

**HOUSE BILL No. 2037**

By Representatives Pittman and Gartner

1-16

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 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 director of the Kansas  
13 commission on veterans affairs office or the director's designee. All  
14 expenditures from the veterans benefit lottery game fund shall be used as  
15 established in K.S.A. 74-8724, and amendments thereto.

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

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

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

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

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

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

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

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

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

43 (2) Moneys transferred pursuant to paragraph (1) shall not exceed in

1 the aggregate \$4,000,000 in fiscal year 2019, and shall not exceed in the  
2 aggregate \$8,000,000 in fiscal year 2020 and each fiscal year thereafter.

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

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

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

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

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

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

42 (e) *Beginning on July 1, 2020, or as soon thereafter as moneys are*  
43 *available, the amount transferred from the lottery operating fund to the*

1 *veterans benefit lottery game fund shall increase each year by 5% from the*  
2 *amount transferred in the preceding year.*

3 *(f) Beginning in 2024, and every five years thereafter, the house*  
4 *standing committee on veterans and military, or its successor committee,*  
5 *shall review the provisions of this section.*

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

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

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