

HOUSE BILL No. 2771

By Committee on Federal and State Affairs

3-19

1 AN ACT concerning the Kansas expanded lottery act; relating to racetrack
2 gaming facilities; relating to parimutuel racing; amending K.S.A. 74-
3 8836 and K.S.A. 2013 Supp. 74-8744, 74-8746, 74-8747 and 74-8751
4 and repealing the existing sections.
5

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

7 Section 1. K.S.A. 2013 Supp. 74-8744 is hereby amended to read as
8 follows: 74-8744. (a) In accordance with rules and regulations adopted by
9 the commission, the executive director shall have general responsibility for
10 the implementation and administration of the provisions of this act relating
11 to racetrack gaming facility operations, including the responsibility to:

12 (1) Certify net electronic gaming machine income by inspecting
13 records, conducting audits, having agents of the Kansas lottery on site or
14 by any other reasonable means; and

15 (2) assist the commission in the promulgation of rules and
16 regulations concerning the operation of racetrack gaming facilities, which
17 rules and regulations shall include, without limitation, the following:

18 (A) The number of electronic gaming machines allocated for
19 placement at each racetrack gaming facility, subject to the provisions of
20 subsection (b);

21 (B) standards for advertising, marketing and promotional materials
22 used by racetrack gaming facility managers;

23 (C) the kind, type, number and location of electronic gaming
24 machines at any racetrack gaming facility; and

25 (D) rules and regulations and procedures for the accounting and
26 reporting of the payments required from racetrack gaming facility
27 managers under K.S.A. 2013 Supp. 74-8766, and amendments thereto,
28 including the calculations required for such payments.

29 (b) Rules and regulations establishing the minimum and maximum
30 number of electronic gaming machines allocated for placement at each
31 racetrack gaming facility shall be adopted and published not later than 120
32 days after the effective date of this act. Such rules and regulations shall be
33 subject to the following:

34 (1) At least 600, *but not more than 1,400*, electronic gaming
35 machines shall be allocated to and placed at each racetrack gaming facility.

36 (2) The total number of electronic gaming machines allocated to and

1 placed at all racetrack gaming facilities in the state shall not exceed 2,800.
2 ~~Until lottery gaming facility management contracts for lottery gaming~~
3 ~~facilities in all gaming zones become binding, the total number of~~
4 ~~electronic gaming machines placed at all racetrack gaming facilities shall~~
5 ~~not exceed 2,200. When lottery gaming facility management contracts for~~
6 ~~lottery gaming facilities in all gaming zones have become binding, the~~
7 ~~lottery commission shall take privilege fee bids from the lottery gaming~~
8 ~~facility manager and racetrack gaming facility manager in each gaming~~
9 ~~zone for the remaining electronic gaming machines allocated to but not yet~~
10 ~~placed at the racetrack gaming facility in such zone. The minimum bid~~
11 ~~shall be a privilege fee of \$2,500 per electronic gaming machine. If the~~
12 ~~racetrack gaming facility manager submits the highest bid, the lottery~~
13 ~~commission shall place the remaining electronic gaming machines at the~~
14 ~~racetrack gaming facility. If the lottery gaming facility manager submits~~
15 ~~the highest bid, the commission shall not place any additional electronic~~
16 ~~gaming machines at the racetrack gaming facility.~~

17 ~~(3) In addition to any privilege fee paid pursuant to paragraph (2),~~
18 Each racetrack gaming facility manager shall pay a privilege fee of \$2,500
19 for each electronic gaming machine placed at the racetrack gaming facility
20 for which a privilege fee is not paid pursuant to paragraph (2).

21 (4) The racetrack gaming facility manager shall pay the privilege fees
22 provided by this subsection to the executive director, who shall remit the
23 entire amount to the state treasurer in accordance with K.S.A. 75-4215,
24 and amendments thereto. Upon receipt of the remittance, the state treasurer
25 shall deposit the entire amount in the state treasury and credit it to the
26 expanded lottery act revenues fund.

27 Sec. 2. K.S.A. 2013 Supp. 74-8746 is hereby amended to read as
28 follows: 74-8746. (a) Except as provided in subsection (b):

29 (1) No electronic gaming machines shall be operated at a parimutuel
30 licensee location in Sedgwick county unless, during the first full calendar
31 year and each year thereafter in which electronic gaming machines are
32 operated at such location, the parimutuel licensee conducts at such location
33 at least 100 live greyhound races each calendar week for the number of
34 weeks raced during calendar year 2003 with at least 13 live races
35 conducted each day for not less than five days per week.

36 (2) No electronic gaming machines shall be operated at a parimutuel
37 licensee location in Wyandotte county unless, during the first full calendar
38 year and each year thereafter in which electronic gaming machines are
39 operated at such location, the parimutuel licensee conducts live horse
40 racing programs for at least 60 days, with at least 10 live races conducted
41 each program, and must offer and make a reasonable effort to conduct a
42 minimum number of three live races restricted for quarter horses each day
43 and seven live thoroughbred races each day, of which not less than two

1 races each day shall be limited to registered Kansas-bred horses
2 apportioned in the same ratio that live races are offered, except that the
3 licensee shall not be required to conduct the second live race restricted to
4 Kansas-bred horses unless there are at least seven qualified entries for such
5 race, ~~and with at least 100 live greyhound races each calendar week for at~~
6 ~~least the same number of weeks raced during calendar year 2003, with at~~
7 ~~least 13 live races conducted each day for not less than five days per week.~~

8 (3) No electronic gaming machines shall be operated at a parimutuel
9 licensee location in Crawford county unless, during the first full calendar
10 year and each year thereafter in which electronic gaming machines are
11 operated at such location, the parimutuel licensee conducts at such location
12 at least 85 live greyhound races each calendar week for the number of
13 weeks raced during calendar year 2003 in Sedgwick county, with at least
14 12 live races conducted each day for not less than five days per week.

15 (4) If a parimutuel licensee has not held live races pursuant to a
16 schedule approved by the Kansas racing and gaming commission in the
17 preceding 12 months, the Kansas racing and gaming commission shall
18 hold a hearing to determine the number of days of live racing required for
19 the remaining days of the first calendar year of operation to qualify for
20 operation of electronic gaming machines. At such hearing, the commission
21 shall receive testimony and evidence from affected breed groups, the
22 licensee and others, as the Kansas racing and gaming commission deems
23 appropriate concerning the schedule of live race days. ~~The operation of~~
24 ~~electronic gaming machines shall not commence more than 90 days prior~~
25 ~~to the start of live racing at such facility.~~

26 (b) The Kansas racing and gaming commission may not grant
27 exceptions to the requirements of subsection (a) for a parimutuel licensee
28 conducting live racing unless such exception is in the form of an
29 agreement which: (1) Is between the parimutuel licensee and the affected
30 recognized greyhound or recognized horsemen's group, as defined in
31 K.S.A. 74-8802, and amendments thereto; (2) has been approved by the
32 appropriate official breed registering agencies; and (3) has been submitted
33 to and approved by the commission. In the case of emergencies, weather
34 related issues or immediate circumstances beyond the control of the
35 licensee, the Kansas racing and gaming commission may grant an
36 exception.

37 Sec. 3. K.S.A. 2013 Supp. 74-8747 is hereby amended to read as
38 follows: 74-8747. (a) Net electronic gaming machine income from a
39 racetrack gaming facility *located in the northeast gaming zone* shall be
40 distributed as follows:

41 (1) To the racetrack gaming facility manager, an amount equal to
42 25%:

43 (A) 64% of net electronic gaming machine income *during the first*

1 *and second full years the racetrack gaming facility is in operation; and*

2 *(B) 60% of the net electronic gaming machine income during the*
3 *third full year the racetrack gaming facility is in operation, and each*
4 *subsequent year the racetrack gaming facility is in operation;*

5 ~~(2) (A) 7% 10% of net electronic gaming machine income shall be~~
6 ~~credited to the live horse racing purse supplement fund established by~~
7 ~~K.S.A. 2013 Supp. 74-8767, and amendments thereto, except that the~~
8 ~~amount of net electronic gaming machine income credited to the fund~~
9 ~~during any fiscal year from electronic gaming machines at a racetrack~~
10 ~~gaming facility shall not exceed an amount equal to the average of \$3,750~~
11 ~~per electronic gaming machine at each location and any moneys in excess~~
12 ~~of such amount shall be distributed between the state and the racetrack~~
13 ~~gaming facility manager in accordance with the racetrack gaming facility~~
14 ~~management contract during the first and second full years the racetrack~~
15 ~~gaming facility is in operation; and~~

16 ~~(B) 14% of the net electronic gaming machine income during the~~
17 ~~third full year the racetrack gaming facility is in operation, and each~~
18 ~~subsequent year the racetrack gaming facility is in operation;~~

19 ~~(3) 7% of net electronic gaming machine income shall be credited to~~
20 ~~the live greyhound racing purse supplement fund established by K.S.A.~~
21 ~~2013 Supp. 74-8767, and amendments thereto, except that the amount of~~
22 ~~net electronic gaming machine income credited to the fund during any~~
23 ~~fiscal year from electronic gaming machines at a racetrack gaming facility~~
24 ~~shall not exceed an amount equal to the average of \$3,750 per electronic~~
25 ~~gaming machine at each location and any moneys in excess of such~~
26 ~~amount shall be distributed between the state and the racetrack gaming~~
27 ~~facility manager in accordance with the racetrack gaming facility~~
28 ~~management contract;~~

29 ~~(4) (A) if the racetrack gaming facility is located in the northeast~~
30 ~~Kansas gaming zone and is not located within a city, include a provision~~
31 ~~for payment of an amount equal to 3% of the racetrack gaming facility~~
32 ~~revenues to the county in which the racetrack gaming facility is located; or~~
33 ~~(B) if the racetrack gaming facility is located in the northeast Kansas~~
34 ~~gaming zone and is located within a city, include provision for payment of~~
35 ~~an amount equal to 1.5% of the racetrack gaming facility revenues to the~~
36 ~~city in which the racetrack gaming facility is located and an amount equal~~
37 ~~to 1.5% of such revenues to the county in which such facility is located;~~

38 ~~(5) (A) if the racetrack gaming facility is located in the southeast or~~
39 ~~south central Kansas gaming zone and is not located within a city, include~~
40 ~~a provision for payment of an amount equal to 2% of the racetrack gaming~~
41 ~~facility revenues to the county in which the racetrack gaming facility is~~
42 ~~located and an amount equal to 1% of such revenues to the other county in~~
43 ~~such zone; or (B) if the racetrack gaming facility is located in the southeast~~

1 or south central Kansas gaming zone and is located within a city, provide
2 for payment of an amount equal to 1% of the racetrack gaming facility
3 revenues to the city in which the racetrack gaming facility is located, an
4 amount equal to 1% of such revenues to the county in which such facility
5 is located and an amount equal to 1% of such revenues to the other county
6 in such zone to the county in which the racetrack gaming facility is
7 located, 2% of the net electronic gaming machine income;

8 ~~(6)~~ (4) 2% 1% of net electronic gaming machine income shall be
9 credited to the problem gambling and addictions grant fund established by
10 K.S.A. 2013 Supp. 79-4805, and amendments thereto;

11 ~~(7)~~ (5) 1% of net electronic gaming machine income shall be credited
12 to the Kansas horse fair racing benefit fund established by K.S.A. 74-8838,
13 and amendments thereto; and

14 ~~(8)~~ (6) 40% 22% of net electronic gaming machine income shall be
15 credited to the expanded lottery act revenues fund; and

16 ~~(9)~~ 15% of electronic gaming machine income shall be used for
17 gaming expenses, subject to agreement between the Kansas lottery and the
18 racetrack gaming facility manager.

19 (b) Net electronic gaming machine income from a racetrack gaming
20 facility located in the southeast or south central gaming zones shall be
21 distributed as follows:

22 (1) To the racetrack gaming facility manager, an amount equal to
23 66% of the net electronic gaming machine income;

24 (2) (A) if the racetrack gaming facility is licensed to conduct horse
25 races, an amount equal to 7% of the net electronic gaming machine
26 income shall be credited to the live horse racing purse supplement fund
27 established by K.S.A. 2013 Supp. 74-8767, and amendments thereto; or

28 (B) if the racetrack gaming facility is licensed to conduct greyhound
29 races, an amount equal to 7% of the net electronic gaming machine
30 income shall be credited to the live greyhound racing purse supplement
31 fund established by K.S.A. 2013 Supp. 74-8767, and amendments thereto;

32 (3) (A) if the racetrack gaming facility is not located within a city,
33 then an amount equal to 2% of the net electronic gaming machine income
34 shall be paid to the county in which the racetrack gaming facility is
35 located and an amount equal to 1% of the net electronic gaming machine
36 income shall be paid to the other county in the gaming zone in which the
37 racetrack gaming facility is located; or

38 (B) if the racetrack gaming facility is located within a city, then an
39 amount equal to 1% of the net electronic gaming machine income shall be
40 paid to the city in which the racetrack gaming facility is located, an
41 amount equal to 1% of the net electronic gaming machine income shall be
42 paid to the county in which the racetrack gaming facility is located and an
43 amount equal to 1% of the net electronic gaming machine income shall be

1 *paid to the other county in the gaming zone in which the racetrack gaming*
2 *facility is located;*

3 (4) *1% of net electronic gaming machine income shall be credited to*
4 *the problem gambling and addictions grant fund established by K.S.A.*
5 *2013 Supp. 79-4805, and amendments thereto;*

6 (5) *1% of net electronic gaming machine income shall be credited to*
7 *the Kansas horse fair racing benefit fund established by K.S.A. 74-8838,*
8 *and amendments thereto; and*

9 (6) *22% of net electronic gaming machine income shall be credited to*
10 *the expanded lottery act revenues fund.*

11 ~~(b) (c) A racetrack gaming facility management contract may include~~
12 ~~provisions for a parimutuel licensee or any other entity to pay the~~
13 ~~parimutuel licensee's expenses related to electronic gaming machines, as~~
14 ~~the executive director deems appropriate, subject to the requirements of~~
15 ~~subsection (a)(9).~~

16 Sec. 4. K.S.A. 2013 Supp. 74-8751 is hereby amended to read as
17 follows: 74-8751. The Kansas racing and gaming commission, through
18 rules and regulations, shall establish:

19 (a) A certification requirement, and enforcement procedure, for
20 officers, directors, key employees and persons directly or indirectly
21 owning a ~~0.5%~~ 5% or more interest in a lottery gaming facility manager or
22 racetrack gaming facility manager. Such certification requirement shall
23 include compliance with such security, fitness and background
24 investigations and standards as the executive director of the Kansas racing
25 and gaming commission deems necessary to determine whether such
26 person's reputation, habits or associations pose a threat to the public
27 interest of the state or to the reputation of or effective regulation and
28 control of the lottery gaming facility or racetrack gaming facility. *In the*
29 *case of a publicly traded company subject to the jurisdiction of the United*
30 *States securities and exchange commission, such certification*
31 *requirements shall include such security, fitness and background*
32 *investigations and standards for officers, directors, key gaming employees*
33 *and persons directly or indirectly owning a 5% or more interest in such*
34 *entity, and shall specify that such publicly traded company annually*
35 *provide a list of all identifiable shareholders. In the case of institutional*
36 *investors in a publicly traded company, the certification requirement shall*
37 *provide a procedure for issuance of waivers of the background*
38 *investigation requirement by the executive director of the Kansas racing*
39 *and gaming commission. Any person convicted of any felony, a crime*
40 *involving gambling or a crime of moral turpitude prior to applying for a*
41 *certificate hereunder or at any time thereafter shall be deemed unfit. The*
42 *Kansas racing and gaming commission shall conduct the security, fitness*
43 *and background checks required pursuant to this subsection. Certification*

1 pursuant to this subsection shall not be assignable or transferable;

2 (b) a certification requirement, and enforcement procedure, for those
3 persons, including electronic gaming machine manufacturers, technology
4 providers and computer system providers, who propose to contract with a
5 lottery gaming facility manager, a racetrack gaming facility manager or the
6 state for the provision of goods or services related to a lottery gaming
7 facility or racetrack gaming facility, including management services. Such
8 certification requirements shall include compliance with such security,
9 fitness and background investigations and standards of officers, directors,
10 key gaming employees and persons directly or indirectly owning a ~~0.5%~~
11 5% or more interest in such entity as the executive director of the Kansas
12 racing and gaming commission deems necessary to determine whether
13 such person's reputation, habits and associations pose a threat to the public
14 interest of the state or to the reputation of or effective regulation and
15 control of the lottery gaming facility or racetrack gaming facility. *In the*
16 *case of a publicly traded company subject to the jurisdiction of the United*
17 *States securities and exchange commission, such certification*
18 *requirements shall include such security, fitness and background*
19 *investigations and standards for officers, directors, key gaming employees*
20 *and persons directly or indirectly owning a 5% or more interest in such*
21 *entity, and shall specify that such publicly traded company annually*
22 *provide a list of all identifiable shareholders. In the case of institutional*
23 *investors in a publicly traded company, the certification requirement shall*
24 *provide a procedure for issuance of waivers of the background*
25 *investigation requirement by the executive director of the Kansas racing*
26 *and gaming commission. Any person convicted of any felony, a crime*
27 *involving gambling or a crime of moral turpitude prior to applying for a*
28 *certificate hereunder or at any time thereafter shall be deemed unfit. If the*
29 *executive director of the racing and gaming commission determines the*
30 *certification standards of another state are comprehensive, thorough and*
31 *provide similar adequate safeguards, the executive director may certify an*
32 *applicant already certified in such state without the necessity of a full*
33 *application and background check. The Kansas racing and gaming*
34 *commission shall conduct the security, fitness and background checks*
35 *required pursuant to this subsection. Certification pursuant to this*
36 *subsection shall not be assignable or transferable;*

37 (c) provisions for revocation of a certification required by subsection
38 (a) or (b) upon a finding that the certificate holder, an officer or director
39 thereof or a person directly or indirectly owning a ~~0.5%~~ 5% or more
40 interest therein: (1) Has knowingly provided false or misleading material
41 information to the Kansas lottery or its employees; or (2) has been
42 convicted of a felony, gambling related offense or any crime of moral
43 turpitude; and

1 (d) provisions for suspension, revocation or nonrenewal of a
2 certification required by subsection (a) or (b) upon a finding that the
3 certificate holder, an officer or director thereof or a person directly or
4 indirectly owning a ~~0.5%~~ 5% or more interest therein: (1) Has failed to
5 notify the Kansas lottery about a material change in ownership of the
6 certificate holder, or any change in the directors or officers thereof; (2) is
7 delinquent in remitting money owed to the Kansas lottery; (3) has violated
8 any provision of any contract between the Kansas lottery and the
9 certificate holder; or (4) has violated any provision of the Kansas
10 expanded lottery act or any rule and regulation adopted hereunder.

11 Sec. 5. K.S.A. 74-8836 is hereby amended to read as follows: 74-
12 8836. (a) Any organization licensee that *either* conducts at least ~~150~~ 60
13 days of live racing during a calendar year *or is in compliance with the*
14 *provisions of K.S.A. 2013 Supp. 74-8746, and amendments thereto*, or a
15 fair association that conducts fewer than ~~22~~ 40 days of live racing during a
16 calendar year may apply to the commission for a simulcasting license to
17 display simulcast horse or greyhound races and to conduct intertrack
18 parimutuel wagering thereon. If the organization licensee conducts races at
19 a racetrack facility that is owned by a facility owner licensee, both
20 licensees shall join in the application. ~~A simulcasting license granted to a~~
21 ~~fair association that conducts fewer than 22 days of live racing shall~~
22 ~~restrict the fair association's display of simulcast races to a number of~~
23 ~~days, including days on which it conducts live races, equal to not more~~
24 ~~than twice the number of days on which it conducts live races.~~

25 (b) (1) A simulcasting license granted to an organization licensee
26 other than a fair association shall authorize the display of simulcast races
27 at the racetrack facility where the live races are conducted so long as the
28 licensee:

29 (A) Conducts at least eight live races per day and an average of 10
30 live races per day per week. If a simulcasting licensee conducts live horse
31 races on a day when simulcast races are displayed by the licensee and the
32 licensee conducts fewer than an average of 10 live horse races per day per
33 week, not less than 80% of the races on which wagers are taken by the
34 licensee during such week shall be live races conducted by the licensee
35 unless approved by the recognized horsemen's group or upon a finding by
36 the commission that the organization licensee was unable to do so for
37 reasonable cause; *or*

38 (B) *is in compliance with the provisions of K.S.A. 2013 Supp. 74-*
39 *8746, and amendments thereto.*

40 (2) If a simulcast licensee conducts live greyhound races on a day
41 when simulcast races are displayed by the licensee and the licensee
42 schedules fewer than 13 live greyhound races during a performance on
43 such day, not less than 80% of the races on which wagers are taken by the

1 licensee during such performance shall be live races conducted by the
2 licensee.

3 ~~(2)~~ (3) A simulcasting license granted to a fair association shall
4 authorize the display of simulcast races at the racetrack facility where the
5 races are conducted ~~only if live races are scheduled for two or more days~~
6 ~~of the same calendar week, except that the licensee may conduct simuleast~~
7 ~~races in the week immediately before and immediately after a live meeting~~
8 ~~if the total number of days on which simuleast races are displayed does not~~
9 ~~exceed the total authorized in subsection (a). In no case shall the live meet~~
10 ~~or simuleast races allowed under this subsection exceed 10 consecutive~~
11 ~~weeks. For purposes of this subsection, a calendar week shall be measured~~
12 ~~from Monday through the following Sunday.~~

13 ~~(3) Notwithstanding the provisions of subsection (a), (b)(1) or (b)(2),~~
14 ~~a fair association may apply to the commission for not more than five~~
15 ~~additional days of simulcasting of special events. In addition, the~~
16 ~~commission may authorize a fair association to display additional~~
17 ~~simuleast races but, if such fair association is less than 100 miles from an~~
18 ~~organization licensee that is not a fair association, it also shall secure~~
19 ~~written consent from that organization licensee.~~

20 (4) Notwithstanding the provisions of subsection (b)(1) *and* (b)(2), if
21 an emergency causes the cancellation of all or any live races scheduled for
22 a day or performance by a simulcasting licensee, the commission, or the
23 commission's designee, may authorize the licensee to display any
24 simulcast races previously scheduled for such day or performance.

25 (5) Notwithstanding the provisions of subsection (b)(1) *and* (b)(2),
26 the commission may authorize the licensee to display simulcast special
27 racing events as designated by the commission.

28 (c) The application for a simulcasting license shall be filed with the
29 commission at a time and place prescribed by rules and regulations of the
30 commission. The application shall be in a form and include such
31 information as the commission prescribes.

32 (d) To qualify for a simulcasting license the applicant shall:

33 (1) Comply with the interstate horse racing act of 1978 (15 U.S.C. §
34 3001 et seq.) as in effect December 31, 1991;

35 (2) submit with the application a written approval of the proposed
36 simulcasting schedule signed by: (A) The recognized horsemen's group for
37 the track, if the applicant is licensed to conduct only horse races; (B) the
38 recognized greyhound owners' group, if the applicant is licensed to
39 conduct only greyhound races and only greyhound races are to be
40 simulcast; (C) both the recognized greyhound owners' group and a
41 recognized horsemen's group, if the applicant is licensed to conduct only
42 greyhound races and horse races are to be simulcast; (D) the recognized
43 greyhound owners' group, if the applicant is licensed to conduct both

1 greyhound and horse races, only greyhound races are to be simulcast and
2 races are to be simulcast only while the applicant is conducting live
3 greyhound races; (E) the recognized horsemen's group for the track, if the
4 applicant is licensed to conduct both greyhound and horse races, only
5 horse races are to be simulcast and races are to be simulcast only while the
6 applicant is conducting live horse races; or (F) both the recognized
7 greyhound owners' group and the recognized horsemen's group for the
8 track, if the applicant is licensed to conduct both greyhound races and
9 horse races and horse races are to be simulcast while the applicant is
10 conducting live greyhound races or greyhound races are to be simulcast
11 while the applicant is conducting live horse races; and

12 (3) submit, in accordance with rules and regulations of the
13 commission and before the simulcasting of a race, a written copy of each
14 contract or agreement which the applicant proposes to enter into with
15 regard to such race, and any proposed modification of any such contract or
16 agreement.

17 (e) The term of a simulcasting license shall be one year.

18 (f) A simulcasting licensee may apply to the commission, or its
19 designee, for changes in the licensee's approved simulcasting schedule if
20 such changes are approved by the respective recognized greyhound
21 owners' group or recognized horsemen's group needed throughout the term
22 of the license. Application shall be made upon forms furnished by the
23 commission and shall contain such information as the commission
24 prescribes.

25 (g) Except as provided by subsection (j), the takeout for simulcast
26 horse and greyhound races shall be the same as it is for the live horse and
27 greyhound races conducted during the current or next live race meeting at
28 the racetrack facility where the simulcast races are displayed. For
29 simulcast races the tax imposed on amounts wagered shall be as provided
30 by K.S.A. 74-8823, and amendments thereto. Of the balance of the takeout
31 remaining after deduction of taxes, an amount equal to a percentage, to be
32 determined by the commission, of the gross sum wagered on simulcast
33 races shall be used for purses, as follows:

34 (1) For greyhound races conducted by the licensee, if the simulcast
35 race is a greyhound race and the licensee conducts only live greyhound
36 races;

37 (2) for horse races conducted by the licensee, if the simulcast race is a
38 horse race and the licensee conducts only live horse races;

39 (3) for horse races and greyhound races, as determined by both the
40 recognized horsemen's group and the recognized greyhound owners'
41 group, if the simulcast race is a greyhound race and the licensee does not
42 conduct or is not currently conducting live greyhound races; or

43 (4) for horse races and greyhound races, as determined by both the

1 recognized horsemen's group and the recognized greyhound owners'
2 group, if the simulcast is a horse race and the licensee does not conduct or
3 is not currently conducting live horse races. That portion of simulcast
4 purse money determined to be used for horse purses shall be apportioned
5 by the commission to the various horse race meetings held in any calendar
6 year based upon the number of live horse race dates comprising such horse
7 race meetings in the preceding calendar year.

8 (h) Except as provided by subsection (j):

9 (1) If a simulcasting licensee has a license to conduct live horse races
10 and the licensee displays a simulcast horse race: (A) All breakage proceeds
11 shall be remitted by the licensee to the commission not later than the 15th
12 day of the month following the race from which the breakage is derived
13 and the commission shall remit any such proceeds received to the state
14 treasurer in accordance with the provisions of K.S.A. 75-4215, and
15 amendments thereto. Upon receipt of each such remittance, the state
16 treasurer shall deposit the entire amount in the state treasury to the credit
17 of the Kansas horse breeding development fund created by K.S.A. 74-
18 8829, and amendments thereto; and (B) all unclaimed ticket proceeds shall
19 be remitted by the licensee to the commission on the 61st day after the end
20 of the calendar year and the commission shall remit any such proceeds
21 received to the state treasurer in accordance with the provisions of K.S.A.
22 75-4215, and amendments thereto. Upon receipt of each such remittance,
23 the state treasurer shall deposit the entire amount in the state treasury to
24 the credit of the Kansas horse breeding development fund created by
25 K.S.A. 74-8829, and amendments thereto.

26 (2) If a simulcasting licensee has a license to conduct live greyhound
27 races and the licensee displays a simulcast greyhound race, breakage and
28 unclaimed winning ticket proceeds shall be distributed in the manner
29 provided by K.S.A. 74-8821 and 74-8822, and amendments thereto, for
30 breakage and unclaimed winning ticket proceeds from live greyhound
31 races.

32 (3) If a simulcasting licensee has a license to conduct live racing of
33 only horses and the licensee displays a simulcast greyhound race,
34 unclaimed winning ticket proceeds shall be distributed in the manner
35 provided by K.S.A. 74-8822, and amendments thereto, for unclaimed
36 winning ticket proceeds from live greyhound races. Breakage for such
37 races shall be distributed for use to benefit greyhound racing as determined
38 by the commission.

39 (4) If a simulcasting licensee has a license to conduct live racing of
40 only greyhounds and the licensee displays a simulcast horse race: (A) All
41 breakage proceeds shall be remitted by the licensee to the commission not
42 later than the 15th day of the month following the race from which the
43 breakage is derived and the commission shall remit any such proceeds

1 received to the state treasurer in accordance with the provisions of K.S.A.
2 75-4215, and amendments thereto. Upon receipt of each such remittance,
3 the state treasurer shall deposit the entire amount in the state treasury to
4 the credit of the Kansas horse breeding development fund created by
5 K.S.A. 74-8829, and amendments thereto; and (B) all unclaimed ticket
6 proceeds shall be remitted by the licensee to the commission on the 61st
7 day after the end of the calendar year and the commission shall remit any
8 such proceeds received to the state treasurer in accordance with the
9 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
10 each such remittance, the state treasurer shall deposit the entire amount in
11 the state treasury to the credit of the Kansas horse breeding development
12 fund created by K.S.A. 74-8829, and amendments thereto.

13 (i) The commission may approve a request by two or more
14 simulcasting licensees to combine wagering pools within the state of
15 Kansas pursuant to rules and regulations adopted by the commission.

16 (j) (1) The commission may authorize any simulcasting licensee to
17 participate in an interstate combined wagering pool with one or more other
18 racing jurisdictions.

19 (2) If a licensee participates in an interstate pool, the licensee may
20 adopt the takeout of the host jurisdiction or facility. The amount and
21 manner of paying purses from the takeout in an interstate pool shall be as
22 provided by subsection (g).

23 (3) The tax imposed on amounts wagered in an interstate pool shall
24 be as provided by K.S.A. 74-8823, and amendments thereto. Parimutuel
25 taxes may not be imposed on any amounts wagered in an interstate
26 combined wagering pool other than amounts wagered within this
27 jurisdiction.

28 (4) Breakage for interstate combined wagering pools shall be
29 calculated in accordance with the statutes and rules and regulations of the
30 host jurisdiction and shall be allocated among the participating
31 jurisdictions in a manner agreed to among the jurisdictions. Breakage
32 allocated to this jurisdiction shall be distributed as provided by subsection
33 (h).

34 (5) Upon approval of the respective recognized greyhound owners'
35 group or recognized horsemen's group, the commission may permit an
36 organization licensee to simulcast to other racetrack facilities or off-track
37 wagering or intertrack wagering facilities in other jurisdictions one or
38 more races conducted by such licensee, use one or more races conducted
39 by such licensee for an intrastate combined wagering pool or use one or
40 more races conducted by such licensee for an interstate combined
41 wagering pool at off-track wagering or intertrack wagering locations
42 outside the commission's jurisdiction and may allow parimutuel pools in
43 other jurisdictions to be combined with parimutuel pools in the

1 commission's jurisdiction for the purpose of establishing an interstate
2 combined wagering pool.

3 (6) The participation by a simulcasting licensee in a combined
4 interstate wagering pool does not cause that licensee to be considered to be
5 doing business in any jurisdiction other than the jurisdiction in which the
6 licensee is physically located.

7 (k) If the organization licensee, facility owner licensee if any and the
8 recognized horsemen's group or recognized greyhound owners' group are
9 unable to agree concerning a simulcasting application, the matter may be
10 submitted to the commission for determination at the written request of
11 any party in accordance with rules and regulations of the commission.

12 (l) This section shall be part of and supplemental to the Kansas
13 parimutuel racing act.

14 Sec. 6. K.S.A. 74-8836 and K.S.A. 2013 Supp. 74-8744, 74-8746, 74-
15 8747 and 74-8751 are hereby repealed.

16 Sec. 7. This act shall take effect and be in force from and after its
17 publication in the statute book.