

Senate Substitute for HOUSE BILL No. 2074

By Committee on Federal and State Affairs

5-13

1 AN ACT concerning gaming; amending K.S.A. 74-8836 and K.S.A. 2014
2 Supp. 74-8744, 74-8746, 74-8747 and 74-8751 and repealing the
3 existing sections.
4

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

6 Section 1. K.S.A. 2014 Supp. 74-8744 is hereby amended to read as
7 follows: 74-8744. (a) In accordance with rules and regulations adopted by
8 the commission, the executive director shall have general responsibility for
9 the implementation and administration of the provisions of this act relating
10 to racetrack gaming facility operations, including the responsibility to:

11 (1) Certify net electronic gaming machine income by inspecting
12 records, conducting audits, having agents of the Kansas lottery on site or
13 by any other reasonable means; and

14 (2) assist the commission in the promulgation of rules and regulations
15 concerning the operation of racetrack gaming facilities, which rules and
16 regulations shall include, without limitation, the following:

17 (A) The number of electronic gaming machines allocated for
18 placement at each racetrack gaming facility, subject to the provisions of
19 subsection (b);

20 (B) standards for advertising, marketing and promotional materials
21 used by racetrack gaming facility managers;

22 (C) the kind, type, number and location of electronic gaming
23 machines at any racetrack gaming facility; and

24 (D) rules and regulations and procedures for the accounting and
25 reporting of the payments required from racetrack gaming facility
26 managers under K.S.A. 2014 Supp. 74-8766, and amendments thereto,
27 including the calculations required for such payments.

28 (b) Rules and regulations establishing the minimum and maximum
29 number of electronic gaming machines allocated for placement at each
30 racetrack gaming facility shall be adopted and published not later than 120
31 days after the effective date of this act. Such rules and regulations shall be
32 subject to the following:

33 (1) At least 600 electronic gaming machines shall be allocated to and
34 placed at each racetrack gaming facility.

35 (2) The total number of electronic gaming machines allocated to and
36 placed at all racetrack gaming facilities in the state shall not exceed 2,800.

1 ~~Until lottery gaming facility management contracts for lottery gaming~~
2 ~~facilities in all gaming zones become binding, the total number of~~
3 ~~electronic gaming machines placed at all racetrack gaming facilities shall~~
4 ~~not exceed 2,200. When lottery gaming facility management contracts for~~
5 ~~lottery gaming facilities in all gaming zones have become binding, the~~
6 ~~lottery commission shall take privilege fee bids from the lottery gaming~~
7 ~~facility manager and racetrack gaming facility manager in each gaming~~
8 ~~zone for the remaining electronic gaming machines allocated to but not yet~~
9 ~~placed at the racetrack gaming facility in such zone. The minimum bid~~
10 ~~shall be a privilege fee of \$2,500 per electronic gaming machine. If the~~
11 ~~racetrack gaming facility manager submits the highest bid, the lottery~~
12 ~~commission shall place the remaining electronic gaming machines at the~~
13 ~~racetrack gaming facility. If the lottery gaming facility manager submits~~
14 ~~the highest bid, the commission shall not place any additional electronic~~
15 ~~gaming machines at the racetrack gaming facility.~~

16 ~~(3) In addition to any privilege fee paid pursuant to paragraph (2),~~
17 ~~Each racetrack gaming facility manager shall pay a privilege fee of \$2,500~~
18 ~~for each electronic gaming machine placed at the racetrack gaming facility~~
19 ~~for which a privilege fee is not paid pursuant to paragraph (2).~~

20 (4) The racetrack gaming facility manager shall pay the privilege fees
21 provided by this subsection to the executive director, who shall remit the
22 entire amount to the state treasurer in accordance with K.S.A. 75-4215,
23 and amendments thereto. Upon receipt of the remittance, the state treasurer
24 shall deposit the entire amount in the state treasury and credit it to the
25 expanded lottery act revenues fund.

26 Sec. 2. K.S.A. 2014 Supp. 74-8746 is hereby amended to read as
27 follows: 74-8746. (a) Except as provided in subsection (b):

28 (1) No electronic gaming machines shall be operated at a parimutuel
29 licensee location in Sedgwick county unless, during the first full calendar
30 year and each year thereafter in which electronic gaming machines are
31 operated at such location, the parimutuel licensee conducts at such location
32 at least 100 live greyhound races each calendar week for the number of
33 weeks raced during calendar year 2003 with at least 13 live races
34 conducted each day for not less than five days per week.

35 (2) No electronic gaming machines shall be operated at a parimutuel
36 licensee location in Wyandotte county unless, during the first full calendar
37 year and each year thereafter in which electronic gaming machines are
38 operated at such location, the parimutuel licensee conducts live horse
39 racing programs for at least 60 days, with at least 10 live races conducted
40 each program, and must offer and make a reasonable effort to conduct a
41 minimum number of three live races restricted for quarter horses each day
42 and seven live thoroughbred races each day, of which not less than two
43 races each day shall be limited to registered Kansas-bred horses

1 apportioned in the same ratio that live races are offered, except that the
2 licensee shall not be required to conduct the second live race restricted to
3 Kansas-bred horses unless there are at least seven qualified entries for such
4 race, ~~and with at least 100 live greyhound races each calendar week for at~~
5 ~~least the same number of weeks raced during calendar year 2003, with at~~
6 ~~least 13 live races conducted each day for not less than five days per week.~~

7 (3) No electronic gaming machines shall be operated at a parimutuel
8 licensee location in Crawford county unless, during the first full calendar
9 year and each year thereafter in which electronic gaming machines are
10 operated at such location, the parimutuel licensee conducts at such location
11 at least 85 live greyhound races each calendar week for the number of
12 weeks raced during calendar year 2003 in Sedgwick county, with at least
13 12 live races conducted each day for not less than five days per week.

14 (4) If a parimutuel licensee has not held live races pursuant to a
15 schedule approved by the Kansas racing and gaming commission in the
16 preceding 12 months, the Kansas racing and gaming commission shall
17 hold a hearing to determine the number of days of live racing required for
18 the remaining days of the first calendar year of operation to qualify for
19 operation of electronic gaming machines. At such hearing, the commission
20 shall receive testimony and evidence from affected breed groups, the
21 licensee and others, as the Kansas racing and gaming commission deems
22 appropriate concerning the schedule of live race days. The operation of
23 electronic gaming machines shall not commence more than 90 days prior
24 to the start of live racing at such facility.

25 (b) The Kansas racing and gaming commission may not grant
26 exceptions to the requirements of subsection (a) for a parimutuel licensee
27 conducting live racing unless such exception is in the form of an
28 agreement which: (1) Is between the parimutuel licensee and the affected
29 recognized greyhound or recognized horsemen's group, as defined in
30 K.S.A. 74-8802, and amendments thereto; (2) has been approved by the
31 appropriate official breed registering agencies; and (3) has been submitted
32 to and approved by the commission. In the case of emergencies, weather
33 related issues or immediate circumstances beyond the control of the
34 licensee, the Kansas racing and gaming commission may grant an
35 exception.

36 Sec. 3. K.S.A. 2014 Supp. 74-8747 is hereby amended to read as
37 follows: 74-8747. (a) *Except as provided in section 4, and amendments*
38 *thereto*, net electronic gaming machine income from a racetrack gaming
39 facility shall be distributed as follows:

40 (1) To the racetrack gaming facility manager, an amount equal to 25%
41 of net electronic gaming machine income;

42 (2) 7% of net electronic gaming machine income shall be credited to
43 the live horse racing purse supplement fund established by K.S.A. 2014

1 Supp. 74-8767, and amendments thereto, ~~except that the amount of net~~
2 ~~electronic gaming machine income credited to the fund during any fiscal~~
3 ~~year from electronic gaming machines at a racetrack gaming facility shall~~
4 ~~not exceed an amount equal to the average of \$3,750 per electronic gaming~~
5 ~~machine at each location and any moneys in excess of such amount shall~~
6 ~~be distributed between the state and the racetrack gaming facility manager~~
7 ~~in accordance with the racetrack gaming facility management contract;~~

8 (3) 7% of net electronic gaming machine income shall be credited to
9 the live greyhound racing purse supplement fund established by K.S.A.
10 2014 Supp. 74-8767, and amendments thereto, except that the amount of
11 net electronic gaming machine income credited to the fund during any
12 fiscal year from electronic gaming machines at a racetrack gaming facility
13 shall not exceed an amount equal to the average of \$3,750 per electronic
14 gaming machine at each location and any moneys in excess of such
15 amount shall be distributed between the state and the racetrack gaming
16 facility manager in accordance with the racetrack gaming facility
17 management contract;

18 (4) (A) ~~if the racetrack gaming facility is located in the northeast~~
19 ~~Kansas gaming zone and is not located within a city, include a provision~~
20 ~~for payment of an amount equal to 3% of the racetrack gaming facility~~
21 ~~revenues to the county in which the racetrack gaming facility is located; or~~
22 (B) ~~if the racetrack gaming facility is located in the northeast Kansas~~
23 ~~gaming zone and is located within a city, include provision for payment of~~
24 ~~an amount equal to 1.5% of the racetrack gaming facility revenues to the~~
25 ~~city in which the racetrack gaming facility is located and an amount equal~~
26 ~~to 1.5% of such revenues to the county in which such facility is located;~~

27 (5) (A) ~~if the racetrack gaming facility is located in the southeast or~~
28 ~~south central Kansas gaming zone and is not located within a city, include~~
29 ~~a provision for payment of an amount equal to 2% of the racetrack gaming~~
30 ~~facility revenues net gaming machine income to the county in which the~~
31 ~~racetrack gaming facility is located and an amount equal to 1% of such~~
32 ~~revenues to the other county in such zone; or (B) if the racetrack gaming~~
33 ~~facility is located in the southeast or south central Kansas gaming zone and~~
34 ~~is located within a city, provide for payment of an amount equal to 1% of~~
35 ~~the racetrack gaming facility revenues net gaming machine income to the~~
36 ~~city in which the racetrack gaming facility is located, an amount equal to~~
37 ~~1% of such revenues to the county in which such facility is located and an~~
38 ~~amount equal to 1% of such revenues to the other county in such zone;~~

39 (6)(5) 2% of net electronic gaming machine income shall be credited
40 to the problem gambling and addictions grant fund established by K.S.A.
41 2014 Supp. 79-4805, and amendments thereto;

42 (7)(6) 1% of net electronic gaming machine income shall be credited
43 to the Kansas horse fair racing benefit fund established by K.S.A. 74-8838,

1 and amendments thereto;

2 ~~(8)~~(7) 40% of net electronic gaming machine income shall be credited
3 to the expanded lottery act revenues fund; and

4 ~~(9)~~(8) 15% of electronic gaming machine income shall be used for
5 gaming expenses, subject to agreement between the Kansas lottery and the
6 racetrack gaming facility manager.

7 (b) A racetrack gaming facility management contract may include
8 provisions for a parimutuel licensee or any other entity to pay the
9 parimutuel licensee's expenses related to electronic gaming machines, as
10 the executive director deems appropriate, subject to the requirements of
11 subsection (a)~~(9)~~(8).

12 New Sec. 4. (a) Net electronic gaming machine income from a
13 racetrack gaming facility located in the northeast Kansas gaming zone
14 shall be distributed as follows:

15 (1) To the racetrack gaming facility manager, an amount equal to
16 64.5% of the net electronic gaming machine income during the first and
17 second full years the racetrack gaming facility is in operation and 60.5%
18 during the third full year and all subsequent years the racetrack gaming
19 facility is in operation;

20 (2) 10% of the net electronic gaming machine income shall be
21 credited to the live horse racing purse supplement fund established by
22 K.S.A. 2014 Supp. 74-8767, and amendments thereto, during the first and
23 second full years the racetrack gaming facility is in operation and 14%
24 during the third and subsequent years the racetrack gaming facility is in
25 operation;

26 (3) 2% of the net electronic gaming machine income shall be credited
27 to the county in which the racetrack gaming facility is located;

28 (4) 0.5% of the net electronic gaming machine income shall be
29 credited to the problem gambling and addictions grant fund established by
30 K.S.A. 2014 Supp. 79-4805, and amendments thereto;

31 (5) 1% of the net electronic gaming machine income shall be credited
32 to the Kansas horse fair racing benefit fund established by K.S.A. 74-8838,
33 and amendments thereto; and

34 (6) 22% of the net electronic gaming machine income shall be
35 credited to the expanded lottery act revenues fund.

36 (b) A racetrack gaming facility management contract may include
37 provisions for a parimutuel licensee or any other entity to pay the
38 parimutuel licensee's expenses related to electronic gaming machines, as
39 the executive director deems appropriate.

40 Sec. 5. K.S.A. 2014 Supp. 74-8751 is hereby amended to read as
41 follows: 74-8751. The Kansas racing and gaming commission, through
42 rules and regulations, shall establish:

43 (a) A certification requirement, and enforcement procedure, for

1 officers, directors, key employees and persons directly or indirectly
2 owning a ~~0.5%~~ 5% or more interest in a lottery gaming facility manager or
3 racetrack gaming facility manager. Such certification requirement shall
4 include compliance with such security, fitness and background
5 investigations and standards as the executive director of the Kansas racing
6 and gaming commission deems necessary to determine whether such
7 person's reputation, habits or associations pose a threat to the public
8 interest of the state or to the reputation of or effective regulation and
9 control of the lottery gaming facility or racetrack gaming facility. *In the*
10 *case of a publicly traded company subject to the jurisdiction of the United*
11 *States securities and exchange commission, such certification*
12 *requirements shall include such security, fitness and background*
13 *investigations and standards for officers, directors, key gaming employees*
14 *and persons directly or indirectly owning a 5% or more interest in such*
15 *entity, and shall specify that such publicly traded company annually*
16 *provide a list of all identifiable shareholders. In the case of institutional*
17 *investors in a publicly traded company, the certification requirement shall*
18 *provide a procedure for issuance of waivers of the background*
19 *investigation requirement by the executive director of the Kansas racing*
20 *and gaming commission. Any person convicted of any felony, a crime*
21 *involving gambling or a crime of moral turpitude prior to applying for a*
22 *certificate hereunder or at any time thereafter shall be deemed unfit. The*
23 *Kansas racing and gaming commission shall conduct the security, fitness*
24 *and background checks required pursuant to this subsection. Certification*
25 *pursuant to this subsection shall not be assignable or transferable;*

26 (b) a certification requirement, and enforcement procedure, for those
27 persons, including electronic gaming machine manufacturers, technology
28 providers and computer system providers, who propose to contract with a
29 lottery gaming facility manager, a racetrack gaming facility manager or the
30 state for the provision of goods or services related to a lottery gaming
31 facility or racetrack gaming facility, including management services. Such
32 certification requirements shall include compliance with such security,
33 fitness and background investigations and standards of officers, directors,
34 key gaming employees and persons directly or indirectly owning a ~~0.5%~~
35 5% or more interest in such entity as the executive director of the Kansas
36 racing and gaming commission deems necessary to determine whether
37 such person's reputation, habits and associations pose a threat to the public
38 interest of the state or to the reputation of or effective regulation and
39 control of the lottery gaming facility or racetrack gaming facility. *In the*
40 *case of a publicly traded company subject to the jurisdiction of the United*
41 *States securities and exchange commission, or equivalent foreign*
42 *securities law, such certification requirements include such security,*
43 *fitness and background investigations and standards for officers, directors,*

1 *key gaming employees and persons directly or indirectly owning a 5% or*
2 *more interest in such entity, and shall specify that such publicly traded*
3 *company annually provide a list of all identifiable shareholders. In the*
4 *case of institutional investors in a publicly traded company, the*
5 *certification requirement shall provide a procedure for issuance of waivers*
6 *of the background investigation requirement by the executive director of*
7 *the Kansas racing and gaming commission. Any person convicted of any*
8 *felony, a crime involving gambling or a crime of moral turpitude prior to*
9 *applying for a certificate hereunder or at any time thereafter shall be*
10 *deemed unfit. If the executive director of the racing and gaming*
11 *commission determines the certification standards of another state are*
12 *comprehensive, thorough and provide similar adequate safeguards, the*
13 *executive director may certify an applicant already certified in such state*
14 *without the necessity of a full application and background check. The*
15 *Kansas racing and gaming commission shall conduct the security, fitness*
16 *and background checks required pursuant to this subsection. Certification*
17 *pursuant to this subsection shall not be assignable or transferable;*

18 (c) provisions for revocation of a certification required by subsection
19 (a) or (b) upon a finding that the certificate holder, an officer or director
20 thereof or a person directly or indirectly owning a ~~0.5%~~ 5% or more
21 interest therein: (1) Has knowingly provided false or misleading material
22 information to the Kansas lottery or its employees; or (2) has been
23 convicted of a felony, gambling related offense or any crime of moral
24 turpitude; and

25 (d) provisions for suspension, revocation or nonrenewal of a
26 certification required by subsection (a) or (b) upon a finding that the
27 certificate holder, an officer or director thereof or a person directly or
28 indirectly owning a ~~0.5%~~ 5% or more interest therein: (1) Has failed to
29 notify the Kansas lottery about a material change in ownership of the
30 certificate holder, or any change in the directors or officers thereof; (2) is
31 delinquent in remitting money owed to the Kansas lottery; (3) has violated
32 any provision of any contract between the Kansas lottery and the
33 certificate holder; or (4) has violated any provision of the Kansas
34 expanded lottery act or any rule and regulation adopted hereunder.

35 Sec. 6. K.S.A. 74-8836 is hereby amended to read as follows: 74-
36 8836. (a) Any organization licensee that conducts at least ~~150~~ 60 days of
37 live racing during a calendar year *or is in compliance with provisions of*
38 *K.S.A. 2014 Supp. 74-8746, and amendments thereto*, or a fair association
39 that conducts fewer than ~~22~~ 40 days of live racing during a calendar year
40 may apply to the commission for a simulcasting license to display
41 simulcast horse or greyhound races and to conduct intertrack parimutuel
42 wagering thereon. If the organization licensee conducts races at a racetrack
43 facility that is owned by a facility owner licensee, both licensees shall join

1 in the application. ~~A simulcasting license granted to a fair association that~~
2 ~~conducts fewer than 22 days of live racing shall restrict the fair~~
3 ~~association's display of simulcast races to a number of days, including~~
4 ~~days on which it conducts live races, equal to not more than twice the~~
5 ~~number of days on which it conducts live races.~~

6 (b) (1) A simulcasting license granted to an organization licensee
7 other than a fair association shall authorize the display of simulcast races
8 at the racetrack facility where the live races are conducted so long as the
9 licensee: (A) Conducts at least eight live races per day and an average of
10 10 live races per day per week; or (B) *the licensee is in compliance with*
11 *provisions of K.S.A. 2014 Supp. 74-8746, and amendments thereto.* If a
12 simulcasting licensee conducts live horse races on a day when simulcast
13 races are displayed by the licensee and the licensee conducts fewer than an
14 average of 10 live horse races per day per week, not less than 80% of the
15 races on which wagers are taken by the licensee during such week shall be
16 live races conducted by the licensee unless approved by the recognized
17 horsemen's group or upon a finding by the commission that the
18 organization licensee was unable to do so for reasonable cause. If a
19 simulcast licensee conducts live greyhound races on a day when simulcast
20 races are displayed by the licensee and the licensee schedules fewer than
21 13 live greyhound races during a performance on such day, not less than
22 80% of the races on which wagers are taken by the licensee during such
23 performance shall be live races conducted by the licensee.

24 (2) A simulcasting license granted to a fair association shall authorize
25 the display of simulcast races at the racetrack facility where the races are
26 ~~conducted only if live races are scheduled for two or more days of the~~
27 ~~same calendar week, except that the licensee may conduct simulcast races~~
28 ~~in the week immediately before and immediately after a live meeting if the~~
29 ~~total number of days on which simulcast races are displayed does not~~
30 ~~exceed the total authorized in subsection (a). In no case shall the live meet~~
31 ~~or simulcast races allowed under this subsection exceed 10 consecutive~~
32 ~~weeks. For purposes of this subsection, a calendar week shall be measured~~
33 ~~from Monday through the following Sunday.~~

34 (3) ~~Notwithstanding the provisions of subsection (a), (b)(1) or (b)(2),~~
35 ~~a fair association may apply to the commission for not more than five~~
36 ~~additional days of simulcasting of special events. In addition, the~~
37 ~~commission may authorize a fair association to display additional~~
38 ~~simulcast races but, if such fair association is less than 100 miles from an~~
39 ~~organization licensee that is not a fair association, it also shall secure~~
40 ~~written consent from that organization licensee.~~

41 ~~(4)~~(3) Notwithstanding the provisions of subsection (b)(1), if an
42 emergency causes the cancellation of all or any live races scheduled for a
43 day or performance by a simulcasting licensee, the commission or the

1 commission's designee may authorize the licensee to display any simulcast
2 races previously scheduled for such day or performance.

3 ~~(5)~~(4) Notwithstanding the provisions of subsection (b)(1), the
4 commission may authorize the licensee to display simulcast special racing
5 events as designated by the commission.

6 (c) The application for a simulcasting license shall be filed with the
7 commission at a time and place prescribed by rules and regulations of the
8 commission. The application shall be in a form and include such
9 information as the commission prescribes.

10 (d) To qualify for a simulcasting license the applicant shall:

11 (1) Comply with the interstate horse racing act of 1978 (15 U.S.C. §
12 3001 et seq.) as in effect December 31, 1991;

13 (2) submit with the application a written approval of the proposed
14 simulcasting schedule signed by: (A) The recognized horsemen's group for
15 the track, if the applicant is licensed to conduct only horse races; (B) the
16 recognized greyhound owners' group, if the applicant is licensed to
17 conduct only greyhound races and only greyhound races are to be
18 simulcast; (C) both the recognized greyhound owners' group and a
19 recognized horsemen's group, if the applicant is licensed to conduct only
20 greyhound races and horse races are to be simulcast; (D) the recognized
21 greyhound owners' group, if the applicant is licensed to conduct both
22 greyhound and horse races, only greyhound races are to be simulcast and
23 races are to be simulcast only while the applicant is conducting live
24 greyhound races; (E) the recognized horsemen's group for the track, if the
25 applicant is licensed to conduct both greyhound and horse races, only
26 horse races are to be simulcast and races are to be simulcast only while the
27 applicant is conducting live horse races; or (F) both the recognized
28 greyhound owners' group and the recognized horsemen's group for the
29 track, if the applicant is licensed to conduct both greyhound races and
30 horse races and horse races are to be simulcast while the applicant is
31 conducting live greyhound races or greyhound races are to be simulcast
32 while the applicant is conducting live horse races; and

33 (3) submit, in accordance with rules and regulations of the
34 commission and before the simulcasting of a race, a written copy of each
35 contract or agreement which the applicant proposes to enter into with
36 regard to such race, and any proposed modification of any such contract or
37 agreement.

38 (e) The term of a simulcasting license shall be one year.

39 (f) A simulcasting licensee may apply to the commission or its
40 designee for changes in the licensee's approved simulcasting schedule if
41 such changes are approved by the respective recognized greyhound
42 owners' group or recognized horsemen's group needed throughout the term
43 of the license. Application shall be made upon forms furnished by the

1 commission and shall contain such information as the commission
2 prescribes.

3 (g) Except as provided by subsection (j), the takeout for simulcast
4 horse and greyhound races shall be the same as it is for the live horse and
5 greyhound races conducted during the current or next live race meeting at
6 the racetrack facility where the simulcast races are displayed. For
7 simulcast races the tax imposed on amounts wagered shall be as provided
8 by K.S.A. 74-8823, and amendments thereto. Of the balance of the takeout
9 remaining after deduction of taxes, an amount equal to a percentage, to be
10 determined by the commission, of the gross sum wagered on simulcast
11 races shall be used for purses, as follows:

12 (1) For greyhound races conducted by the licensee, if the simulcast
13 race is a greyhound race and the licensee conducts only live greyhound
14 races;

15 (2) for horse races conducted by the licensee, if the simulcast race is a
16 horse race and the licensee conducts only live horse races;

17 (3) for horse races and greyhound races, as determined by both the
18 recognized horsemen's group and the recognized greyhound owners'
19 group, if the simulcast race is a greyhound race and the licensee does not
20 conduct or is not currently conducting live greyhound races; or

21 (4) for horse races and greyhound races, as determined by both the
22 recognized horsemen's group and the recognized greyhound owners'
23 group, if the simulcast is a horse race and the licensee does not conduct or
24 is not currently conducting live horse races. That portion of simulcast
25 purse money determined to be used for horse purses shall be apportioned
26 by the commission to the various horse race meetings held in any calendar
27 year based upon the number of live horse race dates comprising such horse
28 race meetings in the preceding calendar year.

29 (h) Except as provided by subsection (j):

30 (1) If a simulcasting licensee has a license to conduct live horse races
31 and the licensee displays a simulcast horse race: (A) All breakage proceeds
32 shall be remitted by the licensee to the commission not later than the 15th
33 day of the month following the race from which the breakage is derived
34 and the commission shall remit any such proceeds received to the state
35 treasurer in accordance with the provisions of K.S.A. 75-4215, and
36 amendments thereto. Upon receipt of each such remittance, the state
37 treasurer shall deposit the entire amount in the state treasury to the credit
38 of the Kansas horse breeding development fund created by K.S.A. 74-
39 8829, and amendments thereto; and (B) all unclaimed ticket proceeds shall
40 be remitted by the licensee to the commission on the 61st day after the end
41 of the calendar year and the commission shall remit any such proceeds
42 received to the state treasurer in accordance with the provisions of K.S.A.
43 75-4215, and amendments thereto. Upon receipt of each such remittance,

1 the state treasurer shall deposit the entire amount in the state treasury to
2 the credit of the Kansas horse breeding development fund created by
3 K.S.A. 74-8829, and amendments thereto.

4 (2) If a simulcasting licensee has a license to conduct live greyhound
5 races and the licensee displays a simulcast greyhound race, breakage and
6 unclaimed winning ticket proceeds shall be distributed in the manner
7 provided by K.S.A. 74-8821 and 74-8822, and amendments thereto, for
8 breakage and unclaimed winning ticket proceeds from live greyhound
9 races.

10 (3) If a simulcasting licensee has a license to conduct live racing of
11 only horses and the licensee displays a simulcast greyhound race,
12 unclaimed winning ticket proceeds shall be distributed in the manner
13 provided by K.S.A. 74-8822, and amendments thereto, for unclaimed
14 winning ticket proceeds from live greyhound races. Breakage for such
15 races shall be distributed for use to benefit greyhound racing as determined
16 by the commission.

17 (4) If a simulcasting licensee has a license to conduct live racing of
18 only greyhounds and the licensee displays a simulcast horse race: (A) All
19 breakage proceeds shall be remitted by the licensee to the commission not
20 later than the 15th day of the month following the race from which the
21 breakage is derived and the commission shall remit any such proceeds
22 received to the state treasurer in accordance with the provisions of K.S.A.
23 75-4215, and amendments thereto. Upon receipt of each such remittance,
24 the state treasurer shall deposit the entire amount in the state treasury to
25 the credit of the Kansas horse breeding development fund created by
26 K.S.A. 74-8829, and amendments thereto; and (B) all unclaimed ticket
27 proceeds shall be remitted by the licensee to the commission on the 61st
28 day after the end of the calendar year and the commission shall remit any
29 such proceeds received to the state treasurer in accordance with the
30 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of
31 each such remittance, the state treasurer shall deposit the entire amount in
32 the state treasury to the credit of the Kansas horse breeding development
33 fund created by K.S.A. 74-8829, and amendments thereto.

34 (i) The commission may approve a request by two or more
35 simulcasting licensees to combine wagering pools within the state of
36 Kansas pursuant to rules and regulations adopted by the commission.

37 (j) (1) The commission may authorize any simulcasting licensee to
38 participate in an interstate combined wagering pool with one or more other
39 racing jurisdictions.

40 (2) If a licensee participates in an interstate pool, the licensee may
41 adopt the takeout of the host jurisdiction or facility. The amount and
42 manner of paying purses from the takeout in an interstate pool shall be as
43 provided by subsection (g).

1 (3) The tax imposed on amounts wagered in an interstate pool shall
2 be as provided by K.S.A. 74-8823, and amendments thereto. Parimutuel
3 taxes may not be imposed on any amounts wagered in an interstate
4 combined wagering pool other than amounts wagered within this
5 jurisdiction.

6 (4) Breakage for interstate combined wagering pools shall be
7 calculated in accordance with the statutes and rules and regulations of the
8 host jurisdiction and shall be allocated among the participating
9 jurisdictions in a manner agreed to among the jurisdictions. Breakage
10 allocated to this jurisdiction shall be distributed as provided by subsection
11 (h).

12 (5) Upon approval of the respective recognized greyhound owners'
13 group or recognized horsemen's group, the commission may permit an
14 organization licensee to simulcast to other racetrack facilities or off-track
15 wagering or intertrack wagering facilities in other jurisdictions one or
16 more races conducted by such licensee, use one or more races conducted
17 by such licensee for an intrastate combined wagering pool or use one or
18 more races conducted by such licensee for an interstate combined
19 wagering pool at off-track wagering or intertrack wagering locations
20 outside the commission's jurisdiction and may allow parimutuel pools in
21 other jurisdictions to be combined with parimutuel pools in the
22 commission's jurisdiction for the purpose of establishing an interstate
23 combined wagering pool.

24 (6) The participation by a simulcasting licensee in a combined
25 interstate wagering pool does not cause that licensee to be considered to be
26 doing business in any jurisdiction other than the jurisdiction in which the
27 licensee is physically located.

28 (k) If the organization licensee, facility owner licensee if any and the
29 recognized horsemen's group or recognized greyhound owners' group are
30 unable to agree concerning a simulcasting application, the matter may be
31 submitted to the commission for determination at the written request of
32 any party in accordance with rules and regulations of the commission.

33 (l) This section shall be part of and supplemental to the Kansas
34 parimutuel racing act.

35 Sec. 7. K.S.A. 74-8836 and K.S.A. 2014 Supp. 74-8744, 74-8746, 74-
36 8747 and 74-8751 are hereby repealed

37 Sec. 8. This act shall take effect and be in force from and after its
38 publication in the statute book.