

## HOUSE BILL No. 2146

By Committee on Federal and State Affairs

Requested by Sean Gatewood on behalf of the Kansas Club House Coalition

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1 AN ACT concerning the state lottery; relating to the lottery operating fund;  
2 increasing transfers to the community crisis stabilization centers fund  
3 and the clubhouse model program fund of the Kansas department for  
4 aging and disability services; amending K.S.A. 2024 Supp. 74-8711  
5 and repealing the existing section.  
6

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

8 Section 1. K.S.A. 2024 Supp. 74-8711 is hereby amended to read as  
9 follows: 74-8711. (a) There is hereby established in the state treasury the  
10 lottery operating fund.

11 (b) Except as provided by K.S.A. 74-8724 and the Kansas expanded  
12 lottery act, and amendments thereto, the executive director shall remit all  
13 moneys collected from the sale of lottery tickets and shares and any other  
14 moneys received by or on behalf of the Kansas lottery to the state treasurer  
15 in accordance with the provisions of K.S.A. 75-4215, and amendments  
16 thereto. Upon receipt of each such remittance, the state treasurer shall  
17 deposit the entire amount in the state treasury to the credit of the lottery  
18 operating fund. Moneys credited to the fund shall be expended or  
19 transferred only as provided by this act. Expenditures from such fund shall  
20 be made in accordance with appropriations acts upon warrants of the  
21 director of accounts and reports issued pursuant to vouchers approved by  
22 the executive director or by a person designated by the executive director.

23 (c) Moneys in the lottery operating fund shall be used for:

24 (1) The payment of expenses of the lottery, which shall include all  
25 costs incurred in the operation and administration of the Kansas lottery; all  
26 costs resulting from contracts entered into for the purchase or lease of  
27 goods and services needed for operation of the lottery, including but not  
28 limited to supplies, materials, tickets, independent studies and surveys,  
29 data transmission, advertising, printing, promotion, incentives, public  
30 relations, communications and distribution of tickets and shares; and  
31 reimbursement of costs of facilities and services provided by other state  
32 agencies;

33 (2) the payment of compensation to lottery retailers;

34 (3) transfers of moneys to the lottery prize payment fund pursuant to  
35 K.S.A. 74-8712, and amendments thereto;

- 1 (4) transfers to the state general fund pursuant to K.S.A. 74-8713, and  
2 amendments thereto;
- 3 (5) transfers to the community crisis stabilization centers fund and  
4 clubhouse model program fund of the Kansas department for aging and  
5 disability services pursuant to subsection (e);
- 6 (6) transfers to the state gaming revenues fund pursuant to subsection  
7 (d) and as otherwise provided by law;
- 8 (7) transfers to the white collar crime fund of the governor pursuant  
9 to subsection (f);
- 10 (8) transfers to the problem gambling and addictions grant fund of the  
11 department for aging and disability services pursuant to subsection (g);
- 12 (9) transfers to the attracting professional sports to Kansas fund of the  
13 department of commerce pursuant to subsection (h); and
- 14 (10) transfers to the county reappraisal fund as prescribed by law.
- 15 (d) The director of accounts and reports shall transfer moneys in the  
16 lottery operating fund to the state gaming revenues fund created by K.S.A.  
17 79-4801, and amendments thereto, on or before the 15<sup>th</sup> day of each month  
18 in an amount certified monthly by the executive director and determined as  
19 follows, whichever is greater:
  - 20 (1) An amount equal to the moneys in the lottery operating fund in  
21 excess of those needed for the purposes described in subsections (c)(1)  
22 through (c)(6); or
  - 23 (2) except for pull-tab lottery tickets and shares, an amount equal to  
24 not less than 30% of total monthly revenues from the sales of lottery  
25 tickets and shares less estimated returned tickets. In the case of pull-tab  
26 lottery tickets and shares, an amount equal to not less than 20% of the total  
27 monthly revenues from the sales of pull-tab lottery tickets and shares less  
28 estimated returned tickets.
- 29 (e) (1) Subject to the limitations set forth in paragraph (2),  
30 ~~commencing in fiscal year 2020~~, on or before the 10<sup>th</sup> day of each month,  
31 the director of the lottery shall certify to the director of accounts and  
32 reports all net profits from the sale of lottery tickets and shares via lottery  
33 ticket vending machines. Of such certified amount, the director of  
34 accounts and reports shall transfer 75% from the lottery operating fund to  
35 the community crisis stabilization centers fund of the Kansas department  
36 for aging and disability services and 25% from the lottery operating fund  
37 to the clubhouse model program fund of the Kansas department for aging  
38 and disability services.
- 39 (2) Moneys transferred pursuant to paragraph (1) shall not exceed in  
40 the aggregate ~~\$9,000,000 in fiscal year 2024, shall not exceed in the~~  
41 ~~aggregate \$10,000,000 in fiscal year 2025, and shall not exceed in the~~  
42 ~~aggregate \$8,000,000~~ \$16,000,000 in fiscal year 2026 and each fiscal year  
43 thereafter.

1 (f) On July 1, 2023, and each July 1 thereafter, or as soon thereafter  
2 as moneys are available, the first \$750,000 credited to the lottery operating  
3 fund from sports wagering revenues deposited in the lottery operating fund  
4 shall be transferred by the director of accounts and reports from the lottery  
5 operating fund to the white collar crime fund established in K.S.A. 2024  
6 Supp. 74-8792, and amendments thereto.

7 (g) On July 1, 2023, and each July 1 thereafter, or as soon thereafter  
8 as moneys are available, after the transfer required under subsection (f) has  
9 been made, 2% of the remaining moneys credited to the lottery operating  
10 fund from sports wagering revenues deposited in the lottery operating fund  
11 shall be transferred by the director of accounts and reports from the lottery  
12 operating fund to the problem gambling and addictions grant fund  
13 established in K.S.A. 79-4805, and amendments thereto.

14 (h) On July 1, 2023, and each July 1 thereafter, or as soon thereafter  
15 as moneys are available, after the transfer required under subsection (f) has  
16 been made, 80% of the remaining moneys credited to the lottery operating  
17 fund from sports wagering revenues deposited in the lottery operating fund  
18 shall be transferred by the director of accounts and reports from the lottery  
19 operating fund to the attracting professional sports to Kansas fund  
20 established in K.S.A. 2024 Supp. 74-8793, and amendments thereto.

21 Sec. 2. K.S.A. 2024 Supp. 74-8711 is hereby repealed.

22 Sec. 3. This act shall take effect and be in force from and after its  
23 publication in the statute book.