

SESSION OF 2014

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2125

As Amended by Senate Committee on Federal
and State Affairs

Brief*

HB 2125, as amended, would modify the Kansas Expanded Lottery Act by making changes to provisions for the south central Kansas gaming zone and making technical corrections to current law.

Regarding the changes for the south central Kansas gaming zone, the bill would add law to require the Kansas Lottery Commission to negotiate an addendum to existing management contracts that would prohibit the state from operating gaming machines at parimutuel sites until July 1, 2032, in the south central gaming zone.

The bill would add the south central Kansas gaming zone to a prohibition against the Executive Director of the Kansas Lottery negotiating a racetrack gaming facility contract for gaming machines at a parimutuel site that currently applies only to the southwest Kansas gaming zone.

Most language in current law referencing a parimutuel licensee location in Sedgwick County would be stricken, and the bill would substitute a prohibition against electronic gaming machines at a parimutuel site in the south central Kansas gaming zone. Another reference in current law to racetrack gaming facilities in both the southeast and south central zones would be amended by striking the reference to the south central zone, allowing in the future for distribution of racetrack gaming facility revenue only if a facility would be authorized and located in the southeast zone.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

The technical amendments included in the bill would clarify that there are four, not three, lottery gaming facilities permitted, including one located in the southwest Kansas gaming zone. Another section of the bill would strike references to “racetrack gaming facility revenues” and substitute “net electronic gaming machine income” to correct the statute.

Background

HB 2125, as introduced, would increase the limit placed on license fees charged to real estate salespersons and brokers. For salespersons, the fee limit for original and renewal licenses would increase by \$50, from \$100 to \$150. For brokers, the fee limit also would increase by \$50, from \$150 to \$200.

Representatives from the Real Estate Commission and the Kansas Association of Realtors spoke in favor of HB 2125 as introduced, stating the fee increase is necessary to counteract the recent economic recession and budgetary actions that could constrain the Commission from fulfilling its duties. There was no other testimony.

According to the fiscal note on HB 2125 as introduced, the Division of the Budget, in consultation with the Real Estate Commission, indicated that if the fee rates were raised administratively to the proposed limits, an additional \$335,700 would be available to the Real Estate Fee Fund. However, the Commission intends to raise the fees by \$35. With 5,284 original and renewal salesperson licenses and 2,018 original and renewal broker licenses, the Commission estimates the additional revenue would be \$240,290.

The Senate Committee deleted the contents of HB 2125 as passed by the House by striking those provisions, and it inserted the original contents of SB 440 into the bill as an amendment.

SB 440 as introduced would amend the Kansas Expanded Lottery Act, addressing the south-central Kansas gaming zone and specifically a parimutuel facility. The bill also would correct mistakes in the original language.

Proponents testifying in support of SB 440 included representatives of the Tribal Council of the Prairie Band Potawatomi Nation, Stand Up for Kansas, and Sumner County Economic Development.

Opposing testimony was presented by a representative of the owner of the Wichita Greyhound Park.

The fiscal note indicated the Kansas Lottery and the Kansas Racing and Gaming Commission reported no fiscal effect was attributed to the original bill.