

**74-8708. Lottery retailers.** (a) The executive director shall select as lottery retailers such persons as deemed best able to serve the public convenience and promote the sale of tickets or shares in accordance with marketing plans developed by the Kansas lottery. In the selection of lottery retailers, the executive director shall consider factors such as financial responsibility, security of the applicant's place of business or activity, accessibility of the applicant's place of business or activity, integrity, reputation, volume of expected sales and such other factors as the executive director may deem appropriate. The executive director may select the state fair board as a lottery retailer to sell lottery tickets or shares only on the state fairgrounds and only during the time of the annual state fair. Other persons lawfully engaged in nongovernmental business on state property may be selected as lottery retailers.

- (b) The executive director may charge an application fee to persons applying to become lottery retailers.
- (c) All lottery retailer contracts awarded by the Kansas lottery under this act shall be renewable annually after issuance unless sooner canceled or terminated.
- (d) No lottery retailer contract awarded under this act shall be transferred or assignable.
- (e) Lottery tickets or shares shall only be sold by the lottery retailer at the location approved by the Kansas lottery.
- (f) To be selected as a lottery retailer, a natural person acting as a sole proprietor must:
  - (1) Be at least 18 years of age;
  - (2) have sufficient financial resources to support the activities required to sell lottery tickets or shares;
  - (3) be current in payment of all taxes, interest and penalties owed to any taxing subdivision where the lottery retailer will sell lottery tickets or shares;
  - (4) be current in filing all applicable tax returns and in payment of all taxes, interest and penalties owed to the state of Kansas, excluding items under formal appeal pursuant to applicable statutes; and
  - (5) not be engaged exclusively in the sale of lottery tickets and shares.
- (g) No natural person shall be selected as a lottery retailer who:
  - (1) Has been convicted of a felony in this or any other jurisdiction, unless at least 10 years have passed since satisfactory completion of the sentence or probation imposed by the court for each such felony;
  - (2) has been convicted of an illegal gambling activity in this or any other jurisdiction;
  - (3) has been found to have violated the provisions of this act or any rule and regulation adopted hereunder;
  - (4) is a vendor or an employee or agent of any vendor doing business with the Kansas lottery;
  - (5) resides in the same household of an employee of the Kansas lottery or of a member of the commission; or
  - (6) has made a statement of material fact to the Kansas lottery, knowing such statement to be false.
- (h) For a partnership to be selected as a lottery retailer, the partnership must meet the requirements of subsections (f)(2), (f)(3), (f)(4) and (f)(5) and each partner must meet the requirements of subsections (f)(1), (f)(3), (f)(4) and (g)(1) through (g)(6).
- (i) For a corporation to be selected as a lottery retailer, the corporation must meet the requirements of subsections (f)(2), (f)(3), (f)(4) and (f)(5) and each officer or director and each stockholder who owns 5% or more of the stock of such corporation must meet the requirements of subsections (f)(3), (f)(4) and (g)(1) through (g)(6).
- (j) For an unincorporated association to be selected as a lottery retailer, the association must meet the requirements of subsections (f)(2), (f)(3), (f)(4) and (f)(5) and each officer or director must meet the requirements of subsections (f)(1), (f)(3), (f)(4) and (g)(1) through (g)(6).
- (k) The executive director may terminate the contract of any lottery retailer who fails to meet any of the applicable qualifying standards for selection as a retailer provided in this section or on the grounds for termination provided in the contract pursuant to rules and regulations adopted by the commission.
  - (l) If a lottery retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and such computation of retail sales is not explicitly defined to include sale of tickets or shares in a state-operated lottery, the compensation received by the lottery retailer from the lottery shall be considered the amount of the retail sale for purposes of computing the rental payment.

**History:** L. 1987, ch. 292, § 8; L. 1988, ch. 314, § 3; L. 2007, ch. 110, § 61; Apr. 19.