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COMPARISON OF 2022 SPORTS WAGERING LEGISLATION

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Issue	Substitute for SB 84	HB 2740
Authorized to Conduct Sports Wagering	<ul style="list-style-type: none">• Only casino managers contracting with the Lottery may conduct sports wagering and may do so through interactive sports wagering platform or over the Internet through websites and mobile device applications.	<ul style="list-style-type: none">• SAME (Sec. 1)
Use of Interactive Sports Wagering Platforms	<ul style="list-style-type: none">• Each casino manager may use up to 3 platforms.• All platforms must be approved by the Executive Director, and all background checks must be completed before a platform is approved.• All wagers placed through a platform must be from persons physically located in the State at the time the wager is submitted.	<ul style="list-style-type: none">• SAME (Sec. 2)• A casino manager may request approval of one additional skin for the platforms that is specific to a professional sports team that has a marketing agreement with the manager. (Sec. 2)

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Sports Wagering Suppliers	<ul style="list-style-type: none"> • NOT INCLUDED 	<ul style="list-style-type: none"> • Any person wishing to provide goods or services necessary for determining odds or data for outcomes of wagers must be licensed by the Lottery. (Sec. 3) • The fee for the license will be set by the Lottery. • License is valid for two years.
Management Contract Provisions	<ul style="list-style-type: none"> • The State receives 5.5% of sports wagering revenue from wagers placed in person at a casino. • The State receives 8% of sports wagering revenue from wagers placed through a platform. • 2% of all sports wagering revenue is paid to the Problem Gambling and Addictions Grant Fund. • The sports wagering manager agrees to acquire equipment, including software, necessary to manage sports wagering on behalf of the State. 	<ul style="list-style-type: none"> • The State receives 14% of sports wagering revenue from wagers placed in person at a casino. (Sec. 28) • The State receives 20% of sports wagering revenue from wagers placed through a platform. (Sec. 28) • No percentage paid to the Problem Gambling and Addictions Grant Fund. • The sports wagering manager agrees to acquire equipment, including software, necessary to manage sports wagering on behalf of the State. (Sec. 28)
Key Definitions	<ul style="list-style-type: none"> • "Interactive sports wagering platform" means an integrated system of hardware and software that allows sports wagering over the Internet through websites and mobile device applications. • "Lottery facility games" are redefined to mean any games authorized to be conducted at any licensed gaming facility in the U.S. • "Lottery gaming facility revenues" are redefined to exclude sports wagering revenue. • "Match-fixing" means to arrange or determine action occurring in a sporting event. • "Sporting event" means any amateur or professional athletic event, motor race event, horse race, or any other competitive event authorized by the Executive Director. The term does not include any greyhound 	<ul style="list-style-type: none"> • SAME (Sec. 22), except: • "Lottery facility games" is not redefined. • "Sporting event" means any professional or collegiate sport or athletic event, motor race, or other special event authorized by the Lottery. The term does not include greyhound races, parimutuel horse races, or event where the majority of the participants are under 18. • "Sports wagering manager" is not defined. • "Sports wagering revenues" means the total wagers less voided wagers and prizes.

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	<p>race or any interscholastic sports event for kindergarten and grades 1-12.</p> <ul style="list-style-type: none"> • "Sports wagering" means placing a wager on one or more sporting events, any portion thereof, or on any individual performance during a sporting event, and includes, but is not limited to various types of wagers specified in the definition. • "Sports wagering manage" means a casino manager with an approved management contract to conduct sports wagering. • "Sports wagering revenues" means the total amount of sports wagers less voided wagers, federal excise taxes, approved free plays, and prizes. • "Wager" means a bargain where one of the parties will win or lose something of value depending on chance. 	
<p>Wagering at a Sporting Facility</p>	<ul style="list-style-type: none"> • A sports wagering manager may contract with a Sporting Facility to offer sports wagering at a location within the Sporting Facility. • All wagering must be conducted through an interactive sports wagering platform. • A Sporting Facility defined so as to only mean the Kansas Speedway located in Wyandotte County. 	<ul style="list-style-type: none"> • A casino manager may enter into marketing agreements with professional sports teams or other business entities. (Sec. 4) • The sports team or other entity will provide promotion and advertising of sports wagering including kiosks at the team stadium or access to the manager's platform. • Sports wagering shall only be conducted by the casino manager. • Limit of 50 such agreement with at least 10 agreements with nonprofit fraternal or veterans organizations. • All agreements must be approved by the Lottery.

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Prohibited Sports Wagering	<ul style="list-style-type: none"> • Each sports wagering manager and interactive sports wagering platform will use <i>commercially</i> reasonable methods to prohibit wagering that is prohibited by the law and will maintain the security of all confidential data. • Sports wagering managers will also report any information relating to illegal, suspicious, or abnormal wagering to the Lottery and the KRGC. • Sports wagering managers will cooperate with all investigations conducted by the Lottery, KRGC, and any law enforcement agency. 	<ul style="list-style-type: none"> • SAME (Sec. 7), except the provision only requires casino managers to use reasonable methods.
Sports Wagering Patron Accounts	<ul style="list-style-type: none"> • A patron may fund a sports wagering account held by a sports wagering manager with cash, electronic bank transfers, wire transfers, debit and credit cards, online money transfer systems, promotional funds provided by the sports wagering manager, and any other payment method approved by the Lottery. 	<ul style="list-style-type: none"> • NOT INCLUDED
Age Restrictions	<ul style="list-style-type: none"> • No person under 21 years of age can place a sports wager. 	<ul style="list-style-type: none"> • SAME (Sec. 31)
Self-Restrictions	<ul style="list-style-type: none"> • A person may request they be placed on a restricted person's list and the sports wagering manager will take commercially reasonable measures to prevent such person from placing a wager. 	<ul style="list-style-type: none"> • SAME (Sec. 10)
Event Restrictions	<ul style="list-style-type: none"> • The Lottery may restrict wagering on a particular sporting event by giving notice to all sports wagering managers. 	<ul style="list-style-type: none"> • SAME (Sec. 6)

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<p>Bettor Restrictions</p>	<ul style="list-style-type: none"> • The restriction on gambling at a casino or racetrack by family members and people residing in the same household as a casino manager, employee, or contractor is removed. • It is unlawful for a relative living in the same household as a casino manager, employee, platform, or platform employee to place a sports wager with the casino manager or platform. The relative may place a wager with an unaffiliated casino manager or platform. • It is unlawful for any owner, officer, athlete, coach, or other employee of a team or person participating in a sporting event to place a sports wager. • It is unlawful for any director, officer, or employee of a player or referee union to place a sports wager. 	<ul style="list-style-type: none"> • SAME (Sec. 7 & 32), except there is no provision for a relative to place a wager for an unaffiliated casino manager or platform.
<p>Maintenance of Records</p>	<ul style="list-style-type: none"> • Each sports wagering manager must maintain records for at least 30 days for any person wagering \$10,000 or more in a 24-hour period. • Records include the person's name, amount and type of wager, time and location when wager was placed, outcome of the wager, and any abnormal wagering activity. • Records must be made available on request by the Lottery or the KRGC. 	<ul style="list-style-type: none"> • Each casino manager must keep records on the bettor, amount and type of wager, time and location, including IP address, of wager, outcome of the wager, any abnormal wagering activity, video recordings of in-person wagers. (Sec. 8) • Records must be kept for 3 years and made available to the Lottery and KRGC on request.
<p>Cause of Action for Improper Influence</p>	<ul style="list-style-type: none"> • The State has a statutory cause of action against any person who knowingly engages in, facilitates, or conceals conduct intended to improperly influence the outcome of a sports event for financial gain through wagering on the event. 	<ul style="list-style-type: none"> • SAME (Sec. 9)

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Sports Wagering Receipts Fund	<ul style="list-style-type: none"> • The Sports Wagering Receipts Fund is created for the weekly collection of wagering revenues from each sports wagering manager. Separate accounts will be maintained for each manager within the Fund. • Negative sports wagering revenues for a reporting period may be carried over and offset revenues in subsequent periods. • Each week the Executive Director will certify the amounts to be transferred from the Fund to the Lottery Operating Fund as the State's contractual portion of the revenues. • Each month the Executive Director will certify the amounts to be paid out of the Fund to the sports wagering managers as the managers' contractual portion of the revenues. 	<ul style="list-style-type: none"> • SAME, except there is no provision to account for negative sports wagering revenues being carried forward. (Sec. 11)
Background Check Certifications	<ul style="list-style-type: none"> • Ownership interest requiring a certification is increased from 0.5% to 5%. • Includes employees of a sports wagering manager directly involved in sports wagering. • Includes sports wagering manager contractors if contract exceeds \$250,000 per year and includes all platforms. 	<ul style="list-style-type: none"> • SAME, except there is no contract price threshold for background checks of sports wagering contractors. (Sec. 29)

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<p>Rules and Regulations</p>	<ul style="list-style-type: none"> • The KRGC is required to adopt rules and regulations regarding the advertisement of sports wagering by Oct. 31, 2021. The regulations are to include: <ul style="list-style-type: none"> ○ Ensuring ads do not target minors, problem gamblers, other vulnerable people, or people who are ineligible to gamble; ○ Disclosing the identity of the sports wagering manager and any platform involved; ○ Providing the toll-free helpline for compulsive and problem gambling; and ○ Prohibiting false, misleading, or deceptive ads. • The Lottery is required to adopt rules and regulations regarding sports wagering, including: <ul style="list-style-type: none"> ○ Management contracts; ○ Integrity of sports wagering operations; ○ Permitting sports wagering managers and platforms to have employees located outside of Kansas; ○ Permitting the establishment of online sports wagering accounts and the access to preestablished online accounts established in other states; and ○ Allowing the carry over of negative sports wagering revenues by managers. • The KRGC is required to adopt permanent rules and regulations regarding the KELA, including sports wagering, by January 1, 2023. 	<ul style="list-style-type: none"> • The Lottery is required to adopt rules and regulations regarding the advertisement of sports wagering by Jan. 1, 2023 (Sec. 5). The regulations are to include: <ul style="list-style-type: none"> ○ Ensuring ads do not target minors, problem gamblers, other vulnerable people, or people who are ineligible to gamble; ○ Disclosing the identity of the sports wagering manager and any platform involved; ○ Providing the toll-free helpline for compulsive and problem gambling; and ○ Prohibiting false, misleading, or deceptive ads. • The Lottery is required to adopt rules and regulations regarding sports wagering. (Sec. 23) The regulations are to include: <ul style="list-style-type: none"> ○ Management contracts; ○ Confidentiality of information of bettors; ○ Integrity of sports wagering operations;
<p>Indian Tribal Gaming</p>	<ul style="list-style-type: none"> • The Governor is required to negotiate in good faith with any Indian tribe that request gaming compact negotiations regarding sports wagering. 	<ul style="list-style-type: none"> • SAME (Sec. 17) • Upon request to negotiate a gaming compact a tribe can enter into an agreement with the Lottery to conduct sports wagering on behalf of the State under the same terms and conditions as a casino manager. (Sec. 13)

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White Collar Crime Fund	<ul style="list-style-type: none"> • The White Collar Crime Fund is established and will be administered by the Governor. The Fund is to be used to pay for investigations and prosecutions of crimes related to unlawful wagering. • The Attorney General and the KRGC will annually submit requests to the Governor for moneys from the Fund to carry out the purposes of the Fund. • The Fund will receive the first \$750,000 that is credited to the Lottery Operating Fund from sports wagering revenues. 	<ul style="list-style-type: none"> • SAME (Sec. 12)
Crime of Misuse of Nonpublic Sports Information	<ul style="list-style-type: none"> • A new crime of placing wager or causing a wager to be placed on a sports event on the basis of information that is not public. • The penalty for a violation is a level 5 nonperson felony. 	<ul style="list-style-type: none"> • SAME (Sec. 18)
Criminal Sports Wagering	<ul style="list-style-type: none"> • Makes it a crime to knowingly place a sports wager: <ul style="list-style-type: none"> ○ As an agent or proxy for another person; ○ Using funds derived from illegal activity; ○ To conceal money derived from illegal activity; ○ Through other individuals to circumvent federal or state law; ○ Using false identification to place the wager or collect a prize. • A violation is a level 8, nonperson felony. 	<ul style="list-style-type: none"> • SAME (Sec. 32)
Criminal Definition of "Bet"	<ul style="list-style-type: none"> • K.S.A. 21-6403 is amended to exclude sports wagering conducted in accordance with the KELA from the criminal definition of "bet". 	<ul style="list-style-type: none"> • SAME (Sec. 19)

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<p>Increase in Criminal Penalties</p>	<ul style="list-style-type: none"> • K.S.A. 21-6507 is amended to increase the penalty for the crime of sports bribery from a level 9 nonperson felony to a level 8 nonperson felony. • K.S.A. 21-6508 is amended to increase the penalty for the crime of tampering with a sports contest from a level 9 nonperson felony to a level 8 nonperson felony. 	<ul style="list-style-type: none"> • K.S.A. 21-6507 is amended to add match-fixing to the crime of sports bribery. The penalty is a level 5, nonperson felony. (Sec. 20)
<p>Enforcement of Prohibition on Gray Machines</p>	<ul style="list-style-type: none"> • NOT INCLUDED 	<ul style="list-style-type: none"> • K.S.A. 74-8761 is amended to provide that the Attorney General and the KRGC have original jurisdiction to investigate and prosecute the unlawful operation of gray machines. (Sec. 33)
<p>Restrictions on Online Lottery Games</p>	<ul style="list-style-type: none"> • No online lottery game may be approved by the Lottery if it: <ul style="list-style-type: none"> ○ Has video or audio effects that resemble a slot machine; ○ Operates or appears to operate as a slot machine; ○ Extends credit for purchase of a ticket; ○ Allows for redemption of a ticket somewhere other than a lottery retailer or the Lottery office; or ○ Determines the winner of a game in less than 4 minutes from the time the ticket was purchased. • It is also unlawful to sell a lottery ticket via online if the game meets any of the conditions above. 	<ul style="list-style-type: none"> • No online lottery game may be approved by the Lottery if does any of the following (Sec. 26): <ul style="list-style-type: none"> ○ Allows player to choose denomination of ticket during play; ○ Offers a tick at a price less than any traditional lottery ticket; ○ Simulates the play of a slot machine; ○ Extends credit for purchase of a ticket; ○ Allows for redemption of a ticket somewhere other than a lottery retailer or the Lottery office; ○ Allows automatic play for consecutive instant games; or ○ Allows a reveal all feature that functions over a period of less than 3 seconds.

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<p>Problem Gambling and Addictions Grant Fund</p>	<ul style="list-style-type: none"> • Receives 2% of all sports wagering revenues. • The Secretary for Aging and Disability Services is required to ensure that an adequate problem gambling treatment services network is available. Moneys in the Fund will fund: <ul style="list-style-type: none"> ○ A helpline with text and chat capability; ○ Treatment, research, education, and prevention of pathological gambling; and ○ Treatment for alcoholism, drug abuse, and other addictive or co-occurring behavioral health disorders. • The annual amount transferred from the State Gaming Revenues Fund to the Problem Gambling and Addictions Grant Fund is increased from \$80,000 to \$100,000. 	<ul style="list-style-type: none"> • The annual amount transferred from the State Gaming Revenues Fund to the Problem Gambling and Addictions Grant Fund is increased from \$80,000 to \$100,000. (Sec. 39)
<p>Historical Horse Race Machines</p>	<ul style="list-style-type: none"> • NOT INCLUDED 	<ul style="list-style-type: none"> • Authorizes parimutuel racetrack facilities located in Sedgwick Co. to operate up to 1,000 historical horse race machines. (Sec. 14) • Defines "historical horse race machines" to be based on an historically accurate horse race, not an algorithm. (Sec. 34) • Sets the tax on such machines at 3% (Sec. 37) • Restricts civil litigation procedures for challenges to such authorization. (Sec. 15) • Includes a severability provision for such authorization. (Sec. 16)
<p>Parimutuel Racing Restrictions</p>	<ul style="list-style-type: none"> • NOT INCLUDED 	<ul style="list-style-type: none"> • Limits parimutuel racetrack facility licenses to only facilities located in Sedgwick Co. (Sec. 34) • Prohibits licensing for and displaying simulcast greyhound races. (Sec. 38)