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Written Testimony to the
House Children and Families Committee
Regarding HB 2775, March 15, 2012

Keith Kocher, Director of Gaming Facilities
Kansas Lottery

Mr. Chairman and members of the Committee:

The Kansas Lottery is neutral on HB 2775. If, however, the bill passes out of Committee there are technical issues the Kansas Lottery would suggest be addressed, as follows:

1. Although subject to some interpretation, it appears the bill may require not only the Lottery Gaming Facility Manager and Parimutuel Licensees (hereinafter collectively referred to as "Managers") to run setoff matches, but also the Kansas Lottery itself. By virtue of its contract with the Lottery, all Managers are already obligated to do all things necessary to process player jackpots and to otherwise abide by the law. If this bill is made law, the Managers would have the duty to perform the setoffs. Requiring the Lottery to also perform the setoffs would be redundant and cause unnecessary expense, effort, and potential delay for the players. The Lottery would, however, in the normal course of its duties audit the setoff program and administration thereof. The Lottery respectfully requests the bill be amended to not require the Lottery to perform the setoffs in addition to the Managers;

2. Whether by design or omission, the bill does not seem to include any provisions regarding the Racetrack Gaming Facility Managers as defined in the Kansas Expanded Lottery Act (KELA) at KSA 74-8702(cc). Although there are no such managers currently in existence, there may be in the future. The bill appears to refer to Parimutuel Licensees under the Parimutuel Racing Act (i.e., "facility owner licensees" as defined by KSA 74-8802);

3. In New Section 1(b), between the words "lottery" and "facility" the word "gaming" should be inserted;

4. New Section 2 appears to only apply to "any prize or winning from parimutuel wagering." If so, then Section 2 would only apply to parimutuel licensees and not apply to the Kansas Lottery or casino managers;

5. In New Section 2 the word "insure" should be changed to "ensure"; and,

6. In general, in various places the words "offset" and "offsetting" are used. For consistency and clarity the drafter may wish to instead consider using the word "setoff" and term "setting off".