

3
4 **SENATE BILL No. 156**

5
6 By Committee on Federal and State Affairs

7
8 1-30

9
10 AN ACT concerning racing and gaming; concerning electronic gaming
11 machines; amending K.S.A. 74-8702 and K.S.A. 2000 Supp. 19-101a
12 and ~~74-8723~~ and repealing the existing sections.

13
14 *Be it enacted by the Legislature of the State of Kansas:*

15 Section 1. K.S.A. 74-8702 is hereby amended to read as follows: 74-
16 8702. As used in ~~this act~~ *the Kansas lottery act and sections 2 through*
17 *24, and amendments thereto*, unless the context otherwise requires:

18 (a) "Commission" means the Kansas lottery commission.

19 (b) "Executive director" means the executive director of the Kansas
20 lottery.

21 ~~(c) "Gaming equipment" means any electric, electronic or mechani-~~
22 ~~cal device or other equipment unique to the Kansas lottery used directly~~
23 ~~in the operation of any lottery and in the determination of winners pur-~~
24 ~~suant to this act.~~

25 (c) "Gaming equipment" means any electric, electronic, computerized
26 or electromechanical machine, mechanism, supply or device or other
27 equipment unique to the Kansas lottery used pursuant to sections 2
28 through 24, and amendments thereto, or which is integral to the operation
29 of an electronic gaming machine or affects the results of an electronic
30 gaming machine by determining win or loss.

31 (d) "Kansas lottery" means the state agency created by this act to
32 operate a lottery or lotteries pursuant to this act.

33 (e) "Lottery retailer" means any person with whom the Kansas lottery
34 has contracted to sell lottery tickets or shares, or both, to the public.

35 (f) "Lottery" or "state lottery" means the lottery or lotteries operated
36 pursuant to this act.

37 (g) "Major procurement" means any gaming product or service, in-
38 cluding but not limited to facilities, advertising and promotional services,
39 annuity contracts, prize payment agreements, consulting services, equip-
40 ment, tickets and other products and services unique to the Kansas lot-
41 tery, but not including materials, supplies, equipment and services com-
42 mon to the ordinary operations of state agencies.

43 (h) "Person" means any natural person, association, *limited liability*

1 *company*, corporation or partnership.

2 (i) “Prize” means any prize paid directly by the Kansas lottery pur-
3 suant to its rules and regulations.

4 (j) “Share” means any intangible manifestation authorized by the
5 Kansas lottery to prove participation in a lottery game.

6 (k) “Ticket” means any tangible evidence issued by the Kansas lottery
7 to prove participation in a lottery game.

8 (l) “Vendor” means any person who has entered into a major pro-
9 curement contract with the Kansas lottery.

10 (m) “Returned ticket” means any ticket which was transferred to a
11 lottery retailer, which was not sold by the lottery retailer and which was
12 returned to the Kansas lottery for refund by issuance of a credit or
13 otherwise.

14 (n) (1) “Video lottery machine” means any electronic video game
15 machine that, upon insertion of cash, is available to play or simulate the
16 play of a video game authorized by the commission, including but not
17 limited to bingo, poker, black jack and keno, and which uses a video
18 display and microprocessors and in which, by chance, the player may
19 receive free games or credits that can be redeemed for cash.

20 (2) “Video lottery machine” shall not mean an electronic gaming ma-
21 chine as defined by this section.

22 (o) “Electronic card” means a card purchased from a lottery gaming
23 machine operator for use on an electronic gaming machine.

24 (p) (1) “Electronic gaming machine” means any electronic, electro-
25 mechanical, video or computerized device, contrivance or machine au-
26 thorized by the commission which, upon the insertion of cash, tokens,
27 electronic cards or any consideration, is available to play, operate or sim-
28 ulate the play of, a game authorized by the commission at a parimutuel
29 licensee location, including but not limited to, bingo, poker, blackjack,
30 keno and slot machines and which may deliver or entitle the player op-
31 erating the machine to receive cash, tokens, merchandise or credits that
32 may be redeemed for cash. Electronic gaming machines may use bill val-
33 idators and may be single-position reel-type, single or multi-game video
34 and single-position multigame video electronic games including, but not
35 limited to, bingo, poker, blackjack, keno and slot machines. Electronic
36 gaming machines shall be linked to a central computer at the parimutuel
37 licensee location for purposes of security, monitoring and auditing.

38 (2) “Electronic gaming machine” shall not include any casino table
39 game, such as craps, poker, blackjack, roulette, keno, layout, numbers,
40 tickets, baccarat, Klondike table, punchboard, punch cards, faro layout,
41 ticket or pull tab or video lottery machine.

42 (q) “Key gaming employee” means any natural person 21 years of age
43 or older employed by or under contract with a lottery gaming machine

1 operator or employed by or under contract with a person providing on
2 or off-site management or employee-related services to the lottery gaming
3 machine operator including, but not limited to: (1) Gaming operator man-
4 ager and assistant manager; (2) facilities operator manager; (3) electronic
5 games manager; (4) accounting department personnel; (5) count room
6 employees; (6) cage department employees, including cashiers and main
7 bank employees; (7) vault department employees; (8) approvers of credit;
8 (9) surveillance department employees; (10) security department employ-
9 ees; (11) floor managers; (12) electronic gaming device technicians; (13)
10 custodians of electronic gambling devices, including persons with access
11 to cash and accounting records within such devices; (14) collection per-
12 sonnel; (15) internal auditors of the lottery gaming machine operator; and
13 (16) any employee whose total cash compensation is in excess of \$50,000
14 per year.

15 (r) “Lottery gaming machine operator” means any parimutuel li-
16 censee with which the executive director has contracted for the placement
17 of an electronic gaming machine pursuant to this act.

18 (s) “Net machine income” means the total of all cash and the face
19 value of all tokens or electronic cards placed in an electronic gaming
20 machine less cash, merchandise or credits that may be redeemed for cash
21 paid to players as winnings.

22 ~~(t) “Organizational licensee” means an organizational licensee as de-~~
23 ~~defined by K.S.A. 74-8802, and amendments thereto.~~

24 **(t) “Organization licensee” means an organization licensee as**
25 **defined by K.S.A. 74-8802, and amendments thereto.**

26 ~~(u)~~ (u) “Parimutuel licensee” means a facility owner licensee or a fa-
27 cility manager licensee, as defined by K.S.A. 74-8802, and amendments
28 thereto.

29 ~~(v)~~ (v) “Parimutuel licensee location” means a racetrack facility lo-
30 cated on or immediately adjacent to the real estate of a parimutuel licensee
31 where live horse racing or live greyhound racing has been authorized or
32 for which application for authorization is pending prior to February 1,
33 2000, to be conducted pursuant to the Kansas parimutuel racing act. A
34 parimutuel licensee location may include any of the existing structures
35 located on the real estate where the live horse racing or live greyhound
36 racing is authorized to be conducted or any other structures that may be
37 constructed on or immediately adjacent to such real estate.

38 ~~(w)~~ (w) “Progressive game” means a game played on an electronic
39 gaming device on which the payoff increases uniformly as the electronic
40 gaming device is played and on which the jackpot, determined by appli-
41 cation of a formula to the income of independent, local or interlinked
42 electronic gaming devices, may be won.

43 ~~(x)~~ (x) “Technology provider” means any person or entity other than

1 *a lottery gaming machine operator that designs, manufactures, installs,*
2 *operates, distributes, supplies or replaces an electronic gaming machine*
3 *for sale, lease or use in accordance with this act.*

4 ~~(x)~~ (y) *“Token” means a metal or other representative of value, which*
5 *is not legal tender, redeemable for cash only by the issuing lottery gaming*
6 *machine operator at its parimutuel licensee location and issued and sold*
7 *by a lottery gaming machine operator for the sole purpose of playing an*
8 *electronic gaming machine.*

9 New Sec. 2. (a) Sections 2 through 24, and amendments thereto,
10 shall be known as the Kansas gaming revenue recovery act and shall be
11 part of and supplemental to the Kansas lottery act.

12 (b) If any provision of this act or the application thereof to any person
13 or circumstance is held invalid, the invalidity shall not affect any other
14 provision or application of the act which can be given effect without the
15 invalid provision or application, and to this end the provisions of this act
16 are severable.

17 New Sec. 3. (a) Subject to the provisions of this act, the executive
18 director shall contract with parimutuel licensees for the operation and
19 management of electronic gaming machines at parimutuel licensee lo-
20 cations in the state of Kansas. The executive director shall contract only
21 with parimutuel licensees in counties in which a proposition submitted
22 pursuant to section 5, and amendments thereto, has been approved by
23 the voters of such county.

24 (b) The lottery gaming machine operator shall purchase a license for
25 all software programs used by such lottery gaming machine operator to
26 operate electronic gaming machines. The cost of such license shall be
27 paid by the operator, but shall be owned by the Kansas lottery. The Kan-
28 sas lottery shall be the licensee of all such software programs and shall
29 sublicense such software programs to each lottery gaming machine op-
30 erator. Electronic gaming machines purchased or leased by the lottery
31 gaming machine operator at its own expense may be installed, operated
32 or managed, owned or leased by a lottery gaming machine operator or
33 by a technology provider under contract with the lottery gaming machine
34 operator as provided by this act. Such machines shall be subject to the
35 ultimate control of the Kansas lottery in accordance with this act. Each
36 specific type of electronic gaming machine shall be approved by the Kan-
37 sas lottery in accordance with K.S.A. 74-8710, and amendments thereto.
38 The use of progressive electronic gaming machines is expressly permitted.

39 (c) Each contract between the executive director and a lottery gaming
40 machine operator shall provide that the Kansas lottery receive all of the
41 net machine income derived from the operation of electronic gaming
42 machines at the parimutuel licensee location.

43 (d) The initial term of such contract shall be not less than the re-

1 maining term of the Kansas lottery and shall renew with each extension
2 of the Kansas lottery as provided in K.S.A. 74-8723, and amendments
3 thereto.

4 (e) Contracts authorized by this section may include provisions relat-
5 ing to:

6 (1) Accounting procedures to determine the net machine income,
7 unclaimed merchandise and credits.

8 (2) The location and operation of electronic gaming machines at the
9 parimutuel licensee location. Except as provided by this act, the days and
10 hours of operation and the number of such electronic gaming machines
11 shall not be restricted.

12 (3) Minimum requirements for an electronic gaming machine oper-
13 ator to provide qualified oversight, security and supervision of the oper-
14 ation of electronic gaming machines at the parimutuel licensee location,
15 including the use of qualified personnel with experience in applicable
16 technology.

17 (4) The eligibility requirements for employees of a lottery gaming
18 machine operator who will have responsibility for the handling of cash or
19 tokens. Such requirements may include a background investigation per-
20 formed by the Kansas racing and gaming commission and that any key
21 gaming employee shall be licensed as provided in section 22, and amend-
22 ments thereto.

23 (5) Provision for termination of the contract by either party for cause,
24 including but not limited to, failure of the lottery gaming machine op-
25 erator to maintain a parimutuel license in accordance with K.S.A. 74-
26 8801 *et seq.*, and amendments thereto, failure of the lottery gaming ma-
27 chine operator to collect and remit net machine income pursuant to
28 ~~section 8~~ **this act**, and amendments thereto.

29 (6) Any other provision deemed necessary by the parties pursuant to
30 this section.

31 (f) The Kansas lottery shall examine prototypes of electronic gaming
32 machines and shall notify the Kansas racing and gaming commission
33 which types of electronic gaming machines are in compliance with the
34 requirements of this act.

35 (g) No electronic gaming machine shall be operated pursuant to this
36 act unless the executive director of the Kansas racing and gaming com-
37 mission first issues a certificate for such machine authorizing its use at a
38 specified parimutuel licensee facility. Each machine shall have the cer-
39 tificate prominently displayed thereon. Any machine which does not dis-
40 play the certificate required by this section is contraband and a public
41 nuisance subject to confiscation by any law enforcement officer.

42 (h) The executive director shall require any manufacturer, supplier,
43 provider, lottery gaming machine operator or other person seeking the

1 examination and certification of electronic gaming machines to pay the
2 anticipated actual costs of the examination in advance. After the comple-
3 tion of the examination, the executive director shall refund any over-
4 payment or charge and collect amounts sufficient to reimburse the ex-
5 ecutive director for any underpayment of actual costs. The executive
6 director may contract for the examination of electronic gaming machines
7 as required by this subsection, and may rely upon testing done by or for
8 other states regulating electronic gaming machines, if the executive di-
9 rector deems such testing to be reliable and in the best interest of the
10 state of Kansas.

11 (i) Electronic gaming machines operated pursuant to this act shall:

12 (1) Pay out an average of not less than 87% of the amount wagered;

13 (2) be linked to a central communications system to provide auditing
14 and other program information as approved by the commission. The com-
15 munications systems certified by the commission may not limit partici-
16 pation to only one electronic gaming machine manufacturer, distributor,
17 supplier or provider; and

18 (3) be on-line and in constant communication with a central com-
19 puter located in an office located at the parimutuel licensee location. The
20 electronic gaming machine operator shall purchase at its expense for the
21 Kansas lottery all gaming equipment as is necessary to implement such
22 central communications and auditing functions.

23 New Sec. 4. In addition to the powers granted pursuant to K.S.A.
24 74-8704 and section 3, and amendments thereto, the executive director
25 shall have the power to:

26 (a) Enter into contracts with parimutuel licensees for placement, re-
27 placement and operation of electronic gaming machines at parimutuel
28 licensee locations. Such contracts shall be subject to rules and regulations
29 adopted pursuant to the Kansas lottery act and this act but shall not be
30 subject to the provisions of K.S.A. 75-3738 through 75-3744, and amend-
31 ments thereto.

32 (b) Examine or cause to be examined by any agent or representative
33 designated by the executive director any books, papers, records or mem-
34 oranda of any gaming machine operator for the purpose of ascertaining
35 compliance with the provisions of the Kansas lottery act or this act or
36 rules and regulations adopted thereunder.

37 (c) Issue subpoenas to compel access to or for the production of any
38 books, papers, records or memoranda in the custody or control of any
39 lottery gaming machine operator **or such operator's agents or employ-**
40 **ees**, or to compel the appearance of any lottery gaming machine operator
41 **or such operator's agents or employees** for the purpose of ascertaining
42 compliance with the provisions of this act or rules and regulations adopted
43 hereunder. Subpoenas issued under the provisions of this subsection may

1 be served upon natural persons and corporations in the manner provided
2 in K.S.A. 60-304, and amendments thereto, for the service of process by
3 any officer authorized to serve subpoenas in civil actions or by the exec-
4 utive director or an agent or representative designated by the executive
5 director. In the case of the refusal of any person to comply with any such
6 subpoena, the executive director may make application to the district
7 court of any county where such books, papers, records, memoranda or
8 person is located for an order to comply.

9 (d) Inspect and view the operation of all machines, systems or facil-
10 ities where electronic gaming machines controlled and operated by the
11 Kansas lottery are located.

12 (e) Inspect and approve, prior to publication or distribution, all ad-
13 vertising by a lottery gaming machine operator which includes any ref-
14 erence to the Kansas lottery.

15 New Sec. 5. (a) Electronic gaming machines shall be operated pur-
16 suant to this act only in counties where, in accordance with this section,
17 the qualified voters of the county have voted to permit operation of elec-
18 tronic gaming machines at parimutuel racetracks within the county.

19 (b) The board of county commissioners of any county in which a
20 parimutuel licensee is located, by resolution, may submit and upon pres-
21 entation of a petition filed in accordance with subsection (c), shall submit
22 to the qualified voters of the county a proposition to permit the operation
23 of electronic gaming machines at parimutuel racetracks within the county.
24 The proposition shall be submitted to the voters either in a countywide
25 special election called by the board of county commissioners for that
26 purpose and held not less than 90 days after the resolution is adopted or
27 the petition is filed or at the next general election as shall be specified by
28 the board of county commissioners or in the petition, as the case may be.

29 (c) A petition to submit a proposition to the qualified voters of a
30 county pursuant to this section shall be filed with the county election
31 officer. The petition shall be signed by qualified voters of the county equal
32 in number to not less than 10% of the voters of the county who voted for
33 the office of secretary of state at the last preceding general election at
34 which such office was elected. The following shall appear on the petition:
35 “We request an election to determine whether the operation of electronic
36 gaming machines by the Kansas lottery shall be permitted at parimutuel
37 racetracks in _____ county.”

38 (d) Upon the adoption of a resolution or the submission of a valid
39 petition calling for an election pursuant to this section, the county election
40 officer shall cause the following proposition to be placed on the ballot at
41 the election called for that purpose: “Shall the operation of electronic
42 gaming machines by the Kansas lottery be permitted at parimutuel race-
43 tracks in _____ county?”

1 (e) If a majority of the votes cast and counted at such election is in
2 favor of the proposition, the Kansas lottery shall enter a contract with
3 parimutuel licensees to operate such games. If a majority of the votes cast
4 and counted at an election under this section is against the proposition,
5 the Kansas lottery shall not operate such games. The county election
6 officer shall transmit a copy of the certification of the results of the elec-
7 tion to the executive director of the lottery and the executive director of
8 the racing and gaming commission.

9 (f) The election provided for by this section shall be conducted, and
10 the votes counted and canvassed, in the manner provided by law for
11 question submitted elections of the county.

12 (g) If in any election provided for by this section a majority of the
13 votes cast and counted is against permitting the operation of electronic
14 gaming machines in the county, another election submitting the issue of
15 the operation of electronic gaming machines in the county shall not be
16 held for at least two years from the date of such election.

17 New Sec. 6. (a) All purse supplements paid pursuant to this act shall
18 be in accordance with the point schedule in effect on January 1, 1999, at
19 the parimutuel licensee location in Sedgwick county. All purse supple-
20 ments paid pursuant to this section shall be in addition to purses and
21 supplements paid under K.S.A. 74-8801 et seq., and amendments thereto.

22 (b) No electronic gaming machine shall be operated pursuant to this
23 act unless the facility in which the electronic gaming machine is operated
24 displays live and simulcast parimutuel races on video terminals and has
25 installed parimutuel windows for wagering on parimutuel races.

26 (c) Except as provided in subsection (d) of this section, no electronic
27 gaming machine shall be operated at the following locations unless:

28 (1) During the first full calendar year and each year thereafter in
29 which electronic gaming machines are operated, the parimutuel licensee
30 shall conduct at the parimutuel licensee location in Sedgwick county at
31 least eight live racing programs each calendar week for the number of
32 weeks equal to or greater than the number of weeks raced during the
33 1998 calendar year with at least 13 live races conducted each program.

34 (2) During the first full calendar year and each year thereafter in
35 which electronic gaming machines are operated, the parimutuel licensee
36 shall conduct at the parimutuel licensee location in Wyandotte county at
37 least seven live racing programs each calendar week for the number of
38 weeks equal to or greater than the number of weeks raced during the
39 1998 calendar year with at least 13 live races conducted each program
40 and also shall conduct at least 60 days of live horse racing with a minimum
41 of seven live thoroughbred and three live quarterhorse races per day.

42 (3) During the first full calendar year and each year thereafter in
43 which electronic gaming machines are operated, the parimutuel licensee

1 shall conduct at the parimutuel licensee location in Crawford county live
2 racing the number of days agreed upon by the organization licensee and
3 the parimutuel licensee but not less than 150 days, comprised of at least
4 seven live racing programs each calendar week with at least 13 live races
5 conducted each program.

6 (d) The Kansas racing and gaming commission may provide excep-
7 tions to the requirements of subsection (c) for a parimutuel licensee con-
8 ducting live racing when events beyond the control of the licensee may
9 render racing impossible or impractical. Such events shall include any
10 natural or man-made disaster, shortage of qualified racing animals due to
11 kennel sickness or state imposed limitations on operations.

12 ~~—New Sec. 7.—(a) There is hereby created the state technologically lit-~~
13 ~~erate workforce development fund in the state treasury. All moneys cred-~~
14 ~~ited to such fund shall be expended or transferred only for the purposes~~
15 ~~and in the manner provided by this act and all expenditures from the state~~
16 ~~technologically literate workforce development fund shall be made in ac-~~
17 ~~cordance with appropriation acts. All moneys credited to such fund shall~~
18 ~~be allocated and credited monthly to the funds and in the amounts spec-~~
19 ~~ified by this act except that the total of the amounts credited to such~~
20 ~~funds in any one fiscal year pursuant to this section shall not exceed~~
21 ~~\$25,000,000. All amounts credited to such fund in any one fiscal year~~
22 ~~which are in excess of \$25,000,000 shall be transferred and credited to~~
23 ~~the economic development initiatives fund created by K.S.A. 79-4804,~~
24 ~~and amendments thereto, on July 15, 2002, and June 25, 2003, and each~~
25 ~~year thereafter on June 25.~~

26 ~~—Moneys in the state technologically literate workforce development~~
27 ~~fund shall be used for the purposes of:~~

28 ~~—(1) Funding the K through 12 technology fund at the department of~~
29 ~~education;~~

30 ~~—(2) enhancing funding for instructional and technology equipment for~~
31 ~~colleges and universities, community colleges and vocational technical~~
32 ~~schools under the control of the Kansas board of regents, Washburn uni-~~
33 ~~versity and schools under the control of the board of education of any~~
34 ~~school district; and~~

35 ~~—(3) funding for Kan Ed internet backbone project.~~

36 ~~—The director of accounts and reports shall disburse funds in accordance~~
37 ~~with appropriations made therefor to colleges and universities under the~~
38 ~~control of the Kansas board of regents, Washburn university, community~~
39 ~~colleges and vocational technical schools under the supervision of the~~
40 ~~Kansas board of regents and the board of education of any school district.~~
41 ~~The legislature may appropriate only those moneys in the state techno-~~
42 ~~logically literate workforce development fund as of December 31 of each~~
43 ~~year preceding the legislative session in which such appropriation is to be~~

1 made. Such moneys shall not be used to replace property taxes or general
2 fund support for activities, services, supplies, maintenance, salaries, ben-
3 efits, equipment, facilities or other purposes existing and funded by fed-
4 eral, state or local moneys as of July 1, 2001.

5 ~~(b)~~ **New Sec. 7. (a)** There is hereby created in the state treasury the
6 live horse racing purse supplement fund. Moneys available in such fund
7 shall be paid to parimutuel licensees for distribution as purse supplements
8 in accordance with rules and regulations of the Kansas racing and gaming
9 commission. Such rules and regulations shall provide that an amount
10 equal to 20% of the moneys in the live horse racing purse supplement
11 fund shall be transferred to the horse breeding development fund created
12 pursuant to K.S.A. 74-8829, and amendments thereto, to be expended as
13 provided therein. The balance in such fund shall be expended upon rec-
14 ommendation of the respective thoroughbred and quarterhorse breed
15 organizations with the approval of the Kansas racing and gaming
16 commission.

17 ~~(c)~~ **(b)** There is hereby created in the state treasury the live dog
18 racing purse supplement fund. Moneys available in such fund shall be
19 paid to parimutuel licensees for distribution as purse supplements in ac-
20 cordance with rules and regulations of the Kansas racing and gaming
21 commission. Such rules and regulations shall provide that, in addition to
22 purse supplements paid to winners of live dog races at each parimutuel
23 licensee location, the lottery gaming machine operator at the parimutuel
24 licensee location shall pay to each winner that is a Kansas-whelped grey-
25 hound an additional amount equal to \$60 per point for each point
26 awarded to the winner. Such rules and regulations also shall provide that
27 a portion of the moneys available in such fund, in an amount not to exceed
28 20% of such fund shall be transferred to the greyhound breeding devel-
29 opment fund created pursuant to K.S.A. 74-8831, and amendments
30 thereto, to be expended as provided therein.

31 ~~(d)~~ **(c)** There is hereby created in the state treasury the electronic
32 gaming machine operation and regulatory fund. Moneys in such fund shall
33 be used to pay for the expenses of the Kansas lottery and the Kansas
34 racing and gaming commission attributable to the operation and regula-
35 tion of electronic gaming machines. Unless otherwise provided by law,
36 moneys in such fund may be expended only pursuant to appropriation
37 and moneys in excess of those appropriated to the Kansas lottery and the
38 Kansas racing and gaming commission shall be transferred to the state
39 gaming revenues fund and expended as provided by appropriation.

40 New Sec. 8. (a) There is hereby created in the state treasury the
41 electronic gaming machine fund. ***Each lottery gaming machine oper-
42 ator shall remit all net machine income to the executive director not
43 less than once each week.*** The executive director shall collect and remit

1 to the state treasurer not less than once each week all net machine income
2 received from lottery gaming machine operators to be credited to the
3 electronic gaming machine fund. Separate accounts shall be maintained
4 in the electronic gaming machine fund for receipt of funds from each
5 lottery gaming machine operator. Not less than once each week, the state
6 treasurer shall distribute from the total receipts credited to each such
7 account of the electronic gaming machine fund an amount equal to:

8 (1) One percent to the electronic gaming machine operation and reg-
9 ulatory fund;

10 (2) one-fourth percent to the state gaming revenues fund ~~to be ex-~~
11 ~~pendent in accordance with appropriation acts which may include transfers~~
12 ~~to the problem gambling grant fund created pursuant to K.S.A. 79-4805,~~
13 ~~and amendments thereto;~~

14 (3) three and one-half percent to the live horse racing purse supple-
15 ment fund established pursuant to section 7, and amendments thereto.
16 Such moneys shall be distributed from the separate horse purse supple-
17 ment accounts maintained pursuant to subsection (b) of section 7, and
18 amendments thereto, in accordance with rules and regulations of the
19 Kansas racing and gaming commission. Not less than \$1,600,000 shall be
20 guaranteed annually by parimutuel licensees to be charged against the
21 accounts of such licensees on a pro rata basis. The revenues dedicated to
22 purse supplements shall be distributed into separate quarterhorse and
23 thoroughbred accounts, with each year's percentage calculated on an av-
24 erage of the preceding three years' live starters in Kansas;

25 (4) three and one-half percent, plus an amount equal to \$60 per point
26 for each point awarded the preceding week at the parimutuel licensee
27 location to winners of live races that are Kansas-whelped greyhounds, to
28 the live dog racing purse supplement fund established pursuant to section
29 7, and amendments thereto, to be distributed in accordance with the
30 provisions of section 7, and amendments thereto, and the rules and reg-
31 ulations of the Kansas racing and gaming commission; and

32 ~~(5) twenty percent to the Kansas education enhancement fund estab-~~
33 ~~lished pursuant to section 7, and amendments thereto.~~

34 **(5) *Thirty percent to the state general fund.***

35 (b) After the distribution of moneys pursuant to subsection (a), the
36 state treasurer shall remit the balance in the account for each lottery
37 gaming machine operator to such lottery gaming machine operator not
38 less than once each week. From the moneys received pursuant to this
39 subsection, the lottery gaming machine operator shall pay the organiza-
40 tion licensee such amounts as are agreed to by the organization licensee
41 and the lottery gaming machine operator.

42 New Sec. 9. The Kansas lottery commission, upon the recommen-
43 dation of the executive director, shall adopt rules and regulations neces-

1 sary to carry out the purposes of this act. Temporary rules and regulations
2 may be adopted by the commission without being subject to the provi-
3 sions and requirements of K.S.A. 77-415 through 77-438, and amend-
4 ments thereto, but shall be subject to approval by the attorney general as
5 to legality and shall be filed with the secretary of state and published in
6 the Kansas register. Temporary and permanent rules and regulations may
7 include but shall not be limited to electronic gaming machines operated
8 at parimutuel licensee locations.

9 New Sec. 10. (a) Except as provided in subsection (c), it is unlawful
10 for any parimutuel licensee to allow any person to play electronic gaming
11 machines or share in winnings of a person knowing such person to be:

12 (1) Under 21 years of age;

13 (2) the executive director, a member of the commission or an em-
14 ployee of the Kansas lottery;

15 (3) an officer or employee of a vendor contracting with the Kansas
16 lottery to supply gaming equipment or tickets to the Kansas lottery for
17 use in the operation of any lottery conducted pursuant to this act;

18 (4) a spouse, child, stepchild, brother, stepbrother, sister, stepsister,
19 parent or stepparent of a person described by subsection (a)(2) or (3); or

20 (5) a person who resides in the same household as any person de-
21 scribed by subsection (a)(2) or (3).

22 (b) Violation of subsection (a) is a class A nonperson misdemeanor
23 upon conviction for a first offense. Violation of subsection (a) is a severity
24 level 9, nonperson felony upon conviction for a second or subsequent
25 offense.

26 (c) The executive director may authorize in writing any employee of
27 the Kansas lottery and any employee of a lottery vendor to play an elec-
28 tronic gaming machine to verify the proper operation thereof with respect
29 to security and contract compliance. Any prize awarded as a result of such
30 ticket purchase shall become the property of the Kansas lottery and be
31 added to the prize pools of subsequent lottery games. No money or mer-
32 chandise shall be awarded to any employee playing an electronic gaming
33 machine pursuant to this subsection.

34 New Sec. 11. A parimutuel licensee shall post one or more signs on
35 licensed premises at points of entry to the areas where electronic gaming
36 machines are located to inform patrons of the toll-free number available
37 to provide information and referral services regarding compulsive or
38 problem gaming. The text shall be determined by the secretary of the
39 department of social and rehabilitation services. Failure by the parimutuel
40 licensee to post and maintain such signs shall be cause for the imposition
41 of a fine not to exceed \$500 per day.

42 New Sec. 12. Each lottery gaming machine operator shall provide
43 access for the executive director or the executive director's designee or

1 the commission and its designated employees to all its records and the
2 physical premises where the electronic gaming machine activities occur
3 for the purpose of monitoring or inspecting the electronic gaming ma-
4 chines and gaming equipment. None of the information disclosed pur-
5 suant to this subsection shall be subject to disclosure under the Kansas
6 open records act, K.S.A. 45-216 et seq., and amendments thereto.

7 New Sec. 13. (a) Wagers shall be received only from a person present
8 at a parimutuel licensee location. No person present at a parimutuel li-
9 censee location shall place or attempt to place a wager on behalf of an-
10 other person who is not present at a parimutuel licensee location.

11 (b) Violation of this section is a class A nonperson misdemeanor upon
12 a conviction for a first offense. Violation of this section is a severity level
13 9, nonperson felony upon conviction for a second or subsequent offense.

14 New Sec. 14. A person under age 21 shall not be permitted in an
15 area of a parimutuel licensee location where gaming is being conducted,
16 except for a person at least 18 years of age who is an employee of the
17 parimutuel licensee. No employee under age 21 shall perform any func-
18 tion involved in gaming by the patrons. No person under age 21 shall be
19 permitted to make a wager on an electronic gaming machine.

20 New Sec. 15. If a disagreement arises between the executive director
21 and the Kansas racing and gaming commission with regard to their re-
22 spective duties or responsibilities in carrying out the purposes of the Kan-
23 sas lottery act, such disagreement shall be resolved by the governor in a
24 manner not inconsistent with the provisions of such act.

25 New Sec. 16. Pursuant to section 2 of the federal act entitled “An
26 Act to Prohibit Transportation of Gambling Devices in Interstate and
27 Foreign Commerce,” 15 U.S.C. 1171 through 1777, the legislature of the
28 state of Kansas hereby declares and proclaims that it is exempt from the
29 provision of section 2 of such act to the extent that such gambling devices
30 are being transported to or from a licensed gaming machine operator at
31 a parimutuel licensee location within the state of Kansas.

32 New Sec. 17. Except for persons acting in accordance with the rules
33 and regulations of the Kansas lottery and the Kansas racing and gaming
34 commission in performing installation, maintenance and repair services,
35 any person who, with the intent to manipulate the outcome, pay-off or
36 operation of an electronic gaming machine, manipulates the outcome,
37 pay-off or operation of an electronic gaming machine by physical, elec-
38 trical or mechanical means shall be guilty of a severity level 8, nonperson
39 felony.

40 New Sec. 18. Nothing in this act shall restrict the jurisdiction of the
41 Kansas racing and gaming commission to regulate activities conducted at
42 parimutuel licensee facilities including the premises on which electronic
43 gaming machines are operated. The days and hours of operation and the

1 number of electronic gaming machines shall not be restricted unless oth-
2 erwise authorized by this act.

3 New Sec. 19. All sales of electronic gaming machine games shall be
4 exempt from sales taxes imposed pursuant to K.S.A. 12-187 *et seq.* and
5 79-3601 *et seq.*, and amendments thereto.

6 New Sec. 20. (a) The Kansas racing and gaming commission and its
7 designated employees may observe and inspect all electronic gaming fa-
8 cilities operated by licensees.

9 (b) The Kansas racing and gaming commission may examine, or cause
10 to be examined by any agent or representative designated by the com-
11 mission, any books, papers, records or memoranda of any licensee, or of
12 any racetrack or business involved in electronic gaming for the purpose
13 of ascertaining compliance with any provision of this act or any rule and
14 regulation adopted hereunder.

15 (c) The Kansas racing and gaming commission may adopt rules and
16 regulations with respect to security, safety and honest conduct at all par-
17 imutuel licensee locations.

18 (d) The Kansas racing and gaming commission shall have the power
19 to investigate alleged violations of this act and any rules and regulations.

20 (e) The Kansas racing and gaming commission shall have the power
21 to authorize security measures required in any areas where electronic
22 gaming machines are located.

23 (f) The Kansas racing and gaming commission shall have the power
24 to take any other action as may be reasonable or appropriate to enforce
25 the provisions of this act and any rules and regulations.

26 (g) The Kansas racing and gaming commission shall require an annual
27 audit of the electronic gaming machine operations of each lottery gaming
28 machine operator contracting with the Kansas lottery. Such audit shall be
29 conducted by a licensed accounting firm approved by the Kansas racing
30 and gaming commission. Such audit shall be conducted at the expense of
31 the lottery gaming machine operator to which such audit applies.

32 (h) Following completion of three years from the date upon which
33 electronic gaming machines begin operation by each lottery gaming ma-
34 chine operator pursuant to contract with the Kansas lottery, the Kansas
35 racing and gaming commission shall prepare an economic impact report
36 for the Kansas legislature detailing the costs and benefits of lottery gaming
37 machine operations. The report shall be filed with the president of the
38 senate and speaker of the house prior to the first legislative session fol-
39 lowing completion of the report. Such report shall include information
40 on the use or distribution of net and gross machine income received from
41 the electronic gaming machine operations of each lottery gaming machine
42 operator, including comparable electronic gaming machine operations in
43 states within as close proximity to Kansas as possible, competitive market

1 analysis, tax benefits, payroll, capital investment and such other matters
2 that the Kansas racing and gaming commission may require. The Kansas
3 racing and gaming commission may contract for the services of such in-
4 dependent professionals as may be required to complete such report.
5 Expenses for such report shall be paid pursuant to appropriation from
6 the electronic gaming machine operation and regulatory fund.

7 New Sec. 21. (a) It is a class A nonperson misdemeanor for any mem-
8 ber, employee or appointee of the lottery commission or the Kansas rac-
9 ing and gaming commission, including stewards and racing judges, know-
10 ingly to:

11 (1) participate in the operation of or have a financial interest in any
12 business which has been issued a concessionaire license, racing or wa-
13 gering or electronic gaming machine equipment or services license, fa-
14 cility owner license or facility manager license, or any business which sells
15 goods or services to an organization licensee;

16 (2) participate directly or indirectly as an owner, operator, manager
17 or consultant in electronic gaming in Kansas;

18 (3) place a wager on or bet or play an electronic gaming machine at
19 a parimutuel licensee location in Kansas;

20 (4) accept any compensation, gift, loan, entertainment, favor or serv-
21 ice from any licensee, except such suitable facilities and services within a
22 racetrack facility operated by an organization licensee as may be required
23 to facilitate the performance of the member's, employee's or appointee's
24 official duties;

25 (5) enter into any business dealing, venture or contract with an owner
26 or lessee of a parimutuel licensee location in Kansas; or

27 (6) engage in any activity described in subsection (1), (2), (4) or (5)
28 within two years from the last day of service as such member, employee
29 or appointee.

30 (b) It is a class A nonperson misdemeanor for any member, employee
31 or appointee of the Kansas racing and gaming commission, including
32 stewards and racing judges, knowingly to violate any of the provisions of
33 subsection (a).

34 (c) It is a severity level 8, nonperson felony for any person playing or
35 using any electronic gaming machine at a parimutuel licensee location in
36 Kansas knowingly to:

37 (1) Use other than a lawful coin or legal tender of the United States
38 of America, or to use coin not of the same denomination as the coin
39 intended to be used in an electronic gaming machine, except that in the
40 playing of any electronic gaming machine or similar gaming device, it
41 shall be lawful for any person to use gaming billets, tokens or similar
42 objects therein which are approved by the lottery commission;

43 (2) possess or use, while on the premises of a parimutuel licensee

1 location any cheating or thieving device, including but not limited to,
2 tools, wires, drills, coins attached to strings or wires or electronic or mag-
3 netic devices to facilitate removing from any electronic gaming machine
4 any money or contents thereof, except that a duly authorized employee
5 of the lottery commission, Kansas racing and gaming commission or a
6 parimutuel licensee may possess and use any of the foregoing only in
7 furtherance of the employee's employment at the parimutuel licensee
8 location; or

9 (3) possess or use, while on the premises of any parimutuel licensee
10 location any key or device designed for the purpose of or suitable for
11 opening or entering any electronic gaming machine or similar gaming
12 device or drop box. An authorized employee of the lottery commission,
13 Kansas racing and gaming commission or a parimutuel licensee may pos-
14 sess and use any such key or device only in furtherance of the employee's
15 employment at the parimutuel licensee location.

16 New Sec. 22. (a) No organization licensee or facility manager li-
17 censee shall permit any business not owned and operated by the organ-
18 ization licensee to provide electronic gaming machine equipment or serv-
19 ices, as designated by the Kansas racing and gaming commission, to an
20 organization licensee unless such business has been issued an electronic
21 gaming machine equipment or services license by the Kansas racing and
22 gaming commission. Such equipment and services include, but are not
23 limited to, surveillance, electronic computer components, random num-
24 ber generator or cabinet thereof and token redemption equipment or
25 services.

26 (b) Businesses required to be licensed pursuant to this section shall
27 apply for electronic gaming machine equipment or services licenses in a
28 manner and upon forms prescribed and furnished by the Kansas racing
29 and gaming commission. The Kansas racing and gaming commission shall
30 require disclosure of information about the owners and officers of each
31 applicant and shall require such owners, officers and employees to submit
32 to fingerprinting. Electronic gaming machine equipment or services li-
33 censes shall be issued for a period of time established by the Kansas racing
34 and gaming commission but not to exceed 10 years. The Kansas racing
35 and gaming commission shall establish a schedule of application fees and
36 license fees for racing or wagering or electronic gaming machine equip-
37 ment or services licenses based upon the type and size of business. The
38 application fee shall not be refundable if the business fails to qualify for
39 a license. If the application fee is insufficient to pay the reasonable ex-
40 penses of processing the application and investigating the applicant's qual-
41 ifications for licensure, the Kansas racing and gaming commission shall
42 require the applicant to pay to the Kansas racing and gaming commission,
43 at such times and in such form as required by the Kansas racing and

1 gaming commission, any additional amounts necessary to pay such ex-
2 penses. No license shall be issued to an applicant until the applicant has
3 paid such additional amounts in full, and such amounts shall not be re-
4 fundable except to the extent that they exceed the actual expenses of
5 processing the application and investigating the applicant's qualifications
6 for licensure.

7 (c) The Kansas racing and gaming commission may require applicants
8 as a condition of licensure to consent to allow agents of the Kansas bureau
9 of investigation or security personnel of the Kansas racing and gaming
10 commission to search without warrant the licensee's premises and per-
11 sonal property and the persons of its owners, officers and employees while
12 engaged in the licensee's business within the racetrack facility or adjacent
13 facilities under the control of the organization licensee for the purpose
14 of investigating criminal violations of this act or violations of rules and
15 regulations of the Kansas racing and gaming commission.

16 (d) Action taken by the Kansas racing and gaming commission con-
17 cerning the license of an electronic gaming machine equipment or serv-
18 ices business shall be in accordance with the Kansas administrative pro-
19 cedure act. The Kansas racing and gaming commission may refuse to issue
20 an electronic gaming machine equipment or services license to any busi-
21 ness if any person who owns a 5% or more interest in such business, any
22 person who is an officer of such business or any person employed by such
23 business within the racetrack facility:

24 (1) If within the last five years, (A) has been convicted of a felony in
25 a court of the United States or any state or territory of the United States
26 or has been adjudicated as a juvenile of an act which, if committed by an
27 adult, would constitute a felony or (B) has been convicted of two or more
28 acts of violence in a court of the United States or any state or territory of
29 the United States; (C) has been convicted of a violation of any law of the
30 United States or any state or territory of the United States involving gam-
31 bling or controlled substances or has been adjudicated as a juvenile an
32 act which, if committed by an adult, would constitute such a violation;

33 (2) fails to disclose any material fact or provides information, knowing
34 such information to be false, in connection with the application for the
35 license;

36 (3) has been found by the Kansas racing and gaming commission to
37 have violated any provision of this act or any rule and regulation of the
38 Kansas racing and gaming commission;

39 (4) is not current in filing all applicable tax returns and in payment
40 of all taxes, interest and penalties owed to the state and any political
41 subdivision thereof, excluding items under formal appeal pursuant to ap-
42 plicable statutes; or

43 (5) has had any occupation or gaming license revoked, suspended or

1 denied.

2 (e) The Kansas racing and gaming commission may suspend or re-
3 voke the electronic gaming machine equipment or services license of any
4 business for any reason which would justify refusal to issue such a license.
5 Proceedings to suspend or revoke such license shall be conducted by the
6 Kansas racing and gaming commission or its appointed hearing officer in
7 accordance with the provisions of the Kansas administrative procedure
8 act.

9 (f) The Kansas racing and gaming commission may provide by rules
10 and regulations for the temporary suspension of an electronic gaming
11 machine equipment or services license by summary adjudicative pro-
12 ceedings in accordance with the Kansas administrative procedure act
13 upon finding that there is probable cause to believe that grounds exist for
14 a permanent suspension or revocation of such license. Such suspension
15 shall be for a period not exceeding 30 days. Upon expiration of such
16 suspension, the license shall be restored unless the license has been sus-
17 pended or revoked as a result of proceedings conducted pursuant to sub-
18 section (e).

19 (g) The Kansas racing and gaming commission may provide by rules
20 and regulations for the licensure of key gaming employees. Such rules
21 and regulations may specify employment application forms, fees and pro-
22 cedures for suspension or revocation of any key gaming employee license.

23 New Sec. 23. No taxes, fees, charges, transfers or distributions, other
24 than those provided for in this act, shall be made or levied on or against
25 the net machine income of the Kansas lottery by any city, county or other
26 political or taxing subdivision of the state.

27 New Sec. 24. Each lottery gaming machine operator shall hold the
28 state, the executive director of the Kansas lottery, the Kansas lottery com-
29 mission, the executive director of the Kansas racing and gaming commis-
30 sion and the Kansas racing and gaming commission harmless from and
31 defend and pay for the defense of any and all claims which may be as-
32 serted against the state, the executive director, the Kansas lottery com-
33 mission, the executive director of the Kansas racing and gaming commis-
34 sion, the Kansas racing and gaming commission or any employee of the
35 state arising from electronic gaming machines located at the parimutuel
36 licensee location of that lottery gaming machine operator. The provisions
37 of this section shall not apply to any claims arising from the negligence
38 or willful misconduct of the executive director, the Kansas lottery com-
39 mission, the executive director of the Kansas racing and gaming commis-
40 sion, the Kansas racing and gaming commission, the state or the employ-
41 ees thereof.

42 Sec. 25. K.S.A. 2000 Supp. 19-101a is hereby amended to read as
43 follows: 19-101a. (a) The board of county commissioners may transact all

1 county business and perform all powers of local legislation and adminis-
2 tration it deems appropriate, subject only to the following limitations,
3 restrictions or prohibitions:

4 (1) Counties shall be subject to all acts of the legislature which apply
5 uniformly to all counties.

6 (2) Counties may not consolidate or alter county boundaries.

7 (3) Counties may not affect the courts located therein.

8 (4) Counties shall be subject to acts of the legislature prescribing
9 limits of indebtedness.

10 (5) In the exercise of powers of local legislation and administration
11 authorized under provisions of this section, the home rule power con-
12 ferred on cities to determine their local affairs and government shall not
13 be superseded or impaired without the consent of the governing body of
14 each city within a county which may be affected.

15 (6) Counties may not legislate on social welfare administered under
16 state law enacted pursuant to or in conformity with public law No. 271—
17 74th congress, or amendments thereof.

18 (7) Counties shall be subject to all acts of the legislature concerning
19 elections, election commissioners and officers and their duties as such
20 officers and the election of county officers.

21 (8) Counties shall be subject to the limitations and prohibitions im-
22 posed under K.S.A. 12-187 to 12-195, inclusive, and amendments thereto,
23 prescribing limitations upon the levy of retailers' sales taxes by counties.

24 (9) Counties may not exempt from or effect changes in statutes made
25 nonuniform in application solely by reason of authorizing exceptions for
26 counties having adopted a charter for county government.

27 (10) No county may levy ad valorem taxes under the authority of this
28 section upon real property located within any redevelopment area estab-
29 lished under the authority of K.S.A. 12-1772, and amendments thereto,
30 unless the resolution authorizing the same specifically authorized a por-
31 tion of the proceeds of such levy to be used to pay the principal of and
32 interest upon bonds issued by a city under the authority of K.S.A. 12-
33 1774, and amendments thereto.

34 (11) Counties shall have no power under this section to exempt from
35 any statute authorizing or requiring the levy of taxes and providing sub-
36 stitute and additional provisions on the same subject, unless the resolution
37 authorizing the same specifically provides for a portion of the proceeds
38 of such levy to be used to pay a portion of the principal and interest on
39 bonds issued by cities under the authority of K.S.A. 12-1774, and amend-
40 ments thereto.

41 (12) Counties may not exempt from or effect changes in the provi-
42 sions of K.S.A. 19-4601 through 19-4625, and amendments thereto.

43 (13) Except as otherwise specifically authorized by K.S.A. 12-1,101

1 through 12-1,109, and amendments thereto, counties may not levy and
2 collect taxes on incomes from whatever source derived.

3 (14) Counties may not exempt from or effect changes in K.S.A. 19-
4 430, and amendments thereto.

5 (15) Counties may not exempt from or effect changes in K.S.A. 19-
6 302, 19-502b, 19-503, 19-805 or 19-1202, and amendments thereto.

7 (16) (A) Counties may not exempt from or effect changes in K.S.A.
8 13-13a26, and amendments thereto.

9 (B) This provision shall expire on June 30, 2003.

10 (17) (A) Counties may not exempt from or effect changes in K.S.A.
11 *2000 Supp.* 71-301a, and amendments thereto.

12 (B) This provision shall expire on June 30, 2003.

13 (18) Counties may not exempt from or effect changes in K.S.A. 19-
14 15,139, 19-15,140 and 19-15,141, and amendments thereto.

15 (19) Counties may not exempt from or effect changes in the provi-
16 sions of K.S.A. 12-1223, 12-1225, 12-1225a, 12-1225b, 12-1225c and 12-
17 1226, and amendments thereto, or the provisions of K.S.A. 2000 Supp.
18 12-1260 through 12-1270 and 12-1276, and amendments thereto.

19 (20) Counties may not exempt from or effect changes in the provi-
20 sions of K.S.A. 19-211, and amendments thereto.

21 (21) Counties may not exempt from or effect changes in the provi-
22 sions of K.S.A. 19-4001 through 19-4015, and amendments thereto.

23 (22) Counties may not regulate the production or drilling of any oil
24 or gas well in any manner which would result in the duplication of reg-
25 ulation by the state corporation commission and the Kansas department
26 of health and environment pursuant to chapter 55 and chapter 65 of the
27 Kansas Statutes Annotated and any rules and regulations adopted pur-
28 suant thereto. Counties may not require any license or permit for the
29 drilling or production of oil and gas wells. Counties may not impose any
30 fee or charge for the drilling or production of any oil or gas well.

31 (23) Counties may not exempt from or effect changes in K.S.A. 79-
32 41a04, and amendments thereto.

33 (24) Counties may not exempt from or effect changes in K.S.A. 79-
34 1611, and amendments thereto.

35 (25) Counties may not exempt from or effect changes in K.S.A. 79-
36 1494, and amendments thereto.

37 (26) Counties may not exempt from or effect changes in subsection
38 (b) of K.S.A. 19-202, and amendments thereto.

39 (27) Counties may not exempt from or effect changes in subsection
40 (b) of K.S.A. 19-204, and amendments thereto.

41 (28) Counties may not levy or impose an excise, severance or any
42 other tax in the nature of an excise tax upon the physical severance and
43 production of any mineral or other material from the earth or water.

1 (29) Counties may not exempt from or effect changes in K.S.A. 79-
2 2017 or 79-2101, and amendments thereto.

3 (30) Counties may not exempt from or effect changes in K.S.A. 2-
4 3302, 2-3305, 2-3307, 17-5904, 17-5908, 47-1219 or 65-171d or K.S.A.
5 2000 Supp. 2-3318, 17-5909 or 65-1,178 through 65-1,199, and amend-
6 ments thereto.

7 (31) Counties may not exempt from or effect changes in K.S.A. 2000
8 Supp. 80-121, and amendments thereto.

9 *(32) Counties may not exempt from or effect changes in K.S.A. 74-
10 8701 et seq., 74-8801 et seq. or section 2 et seq., and amendments thereto.*

11 (b) Counties shall apply the powers of local legislation granted in
12 subsection (a) by resolution of the board of county commissioners. If no
13 statutory authority exists for such local legislation other than that set forth
14 in subsection (a) and the local legislation proposed under the authority
15 of such subsection is not contrary to any act of the legislature, such local
16 legislation shall become effective upon passage of a resolution of the
17 board and publication in the official county newspaper. If the legislation
18 proposed by the board under authority of subsection (a) is contrary to an
19 act of the legislature which is applicable to the particular county but not
20 uniformly applicable to all counties, such legislation shall become effec-
21 tive by passage of a charter resolution in the manner provided in K.S.A.
22 19-101b, and amendments thereto.

23 (c) Any resolution adopted by a county which conflicts with the re-
24 strictions in subsection (a) is null and void.

25 ~~Sec. 26. K.S.A. 2000 Supp. 74-8723 is hereby amended to read as~~
26 ~~follows: 74-8723. (a) The Kansas lottery and the office of executive di-~~
27 ~~rector of the Kansas lottery, established by K.S.A. 74-8703, and amend-~~
28 ~~ments thereto, and the Kansas lottery commission, created by K.S.A. 74-~~
29 ~~8709, and amendments thereto, shall be and hereby are abolished on July~~
30 ~~1, 2002-2012.~~

31 ~~(b) This section shall be part of and supplemental to the Kansas lot-~~
32 ~~tery act.~~

33 ~~Sec. 2726. K.S.A. 74-8702 and K.S.A. 2000 Supp. 19-101a and 74-~~
34 ~~8723 are hereby repealed.~~

35 ~~Sec. 28 27. This act shall take effect and be in force from and after~~
36 ~~its publication in the statute book **Kansas register**.~~

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