

SENATE BILL No. 108

By Senator Pittman

1-28

1 AN ACT concerning veterans; relating to the veterans benefit lottery
2 game; disposition of net profits; directing certain disbursements from
3 the lottery operating fund; establishing the veterans benefit lottery
4 game fund; amending K.S.A. 74-8711 and 74-8724 and repealing the
5 existing sections.
6

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

8 New Section 1. There is hereby established in the state treasury the
9 veterans benefit lottery game fund to be administered by the Kansas
10 commission on veterans affairs office. All expenditures from the veterans
11 benefit lottery game fund shall be made in accordance with appropriation
12 acts upon warrants of the director of accounts and reports issued pursuant
13 to vouchers approved by the director of the Kansas commission on
14 veterans affairs office or the director's designee. All expenditures from the
15 veterans benefit lottery game fund shall be used as established in K.S.A.
16 74-8724, and amendments thereto.

17 Sec. 2. K.S.A. 74-8711 is hereby amended to read as follows: 74-
18 8711. (a) There is hereby established in the state treasury the lottery
19 operating fund.

20 (b) Except as provided by K.S.A. 74-8724, *and amendments thereto*,
21 and the Kansas expanded lottery act, ~~and amendments thereto~~, the
22 executive director shall remit all moneys collected from the sale of lottery
23 tickets and shares and any other moneys received by or on behalf of the
24 Kansas lottery to the state treasurer in accordance with the provisions of
25 K.S.A. 75-4215, and amendments thereto. Upon receipt of each such
26 remittance, the state treasurer shall deposit the entire amount in the state
27 treasury to the credit of the lottery operating fund. Moneys credited to the
28 fund shall be expended or transferred only as provided by this act.
29 Expenditures from such fund shall be made in accordance with
30 appropriations acts upon warrants of the director of accounts and reports
31 issued pursuant to vouchers approved by the executive director or by a
32 person designated by the executive director.

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

34 (1) The payment of expenses of the lottery, which shall include all
35 costs incurred in the operation and administration of the Kansas lottery; all
36 costs resulting from contracts entered into for the purchase or lease of

1 goods and services needed for operation of the lottery, including but not
2 limited to supplies, materials, tickets, independent studies and surveys,
3 data transmission, advertising, printing, promotion, incentives, public
4 relations, communications and distribution of tickets and shares; and
5 reimbursement of costs of facilities and services provided by other state
6 agencies;

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

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

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

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

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

17 (7) transfers to the county reappraisal fund as prescribed by law; *and*

18 (8) *transfers to the veterans benefit lottery game fund pursuant to*
19 *K.S.A. 74-8724, and amendments thereto.*

20 (d) The director of accounts and reports shall transfer moneys in the
21 lottery operating fund to the state gaming revenues fund created by K.S.A.
22 79-4801, and amendments thereto, on or before the 15th day of each month
23 in an amount certified monthly by the executive director and determined as
24 follows, whichever is greater:

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

28 (2) except for pull-tab lottery tickets and shares, an amount equal to
29 not less than 30% of total monthly revenues from the sales of lottery
30 tickets and shares less estimated returned tickets. In the case of pull-tab
31 lottery tickets and shares, an amount equal to not less than 20% of the total
32 monthly revenues from the sales of pull-tab lottery tickets and shares less
33 estimated returned tickets.

34 (e) (1) Subject to the limitations set forth in paragraph (2),
35 commencing in fiscal year 2019, on or before the 10th day of each month,
36 the director of the lottery shall certify to the director of accounts and
37 reports all net profits from the sale of lottery tickets and shares via lottery
38 ticket vending machines. Of such certified amount, the director of
39 accounts and reports shall transfer 75% from the lottery operating fund to
40 the community crisis stabilization centers fund of the Kansas department
41 for aging and disability services and 25% from the lottery operating fund
42 to the clubhouse model program fund of the Kansas department for aging
43 and disability services.

1 (2) Moneys transferred pursuant to paragraph (1) shall not exceed in
2 the aggregate \$4,000,000 in fiscal year 2019, and shall not exceed in the
3 aggregate \$8,000,000 in fiscal year 2020 and each fiscal year thereafter.

4 Sec. 3. K.S.A. 74-8724 is hereby amended to read as follows: 74-
5 8724. (a) Notwithstanding any provision of law to the contrary, the Kansas
6 lottery commission ~~shall~~ *may* establish an instant lottery scratch-off game
7 designated as the veterans benefit game, which shall be conducted by the
8 Kansas lottery. Tickets for the veterans benefit game established by this
9 section ~~shall~~ *may* be offered for sale year-round.

10 (b) The Kansas lottery commission ~~shall~~ *may* adopt rules and
11 regulations governing the establishment of the veterans benefit game
12 pursuant to K.S.A. 74-8710, and amendments thereto, except that
13 ~~subsection (b) of K.S.A. 74-8710(b)~~, and amendments thereto, shall not
14 apply to the veterans benefit game established by this section.

15 ~~(c) Notwithstanding the provisions of Pursuant to K.S.A. 79-4801~~
16 ~~et seq., and K.S.A. 74-8711, and amendments thereto, all net profits,~~
17 received from the sale of veterans benefit game lottery tickets, materials
18 and games, as prescribed by rules and regulations adopted pursuant to
19 ~~subsection (b) of this section~~, shall be deposited in the state treasury.

20 *(d) Subject to the provisions of subsection (e), on July 1 of each year,*
21 *or as soon thereafter as moneys are available, the director of accounts and*
22 *reports shall transfer \$2,000,000 from the lottery operating fund to the*
23 *veterans benefit lottery game fund and such moneys shall be used as*
24 *follows: (1) An amount equal to 40% of such ~~net profits~~ moneys shall be*
25 *appropriated for purposes directly ~~benefitting~~ benefiting members of the*
26 *Kansas army and air national guard and their families to provide for*
27 *Kansas national guard educational assistance act scholarships pursuant to*
28 *K.S.A. 74-32,145 et seq., and amendments thereto, and, to the extent that*
29 *moneys are available, for other purposes directly ~~benefitting~~ benefiting*
30 *members of the Kansas army and air national guard and their families as*
31 *provided by appropriation act;*

32 (2) an amount equal to 30% of such ~~net profits~~ moneys shall be
33 appropriated for operating expenditures and capital improvements, or as
34 otherwise provided by appropriation act, for the use and benefit of the
35 Kansas veterans' home, the Kansas soldiers' home and the state veterans
36 cemetery system; and

37 (3) an amount equal to 30% of such ~~net profits from: (A) July 1,~~
38 ~~2008, to June 30, 2010, shall be appropriated for the museum of the~~
39 ~~Kansas national guard to expand the museum facility to include a 35th~~
40 ~~Infantry Division Museum and a museum education center as provided by~~
41 ~~appropriation act; and (B) from and after July 1, 2010, moneys shall be~~
42 ~~appropriated for a veterans enhanced service delivery program.~~

43 *(e) Beginning on July 1, 2022, or as soon thereafter as moneys are*

1 available, the amount transferred from the lottery operating fund to the
2 veterans benefit lottery game fund shall increase each year by 5% from the
3 amount transferred in the preceding year.

4 (f) Beginning in 2026, and every five years thereafter, the house of
5 representatives standing committee on veterans and military, or its
6 successor committee, shall review the provisions of this section.

7 (d)(g) The Kansas lottery commission ~~shall~~ may change the design or
8 theme of the veterans benefit game regularly so that the game remains
9 competitive with the other instant lottery scratch-off games offered by
10 such commission. The tickets for the instant lottery game authorized by
11 this section shall clearly state that the profits derived from the game shall
12 be used to benefit veterans and veterans issues in this state.

13 Sec. 4. K.S.A. 74-8711 and 74-8724 are hereby repealed.

14 Sec. 5. This act shall take effect and be in force from and after its
15 publication in the statute book.