

SESSION OF 2018

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR HOUSE
BILL NO. 2196**

As Recommended by House Committee on
Veterans and Military

Brief*

Sub. for HB 2196 would amend law related to the veterans benefit lottery game and would establish the Veterans Benefit Lottery Game Fund (Veterans Fund).

Expenditures and Appropriations

The Veterans Fund would be administered by the Kansas Commission on Veterans Affairs Office (KCVAO). All expenditures from the Veterans Fund would be made *via* vouchers approved by the KCVAO or its designee, pursuant to the provisions set out for the veterans benefit lottery game in the Kansas Lottery Act. A provision related to Veterans' Fund moneys would be amended to remove the appropriation to the Kansas National Guard Museum, as this obligation was fulfilled on July 1, 2010. Moneys in the Veterans Fund would continue to be appropriated for specific purposes related to veterans as provided by law.

Transfers

On July 1 of each year, or as soon thereafter as moneys are available, \$2,000,000 from the Lottery Operating Fund would be transferred to the Veterans Fund. Beginning on July 1, 2019, or as soon thereafter as moneys are available, the amount transferred to the Veterans Fund would increase at a

*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>

rate of 5.0 percent from the amount transferred in the previous year.

Oversight

The House Committee on Veterans and Military or its successor committee would review the provisions of this bill beginning in 2023 and every five years thereafter.

Rules and Regulations

The Kansas Lottery Commission (Commission) would have discretion to establish, and regularly change the design or theme of, a veterans benefit game. Additionally, the Commission would have the discretion to adopt rules and regulations governing a veterans benefit game. Current law mandates the establishment and promulgation of rules and regulations for a veterans benefit game.

Background

The bill was introduced by the House Committee on Veterans and Military at the request of KCVAO in the 2017 Legislative Session. At the hearing before the House Committee, a representative of KCVAO testified in support of the bill, stating the need to keep moneys for veterans out of the State General Fund where they may become subject to allotments and other cuts. A representative from the Kansas National Guard provided neutral testimony, stating that while more money is needed to fund the National Guard Education Assistance Program, the bill would not go far enough to protect that program. The Kansas Lottery provided written-only neutral testimony on the bill, expressing concerns with a provision of the bill which would require the Kansas Lottery to manage and market the veteran games in a specific manner.

After discussion on the bill in the 2017 Legislative Session, the House Committee took no further action;

stakeholders expressed concerns that the state could lose federal funds if the bill were to be enacted.

On February 8, 2018, the House Committee adopted a substitute bill that modified the original contents of the bill. The original bill would have established a Veterans Benefit Lottery Game Fund and a National Guard Benefit Lottery Fund. Under the bill, proceeds from lottery game tickets would have been deposited directly into the two funds rather than the State General Fund, with a percentage of moneys in each fund to be used as specified by the bill.

According to the fiscal note prepared by the Division of the Budget on the original bill, KCVAO, the Board of Regents, and the Lottery indicated enactment of the bill would have no fiscal effect. The Adjutant General indicated enactment of the bill could increase expenditures by the agency. No fiscal note for the substitute bill was available at the time of House Committee action.