

Substitute for HOUSE BILL No. 2196

By Committee on Veterans and Military

2-8

1 AN ACT concerning veterans; relating to the veterans benefit lottery
2 game; disposition of net profits; directing certain disbursements;
3 establishing the veterans benefit lottery game fund; amending K.S.A.
4 2017 Supp. 74-8711 and 74-8724 and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 New Section 1. There is hereby established in the state treasury the
8 veterans benefit lottery game fund, which shall be administered by the
9 Kansas commission on veterans affairs office. All expenditures from the
10 veterans benefit lottery game fund shall be made in accordance with
11 appropriation acts upon warrants of the director of accounts and reports
12 issued pursuant to vouchers approved by the Kansas commission on
13 veterans affairs or the designee of the commission. All expenditures from
14 the veterans benefit lottery game fund shall be used as established in
15 K.S.A. 2017 Supp. 74-8724, and amendments thereto.

16 Sec. 2. K.S.A. 2017 Supp. 74-8711 is hereby amended to read as
17 follows: 74-8711. (a) There is hereby established in the state treasury the
18 lottery operating fund.

19 (b) Except as provided by K.S.A. 2017 Supp. 74-8724 and the Kansas
20 expanded lottery act, and amendments thereto, the executive director shall
21 remit all moneys collected from the sale of lottery tickets and shares and
22 any other moneys received by or on behalf of the Kansas lottery to the
23 state treasurer in accordance with the provisions of K.S.A. 75-4215, and
24 amendments thereto. Upon receipt of each such remittance, the state
25 treasurer shall deposit the entire amount in the state treasury to the credit
26 of the lottery operating fund. Moneys credited to the fund shall be
27 expended or transferred only as provided by this act. Expenditures from
28 such fund shall be made in accordance with appropriations acts upon
29 warrants of the director of accounts and reports issued pursuant to
30 vouchers approved by the executive director or by a person designated by
31 the executive director.

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

33 (1) The payment of expenses of the lottery, which shall include all
34 costs incurred in the operation and administration of the Kansas lottery; all
35 costs resulting from contracts entered into for the purchase or lease of
36 goods and services needed for operation of the lottery, including but not

1 limited to supplies, materials, tickets, independent studies and surveys,
2 data transmission, advertising, printing, promotion, incentives, public
3 relations, communications and distribution of tickets and shares; and
4 reimbursement of costs of facilities and services provided by other state
5 agencies;

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

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

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

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

13 (6) transfers to the county reappraisal fund as prescribed by law; *and*

14 (7) *transfers to the veterans benefit lottery game fund pursuant to*
15 *K.S.A. 2017 Supp. 74-8724, and amendments thereto.*

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

21 (1) An amount equal to the moneys in the lottery operating fund in
22 excess of those needed for the purposes described in subsections (c)(1)
23 through (c)(4); or

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

30 Sec. 3. K.S.A. 2017 Supp. 74-8724 is hereby amended to read as
31 follows: 74-8724. (a) Notwithstanding any provision of law to the
32 contrary, the Kansas lottery commission ~~shall~~ *may* establish an instant
33 lottery scratch-off game designated as the veterans benefit game, which
34 shall be conducted by the Kansas lottery. Tickets for the veterans benefit
35 game established by this section ~~shall~~ *may* be offered for sale year-round.

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

41 ~~(c) Notwithstanding the provisions of Pursuant to K.S.A. 79-4801~~
42 ~~et seq., and K.S.A. 74-8711, and amendments thereto, all net profits,~~
43 ~~received from the sale of veterans benefit game lottery tickets, materials~~

1 and games, as prescribed by rules and regulations adopted pursuant to
2 subsection (b) ~~of this section~~, shall be deposited in the state treasury.

3 *(d) Subject to the provisions of subsection (e), on July 1 of each year,*
4 *or as soon thereafter as moneys are available, the director of accounts and*
5 *reports shall transfer \$2,000,000 from the lottery operating fund to the*
6 *veterans benefit lottery game fund and such moneys shall be used as*
7 *follows: (1) An amount equal to 40% of such ~~net profits~~ moneys shall be*
8 *appropriated for purposes directly ~~benefitting~~ benefiting members of the*
9 *Kansas army and air national guard and their families to provide for*
10 *Kansas national guard educational assistance act scholarships pursuant to*
11 *K.S.A. 74-32,145 et seq., and amendments thereto, and, to the extent that*
12 *moneys are available, for other purposes directly ~~benefitting~~ benefiting*
13 *members of the Kansas army and air national guard and their families as*
14 *provided by appropriation act;*

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

20 *(3) an amount equal to 30% of such ~~net profits~~ from: (A) July 1,*
21 *2008, to June 30, 2010, shall be appropriated for the museum of the*
22 *Kansas national guard to expand the museum facility to include a 35th*
23 *Infantry Division Museum and a museum education center as provided by*
24 *appropriation act; and (B) from and after July 1, 2010, moneys shall be*
25 *appropriated for a veterans enhanced service delivery program.*

26 *(e) Beginning on July 1, 2019, or as soon thereafter as moneys are*
27 *available, the amount transferred from the lottery operating fund to the*
28 *veterans benefit lottery game fund shall increase each year by 5% from the*
29 *amount transferred in the preceding year.*

30 *(f) Beginning in 2023 and every five years thereafter, the house*
31 *committee on veterans and military, or its successor committee, shall*
32 *review the provisions of this section.*

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

39 Sec. 4. K.S.A. 2017 Supp. 74-8711 and 74-8724 are hereby repealed.

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