

SESSION OF 2015

SUPPLEMENTAL NOTE ON SENATE BILL NO. 61

As Amended by Senate Committee on Federal
and State Affairs

Brief*

SB 61 would make four changes to the Kansas Lottery Act. The bill would:

- Allow the Kansas Lottery to own and operate lottery ticket vending machines, including Keno ticket vending machines, pull tab ticket vending machines, instant bingo vending machines, and other electronic ticket dispensers;
- Allow the Kansas Lottery to advertise at amateur athletic and sporting events where the majority of participants are not under the age of 18;
- Allow the Kansas Lottery to be a retailer and sell Lottery products; and
- Make it unlawful for anyone under the age of 18 to redeem a winning lottery ticket.

Background

At the hearing in the Senate Federal and State Affairs Committee, representatives from the Kansas Lottery and the Kansas Licensed Beverage Association presented testimony in favor of the bill. The representative from the Kansas Lottery indicated these changes are intended to implement industry best practices in an attempt to make the lottery operations more efficient and effective.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

Representatives from the Petroleum Marketers and Convenience Store Association of Kansas, QuikTrip Corporation, the Kansas Restaurant and Hospitality Association, and Johnson's General Stores, Inc. provided written testimony in support of the bill.

Representative Kahrs provided testimony in opposition to the bill. He expressed concerns about the operation of the electronic dispensers and the potential criminalization of the purchase of lottery tickets by minors. (The Committee removed the provision criminalizing the purchase of lottery tickets by minors.)

The Senate Committee amended the bill by specifying that the pull tab vending machines authorized by the bill include only pull tab ticket vending machines, while other types of pull tab vending machines are not allowed. The Committee also removed provisions criminalizing the purchase of lottery tickets by minors and added a provision making it unlawful for any person under the age of 18 to redeem a winning lottery ticket.

The fiscal note prepared by the Division of the Budget for the bill as introduced indicates the Kansas Lottery estimates the bill would increase State General Fund revenues by \$3.0 million in FY 2016 and by \$8.0 million in FY 2017. The Kansas Lottery is unable to estimate additional expenses created by the bill. The Office of Judicial Administration indicates there could be a fiscal effect on the operations of the court system if there is increased litigation as a result of criminalizing the purchase of lottery tickets by minors, however a precise fiscal effect cannot be determined. (The Senate Committee amended the bill to remove this provision.) The Board of Regents indicates the bill would have no fiscal impact on the Board of Regents or any Kansas postsecondary institution. Any fiscal effect associated with the bill is not reflected in *The FY 2016 Governor's Budget Report*.