AN ACT concerning the veterans benefit lottery game; disposition of net
profits; establishing the veterans benefit lottery game fund and the
74-8724 and repealing the existing section.

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

New Section 1. (a) All net profits received from the sale of veterans
benefit lottery game tickets, materials and games, as prescribed by rules
and regulations adopted pursuant to K.S.A. 2015 Supp. 74-8724(b), and
amendments thereto, shall be transferred to and credited to the veterans
benefit lottery game fund and the national guard benefit lottery game fund
in accordance with this section.

(b) On or before the fifth day of each month, the executive director of
the Kansas lottery shall determine and certify to the director of accounts
and reports the aggregate amount of net profits received from the sale of
veterans benefit game lottery tickets, materials and games, as prescribed
by rules and regulations adopted pursuant to K.S.A. 2015 Supp. 74-
8724(b), and amendments thereto, that was transferred from the lottery
operating fund to the state gaming revenues fund during the preceding
month pursuant to K.S.A. 74-8711(d), and amendments thereto. Upon
receipt of each such certification, the director of accounts and reports shall
transfer the amount equal to 60% of the amount certified from the state
gaming revenues fund to the veterans benefit lottery game fund established
by section 2, and amendments thereto, and shall transfer the amount equal
to 40% of the amount certified from the state gaming revenues fund to the
national guard benefit lottery game fund established by section 3, and
amendments thereto. At the same time as such certification is transmitted
to the director of accounts and reports, the executive director of the Kansas
lottery shall transmit a copy of such certification to the director of the
budget and the director of legislative research.

New Sec. 2. (a) There is hereby established in the state treasury the
veterans benefit lottery game fund which shall be administered by the
Kansas commission on veterans affairs. All expenditures from the veterans
benefit lottery game fund shall be made in accordance with appropriation
acts upon warrants of the director of accounts and reports issued pursuant
to vouchers approved by the Kansas commission on veterans affairs or the
designee of the commission.

(b) Moneys credited to the veterans benefit lottery game fund shall not be transferred to the state general fund. Moneys credited to the veterans benefit lottery game fund shall be used only for the following purposes:

(1) Fifty percent of the moneys transferred to the veterans benefit lottery game fund shall be used for operating expenditures and capital improvements, or as otherwise provided by appropriation acts, for the use and benefit of the Kansas veterans' home, the Kansas soldiers' home and the state veterans' cemetery system; and

(2) fifty percent of the moneys transferred to the veterans benefit lottery game fund shall be used for a veterans enhanced service delivery program.

(c) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the veterans benefit lottery game fund interest earnings based on:

(1) The average daily balance of moneys in the veterans benefit lottery game fund for the preceding month; and

(2) the net earnings rate of the pooled money investment portfolio for the preceding month.

New Sec. 3. (a) There is hereby established in the state treasury the national guard benefit lottery game fund which shall be administered by the adjutant general. All expenditures from the national guard benefit lottery game fund shall be made in accordance with appropriation acts upon warrants of the director of accounts and reports issued pursuant to vouchers approved by the adjutant general or the designee of the adjutant general.

(b) Moneys credited to the national guard benefit lottery game fund shall not be transferred to the state general fund. Moneys credited to the national guard benefit lottery game fund shall be used only for purposes directly benefiting members of the Kansas army and air national guard and their families to provide for Kansas national guard educational assistance act scholarships pursuant to K.S.A. 74-32,145 et seq., and amendments thereto, and, to the extent that moneys are available, for other purposes directly benefiting members of the Kansas army and air national guard and their families.

(c) On or before the 10th day of each month, the director of accounts and reports shall transfer from the state general fund to the national guard benefit lottery game fund interest earnings based on:

(1) The average daily balance of moneys in the national guard benefit lottery game fund for the preceding month; and

(2) the net earnings rate of the pooled money investment portfolio for the preceding month.
Sec. 4. K.S.A. 2015 Supp. 74-8724 is hereby amended to read as follows: 74-8724. (a) Notwithstanding any provision of law to the contrary, the Kansas lottery commission shall establish an instant lottery scratch-off game designated as the veterans benefit game, which shall be conducted by the Kansas lottery. Tickets for the veterans benefit game established by this section shall be offered for sale year-round.

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

(c) Notwithstanding the provisions of K.S.A. 79-4801 et seq., and K.S.A. 74-8711, and amendments thereto, all net profits, received from the sale of veterans benefit game lottery tickets, materials and games, as prescribed by rules and regulations adopted pursuant to subsection (b) of this section, shall be deposited in the state treasury and shall be used as follows: (1) An amount equal to 40% of such net profits shall be appropriated for purposes directly benefitting members of the Kansas army and air national guard and their families to provide for Kansas national guard educational assistance act scholarships pursuant to K.S.A. 74-32,145 et seq., and amendments thereto, and, to the extent that moneys are available, for other purposes directly benefitting members of the Kansas army and air national guard and their families as provided by appropriation act;

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

(3) an amount equal to 30% of such net profits from: (A) July 1, 2008, to June 30, 2010, shall be appropriated for the museum of the Kansas national guard to expand the museum facility to include a 35th Infantry Division Museum and a museum education center as provided by appropriation act; and (B) from and after July 1, 2010, shall be appropriated for a veterans enhanced service delivery program transferred to and credited to the veterans benefit lottery game fund and the national guard benefit lottery game fund pursuant to section 1, and amendments thereto.

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

Sec. 5. K.S.A. 2015 Supp. 74-8724 is hereby repealed.

Sec. 6. This act shall take effect and be in force from and after its
publication in the statute book.