white collar crime fund of the governor pursuant  
8 to subsection (f);

9 (8) transfers to the problem gambling and addictions grant fund of the  
10 department for aging and disability services pursuant to subsection (g);

11 (9) transfers to the attracting professional sports to Kansas fund of the  
12 department of commerce pursuant to subsection (h); and

13 (10) transfers to the county reappraisal fund as prescribed by law.

14 (d) The director of accounts and reports shall transfer moneys in the  
15 lottery operating fund to the state gaming revenues fund created by K.S.A.  
16 79-4801, and amendments thereto, on or before the 15<sup>th</sup> day of each month  
17 in an amount certified monthly by the executive director and determined as  
18 follows, whichever is greater:

19 (1) An amount equal to the moneys in the lottery operating fund in  
20 excess of those needed for the purposes described in subsections (c)(1)  
21 through (c)(6); or

22 (2) except for pull-tab lottery tickets and shares, an amount equal to  
23 not less than 30% of total monthly revenues from the sales of lottery  
24 tickets and shares less estimated returned tickets. In the case of pull-tab  
25 lottery tickets and shares, an amount equal to not less than 20% of the total  
26 monthly revenues from the sales of pull-tab lottery tickets and shares less  
27 estimated returned tickets.

28 (e) (1) Subject to the limitations set forth in paragraph (2) and the  
29 provisions of paragraph (3), on or before the 10<sup>th</sup> day of each month, the  
30 director of the lottery shall certify to the director of accounts and reports  
31 all net profits from the sale of lottery tickets and shares via lottery ticket  
32 vending machines. Of such certified amount, the director of accounts and  
33 reports shall transfer 75% from the lottery operating fund to the  
34 community crisis stabilization centers fund of the Kansas department for  
35 aging and disability services and 25% from the lottery operating fund to  
36 the clubhouse model program fund of the Kansas department for aging and  
37 disability services.

38 (2) Moneys transferred pursuant to paragraph (1) shall not exceed in  
39 the aggregate \$10,000,000 in fiscal year 2025, and shall not exceed in the  
40 aggregate ~~\$8,000,000~~ \$16,000,000 in fiscal year 2027 and each fiscal year  
41 thereafter.

42 (3) During fiscal year 2026, on or before the 15<sup>th</sup> day of each month,  
43 the director of accounts and reports shall transfer \$625,000 from the

1 lottery operating fund to the community crisis stabilization centers fund of  
2 the Kansas department for aging and disability services and \$208,333 from  
3 the lottery operating fund to the clubhouse model program fund of the  
4 Kansas department for aging and disability services.

5 (f) On July 1, 2023, and each July 1 thereafter, or as soon thereafter  
6 as moneys are available, the first \$750,000 credited to the lottery operating  
7 fund from sports wagering revenues deposited in the lottery operating fund  
8 shall be transferred by the director of accounts and reports from the lottery  
9 operating fund to the white collar crime fund established in K.S.A. 2025  
10 Supp. 74-8792, and amendments thereto.

11 (g) On July 1, 2023, and each July 1 thereafter, or as soon thereafter  
12 as moneys are available, after the transfer required under subsection (f) has  
13 been made, 2% of the remaining moneys credited to the lottery operating  
14 fund from sports wagering revenues deposited in the lottery operating fund  
15 shall be transferred by the director of accounts and reports from the lottery  
16 operating fund to the problem gambling and addictions grant fund  
17 established in K.S.A. 79-4805, and amendments thereto.

18 (h) On July 1, 2023, and each July 1 thereafter, or as soon thereafter  
19 as moneys are available, after the transfer required under subsection (f) has  
20 been made, 80% of the remaining moneys credited to the lottery operating  
21 fund from sports wagering revenues deposited in the lottery operating fund  
22 shall be transferred by the director of accounts and reports from the lottery  
23 operating fund to the attracting professional sports to Kansas fund  
24 established in K.S.A. 2025 Supp. 74-8793, and amendments thereto.

25 Sec. 2. K.S.A. 2025 Supp. 74-8711 is hereby repealed.

26 Sec. 3. This act shall take effect and be in force from and after its  
27 publication in the statute book.