

**SENATE BILL No. 240**

By Committee on Federal and State Affairs

4-4

1 AN ACT concerning the Kansas expanded lottery act; relating to racetrack  
2 gaming facilities; relating to parimutuel racing of horses; amending  
3 K.S.A. 74-8741, 74-8744, 74-8746, 74-8747 and 74-8836 and repealing  
4 the existing sections.  
5

6 WHEREAS, Amendments made to the sections of this act do not  
7 permit greyhound racing or simulcasting of greyhound racing in  
8 Wyandotte county.

9 Now, therefore:

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

11 Section 1. K.S.A. 74-8741 is hereby amended to read as follows: 74-  
12 8741. (a) The executive director of the Kansas lottery shall negotiate a  
13 racetrack gaming facility management contract to place electronic gaming  
14 machines at one parimutuel licensee location in each gaming zone except  
15 the southwest Kansas gaming zone.

16 (b) To be eligible to enter into a racetrack gaming facility  
17 management contract the prospective racetrack gaming facility manager  
18 shall, at a minimum:

19 (1) Have sufficient access to financial resources to support the  
20 activities required of a racetrack gaming facility manager under the Kansas  
21 expanded lottery act; and

22 (2) be current in filing all applicable tax returns and in payment of all  
23 taxes, interest and penalties owed to the state of Kansas and any taxing  
24 subdivision where such prospective manager is located in the state of  
25 Kansas, excluding items under formal appeal pursuant to applicable  
26 statutes.

27 (c) A racetrack gaming facility management contract shall include:

28 (1) The term of the contract;

29 (2) provisions for the Kansas racing and gaming commission to  
30 oversee all racetrack gaming facility operations, including, but not limited to:  
31 Oversight of internal controls; oversight of security of facilities;  
32 performance of background investigations, determination of qualifications  
33 and any required certification or licensing of officers, directors, board  
34 members, employees, contractors and agents of the racetrack gaming  
35 facility manager; auditing of net electronic gaming machine income and  
36 maintenance of the integrity of electronic gaming machine operations;

1 (3) provisions for the racetrack gaming facility manager to pay the  
2 costs of oversight and regulation of the racetrack gaming facility manager  
3 under this act and such manager's racetrack gaming facility operations by  
4 the Kansas racing and gaming commission; ~~and~~

5 (4) enforceable provisions: (A) Prohibiting the state, until July 1,  
6 2032, from (i) entering into management contracts for more than ~~three~~  
7 *four* lottery gaming facilities or similar gaming facilities, one to be located  
8 in the northeast Kansas gaming zone, one to be located in the south central  
9 Kansas gaming zone ~~and~~, one to be located in the southeast Kansas  
10 gaming zone; *and one to be located in the southwest Kansas gaming zone;*  
11 (ii) designating additional areas of the state where operation of lottery  
12 gaming facilities or similar gaming facilities would be authorized; or (iii)  
13 operating an aggregate of more than 2,800 electronic gaming machines at  
14 all parimutuel licensee locations; and (B) requiring the state to repay to the  
15 racetrack gaming facility manager an amount equal to the privilege fee  
16 paid by such racetrack gaming facility manager, plus interest on such  
17 amount, compounded annually at the rate of 10%, if the state violates the  
18 prohibition provision described in *subparagraph (A); and*

19 (5) *provisions for the distribution of the net electronic gaming*  
20 *machine income from the racetrack gaming facility, which shall be in*  
21 *accordance with K.S.A. 74-8747, and amendments thereto.*

22 (d) Racetrack gaming facility management contracts authorized by  
23 this section may include provisions relating to:

24 (1) Accounting procedures to determine net electronic gaming  
25 machine income, unclaimed prizes and credits;

26 (2) minimum requirements for a racetrack gaming facility manager to  
27 provide qualified oversight, security and supervision of electronic gaming  
28 machines including the use of qualified personnel with experience in  
29 applicable technology;

30 (3) eligibility requirements for employees, contractors or agents of a  
31 racetrack gaming facility manager who will have responsibility for or  
32 involvement with electronic gaming machines or for the handling of cash  
33 or tokens;

34 (4) background investigations to be performed by the Kansas racing  
35 and gaming commission;

36 (5) credentialing or certification requirements of any employee,  
37 contractor or agent as provided by the Kansas expanded lottery act or rules  
38 and regulations adopted pursuant thereto;

39 (6) provision for termination of the management contract by either  
40 party for cause; and

41 (7) any other provision deemed necessary by the parties, including  
42 such other terms and restrictions as necessary to conduct racetrack gaming  
43 facility operations in a legal and fair manner.

1 (e) A person who is the manager of a lottery gaming facility in a  
2 gaming zone shall not be eligible to be the manager of the racetrack  
3 gaming facility in the same zone.

4 (f) A racetrack gaming facility management contract shall not  
5 constitute property, nor shall it be subject to attachment, garnishment or  
6 execution, nor shall it be alienable or transferable, except upon approval  
7 by the executive director, nor shall it be subject to being encumbered or  
8 hypothecated.

9 New Sec. 2. There is hereby established in the state treasury the  
10 Kansas horse council fund which shall be administered by the Kansas  
11 racing and gaming commission and which shall be funded by 0.50% of net  
12 electronic gaming machine income as provided in section 5, and  
13 amendments thereto. All expenditures from this fund shall be made in  
14 accordance with appropriation acts upon warrants of the director of  
15 accounts and reports issued pursuant to vouchers approved by the  
16 executive director of the Kansas racing and gaming commission. The  
17 moneys credited to this fund shall be used for the development, promotion  
18 and representation of the equine industry in Kansas and shall be distributed  
19 to the Kansas horse council by contract with the Kansas racing and gaming  
20 commission for these purposes.

21 Sec. 3. K.S.A. 74-8744 is hereby amended to read as follows: 74-  
22 8744. (a) In accordance with rules and regulations adopted by the  
23 commission, the executive director shall have general responsibility for the  
24 implementation and administration of the provisions of this act relating to  
25 racetrack gaming facility operations, including the responsibility to:

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

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

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

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

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

39 (D) rules and regulations and procedures for the accounting and  
40 reporting of the payments required from racetrack gaming facility  
41 managers under K.S.A. 74-8766, and amendments thereto, including the  
42 calculations required for such payments.

43 (b) Rules and regulations establishing the minimum and maximum

1 number of electronic gaming machines allocated for placement at each  
2 racetrack gaming facility shall be adopted and published not later than 120  
3 days after the effective date of this act. Such rules and regulations shall be  
4 subject to the following:

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

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

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

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

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

34 Sec. 4. K.S.A. 74-8746 is hereby amended to read as follows: 74-  
35 8746. (a) Except as provided in subsection (b):

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

43 (2) No electronic gaming machines shall be operated at a parimutuel

1 licensee location in Wyandotte county unless, during the first full calendar  
2 year and each year thereafter in which electronic gaming machines are  
3 operated at such location, the parimutuel licensee conducts live horse  
4 racing programs for at least 60 days, with at least 10 live races conducted  
5 each program, and must offer and make a reasonable effort to conduct a  
6 minimum number of three live races restricted for quarter horses each day  
7 and seven live thoroughbred races each day, of which not less than two  
8 races each day shall be limited to registered Kansas-bred horses  
9 apportioned in the same ratio that live races are offered, except that the  
10 licensee shall not be required to conduct the second live race restricted to  
11 Kansas-bred horses unless there are at least seven qualified entries for such  
12 race, and with at least 100 live greyhound races each calendar week for at  
13 least the same number of weeks raced during calendar year 2003, with at  
14 least 13 live races conducted each day for not less than five days per week.

15 ~~(3) No electronic gaming machines shall be operated at a parimutuel~~  
16 ~~licensee location in Crawford county unless, during the first full calendar~~  
17 ~~year and each year thereafter in which electronic gaming machines are~~  
18 ~~operated at such location, the parimutuel licensee conducts at such location~~  
19 ~~at least 85 live greyhound races each calendar week for the number of~~  
20 ~~weeks raced during calendar year 2003 in Sedgwick county, with at least~~  
21 ~~12 live races conducted each day for not less than five days per week.~~

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

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

1 Sec. 5. K.S.A. 74-8747 is hereby amended to read as follows: 74-  
2 8747. (a) *Except as provided in section 6, and amendments thereto, a*  
3 *racetrack gaming facility management contract shall include provisions*  
4 *for net electronic gaming machine income from a racetrack gaming facility*  
5 ~~shall~~ *to be distributed as follows:*

6 (1) To the racetrack gaming facility manager, an amount equal to ~~25%~~  
7 32% of net electronic gaming machine income;

8 (2) 7% of net electronic gaming machine income shall be credited to  
9 the live horse racing purse supplement fund established by K.S.A. 74-  
10 8767, and amendments thereto, except that the amount of net electronic  
11 gaming machine income credited to the fund during any fiscal year from  
12 electronic gaming machines at a racetrack gaming facility shall not exceed  
13 an amount equal to the average of \$3,750 per electronic gaming machine  
14 at each location and any moneys in excess of such amount shall be  
15 distributed between the state and the racetrack gaming facility manager in  
16 accordance with the racetrack gaming facility management contract;

17 ~~(3) 7% of net electronic gaming machine income shall be credited to~~  
18 ~~the live greyhound racing purse supplement fund established by K.S.A.~~  
19 ~~74-8767, and amendments thereto, except that the amount of net electronic~~  
20 ~~gaming machine income credited to the fund during any fiscal year from~~  
21 ~~electronic gaming machines at a racetrack gaming facility shall not exceed~~  
22 ~~an amount equal to the average of \$3,750 per electronic gaming machine~~  
23 ~~at each location and any moneys in excess of such amount shall be~~  
24 ~~distributed between the state and the racetrack gaming facility manager in~~  
25 ~~accordance with the racetrack gaming facility management contract;~~

26 ~~(4) (A) if the racetrack gaming facility is located in the northeast~~  
27 ~~Kansas gaming zone and is not located within a city, include a provision~~  
28 ~~for payment of an amount equal to 3% of the racetrack gaming facility~~  
29 ~~revenues to the county in which the racetrack gaming facility is located; or~~  
30 ~~(B) if the racetrack gaming facility is located in the northeast Kansas~~  
31 ~~gaming zone and is located within a city, include provision for payment of~~  
32 ~~an amount equal to 1.5% of the racetrack gaming facility revenues to the~~  
33 ~~city in which the racetrack gaming facility is located and an amount equal~~  
34 ~~to 1.5% of such revenues to the county in which such facility is located;~~

35 ~~(5)(A) if the racetrack gaming facility is located in the southeast or~~  
36 ~~south central Kansas gaming zone and is not located within a city, include~~  
37 ~~a provision for payment of an amount equal to 2% of the racetrack gaming~~  
38 ~~facility revenues net electronic gaming machine income to the county in~~  
39 ~~which the racetrack gaming facility is located and an amount equal to 1%~~  
40 ~~of such revenues income to the other county in such zone; or (B) if the~~  
41 ~~racetrack gaming facility is located in the southeast or south central~~  
42 ~~Kansas gaming zone and is located within a city, provide for payment of~~  
43 ~~an amount equal to 1% of the racetrack gaming facility revenues net~~

1 *electronic gaming machine income* to the city in which the racetrack  
2 gaming facility is located, an amount equal to 1% of such ~~revenues~~ *income*  
3 to the county in which such facility is located and an amount equal to 1%  
4 of such ~~revenues~~ *income* to the other county in such zone;

5 ~~(6)~~(4) 2% of net electronic gaming machine income shall be credited  
6 to the problem gambling and addictions grant fund established by K.S.A.  
7 2018 Supp. 79-4805, and amendments thereto;

8 ~~(7)~~(5) 1% of net electronic gaming machine income shall be credited  
9 to the Kansas horse fair racing benefit fund established by K.S.A. 74-8838,  
10 and amendments thereto;

11 ~~(8)~~(6) 40% of net electronic gaming machine income shall be credited  
12 to the expanded lottery act revenues fund; and

13 ~~(9)~~(7) 15% of electronic gaming machine income shall be used for  
14 gaming expenses, subject to agreement between the Kansas lottery and the  
15 racetrack gaming facility manager.

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

21 New Sec. 6. (a) A racetrack gaming facility management contract for  
22 the northeast Kansas gaming zone shall include provisions for net  
23 electronic gaming machine income from a racetrack gaming facility to be  
24 distributed as follows:

25 (1) An amount equal to 22% of net electronic gaming machine  
26 income shall be credited to the expanded lottery act revenues fund;

27 (2) 10% of net electronic gaming machine income derived from  
28 electronic gaming machines located at racetrack gaming facilities licensed  
29 to conduct horse races during the first and second years of operation, 12%  
30 of the net electronic gaming machine income during the third year of  
31 operation and 14% of the net electronic gaming machine income the fourth  
32 and subsequent years of operation shall be credited to the live horse racing  
33 purse supplement fund established by K.S.A. 74-8767, and amendments  
34 thereto;

35 (3) (A) if the racetrack gaming facility is not located within a city, an  
36 amount equal to 3% of the net electronic gaming machine income to the  
37 county in which the racetrack gaming facility is located; or (B) if the  
38 racetrack gaming facility is located within a city, an amount equal to 1.5%  
39 of the net electronic gaming machine income to the city in which the  
40 racetrack gaming facility is located and an amount equal to 1.5% of such  
41 income to the county in which such facility is located;

42 (4) an amount equal to 1% of net electronic gaming machine income  
43 shall be credited to the problem gambling and addictions grant fund

1 established by K.S.A. 2018 Supp. 79-4805, and amendments thereto;

2 (5) an amount equal to 2% of net electronic gaming machine income  
3 shall be credited to the Kansas horse fair racing benefit fund established by  
4 K.S.A. 74-8838, and amendments thereto;

5 (6) an amount equal to 0.50% of net electronic gaming machine  
6 revenue income shall be credited to the Kansas horse council fund created  
7 by section 7, and amendments thereto; and

8 (7) the remaining balance of net electronic gaming machine income  
9 shall be paid to the racetrack gaming facility manager.

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

14 Sec. 7. K.S.A. 74-8836 is hereby amended to read as follows: 74-  
15 8836. (a) Any organization licensee that conducts at least ~~450~~ 60 days of  
16 live racing during a calendar year *or is in compliance with the provisions*  
17 *of K.S.A. 74-8746, and amendments thereto*, or a fair association that  
18 conducts fewer than 22 days of live racing during a calendar year may  
19 apply to the commission for a simulcasting license to display simulcast  
20 horse ~~or greyhound~~ races and to conduct intertrack parimutuel wagering  
21 thereon. If the organization licensee conducts races at a racetrack facility  
22 that is owned by a facility owner licensee, both licensees shall join in the  
23 application. ~~A simulcasting license granted to a fair association that~~  
24 ~~conducts fewer than 22 days of live racing shall restrict the fair~~  
25 ~~association's display of simulcast races to a number of days, including~~  
26 ~~days on which it conducts live races, equal to not more than twice the~~  
27 ~~number of days on which it conducts live races.~~

28 (b) (1) A simulcasting license granted to an organization licensee  
29 other than a fair association shall authorize the display of simulcast races  
30 at the racetrack facility where the live races are conducted so long as the  
31 licensee ~~conducts at least eight live races per day and an average of 10 live~~  
32 ~~races per day per week is in compliance with the provisions of K.S.A. 74-~~  
33 ~~8746, and amendments thereto.~~ If a simulcasting licensee conducts live  
34 horse races on a day when simulcast races are displayed by the licensee  
35 and the licensee conducts fewer than an average of 10 live horse races per  
36 day per week, not less than 80% of the races on which wagers are taken by  
37 the licensee during such week shall be live races conducted by the licensee  
38 unless approved by the recognized horsemen's group or upon a finding by  
39 the commission that the organization licensee was unable to do so for  
40 reasonable cause. ~~If a simuleast licensee conducts live greyhound races on~~  
41 ~~a day when simuleast races are displayed by the licensee and the licensee~~  
42 ~~schedules fewer than 13 live greyhound races during a performance on~~  
43 ~~such day, not less than 80% of the races on which wagers are taken by the~~



1 licensee during such performance shall be live races conducted by the  
2 licensee.

3 (2) A simulcasting license granted to a fair association shall authorize  
4 the display of simulcast races at the racetrack facility where the races are  
5 conducted only if live races are scheduled for two or more days of the  
6 same calendar week, except that the licensee may conduct simulcast races  
7 in the week immediately before and immediately after a live meeting if the  
8 total number of days on which simulcast races are displayed does not  
9 exceed the total authorized in subsection (a). In no case shall the live meet  
10 or simulcast races allowed under this subsection exceed 10 consecutive  
11 weeks. For purposes of this subsection, a calendar week shall be measured  
12 from Monday through the following Sunday.

13 (3) Notwithstanding the provisions of subsection (a), (b)(1) or (b)(2),  
14 a fair association may apply to the commission for not more than five  
15 additional days of simulcasting of special events. In addition, the  
16 commission may authorize a fair association to display additional  
17 simulcast races but, if such fair association is less than 100 miles from an  
18 organization licensee that is not a fair association, it also shall secure  
19 written consent from that organization licensee.

20 (4) Notwithstanding the provisions of subsection (b)(1), if an  
21 emergency causes the cancellation of all or any live races scheduled for a  
22 day or performance by a simulcasting licensee, the commission or the  
23 commission's designee may authorize the licensee to display any simulcast  
24 races previously scheduled for such day or performance.

25 (5)(4) Notwithstanding the provisions of subsection (b)(1), the  
26 commission may authorize the licensee to display simulcast special racing  
27 events as designated by the commission.

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

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

33 (1) Comply with the interstate horse racing act of 1978-~~15~~ U.S.C.  
34 3001 et seq.), as in effect December 31, 1991;

35 (2) submit with the application a written approval of the proposed  
36 simulcasting schedule signed by: ~~(A) the recognized horsemen's group for~~  
37 ~~the track, if the applicant is licensed to conduct only horse races; (B) the~~  
38 ~~recognized greyhound owners' group, if the applicant is licensed to~~  
39 ~~conduct only greyhound races and only greyhound races are to be~~  
40 ~~simulcast; (C) both the recognized greyhound owners' group and a~~  
41 ~~recognized horsemen's group, if the applicant is licensed to conduct only~~  
42 ~~greyhound races and horse races are to be simulcast; (D) the recognized~~  
43 ~~greyhound owners' group, if the applicant is licensed to conduct both~~

1 ~~greyhound and horse races, only greyhound races are to be simulcast and~~  
2 ~~races are to be simulcast only while the applicant is conducting live~~  
3 ~~greyhound races; (E) the recognized horsemen's group for the track, if the~~  
4 ~~applicant is licensed to conduct both greyhound and horse races, only~~  
5 ~~horse races are to be simulcast and races are to be simulcast only while the~~  
6 ~~applicant is conducting live horse races; or (F) both the recognized~~  
7 ~~greyhound owners' group and the recognized horsemen's group for the~~  
8 ~~track, if the applicant is licensed to conduct both greyhound races and~~  
9 ~~horse races and horse races are to be simulcast while the applicant is~~  
10 ~~conducting live greyhound races or greyhound races are to be simulcast~~  
11 ~~while the applicant is conducting live horse races; and~~

12 (3) submit, in accordance with rules and regulations of the  
13 commission and before the simulcasting of a race, a written copy of each  
14 contract or agreement which the applicant proposes to enter into with  
15 regard to such race, and any proposed modification of any such contract or  
16 agreement.

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

18 (f) A simulcasting licensee may apply to the commission or its  
19 designee for changes in the licensee's approved simulcasting schedule if  
20 such changes are approved by the ~~respective recognized greyhound~~  
21 ~~owners' group or~~ recognized horsemen's group needed throughout the term  
22 of the license. Application shall be made upon forms furnished by the  
23 commission and shall contain such information as the commission  
24 prescribes.

25 (g) Except as provided by subsection (j), the takeout for simulcast  
26 ~~horse and greyhound~~ races shall be the same as it is for the live horse ~~and~~  
27 ~~greyhound~~ races conducted during the current or next live race meeting at  
28 the racetrack facility where the simulcast races are displayed. For  
29 simulcast races the tax imposed on amounts wagered shall be as provided  
30 by K.S.A. 74-8823, and amendments thereto. Of the balance of the takeout  
31 remaining after deduction of taxes, an amount equal to a percentage, to be  
32 determined by the commission, of the gross sum wagered on simulcast  
33 races shall be used for purses, as follows:

34 (1) ~~For greyhound races conducted by the licensee, if the simulcast~~  
35 ~~race is a greyhound race and the licensee conducts only live greyhound~~  
36 ~~races;~~

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

39 (3) ~~for horse races and greyhound races, as determined by both the~~  
40 ~~recognized horsemen's group and the recognized greyhound owners'~~  
41 ~~group, if the simulcast race is a greyhound race and the licensee does not~~  
42 ~~conduct or is not currently conducting live greyhound races; or~~

43 (4) ~~for horse races and greyhound races, as determined by both the~~

1 recognized horsemen's group and the recognized greyhound owners'  
2 group, if the simulcast is a horse race and the licensee does not conduct or  
3 is not currently conducting live horse races. That portion of simulcast  
4 purse money determined to be used for horse purses shall be apportioned  
5 by the commission to the various horse race meetings held in any calendar  
6 year based upon the number of live horse race dates comprising such horse  
7 race meetings in the preceding calendar year.

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

9 ~~(1)~~—, if a simulcasting licensee has a license to conduct live horse  
10 races and the *simulcasting* licensee displays a simulcast horse race: ~~(A) (1)~~  
11 All breakage proceeds shall be remitted by the licensee to the commission  
12 not later than the 15<sup>th</sup> day of the month following the race from which the  
13 breakage is derived and the commission shall remit any such proceeds  
14 received to the state treasurer in accordance with the provisions of K.S.A.  
15 75-4215, and amendments thereto. Upon receipt of each such remittance,  
16 the state treasurer shall deposit the entire amount in the state treasury to  
17 the credit of the Kansas horse breeding development fund created by  
18 K.S.A. 74-8829, and amendments thereto; and ~~(B) (2)~~ all unclaimed ticket  
19 proceeds shall be remitted by the licensee to the commission on the 61<sup>st</sup>  
20 day after the end of the calendar year and the commission shall remit any  
21 such proceeds received to the state treasurer in accordance with the  
22 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of  
23 each such remittance, the state treasurer shall deposit the entire amount in  
24 the state treasury to the credit of the Kansas horse breeding development  
25 fund created by K.S.A. 74-8829, and amendments thereto.

26 ~~(2)~~— If a simulcasting licensee has a license to conduct live greyhound  
27 races and the licensee displays a simulcast greyhound race, breakage and  
28 unclaimed winning ticket proceeds shall be distributed in the manner  
29 provided by K.S.A. 74-8821 and 74-8822, and amendments thereto, for  
30 breakage and unclaimed winning ticket proceeds from live greyhound  
31 races.

32 ~~(3)~~— If a simulcasting licensee has a license to conduct live racing of  
33 only horses and the licensee displays a simulcast greyhound race,  
34 unclaimed winning ticket proceeds shall be distributed in the manner  
35 provided by K.S.A. 74-8822, and amendments thereto, for unclaimed  
36 winning ticket proceeds from live greyhound races. Breakage for such  
37 races shall be distributed for use to benefit greyhound racing as determined  
38 by the commission.

39 ~~(4)~~— If a simulcasting licensee has a license to conduct live racing of  
40 only greyhounds and the licensee displays a simulcast horse race: ~~(A)~~ All  
41 breakage proceeds shall be remitted by the licensee to the commission not  
42 later than the 15<sup>th</sup> day of the month following the race from which the  
43 breakage is derived and the commission shall remit any such proceeds

1 received to the state treasurer in accordance with the provisions of K.S.A.  
2 75-4215, and amendments thereto. Upon receipt of each such remittance,  
3 the state treasurer shall deposit the entire amount in the state treasury to  
4 the credit of the Kansas horse breeding development fund created by  
5 K.S.A. 74-8829, and amendments thereto; and (B) all unclaimed ticket  
6 proceeds shall be remitted by the licensee to the commission on the 61<sup>st</sup>  
7 day after the end of the calendar year and the commission shall remit any  
8 such proceeds received to the state treasurer in accordance with the  
9 provisions of K.S.A. 75-4215, and amendments thereto. Upon receipt of  
10 each such remittance, the state treasurer shall deposit the entire amount in  
11 the state treasury to the credit of the Kansas horse breeding development  
12 fund created by K.S.A. 74-8829, and amendments thereto.

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

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

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

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

28 (4) Breakage for interstate combined wagering pools shall be  
29 calculated in accordance with the statutes and rules and regulations of the  
30 host jurisdiction and shall be allocated among the participating  
31 jurisdictions in a manner agreed to among the jurisdictions. Breakage  
32 allocated to this jurisdiction shall be distributed as provided by subsection  
33 (h).

34 (5) Upon approval of the respective recognized ~~greyhound owners'~~  
35 ~~group or recognized~~ horsemen's group, the commission may permit an  
36 organization licensee to simulcast to other racetrack facilities or off-track  
37 wagering or intertrack wagering facilities in other jurisdictions one or  
38 more races conducted by such licensee, use one or more races conducted  
39 by such licensee for an intrastate combined wagering pool or use one or  
40 more races conducted by such licensee for an interstate combined  
41 wagering pool at off-track wagering or intertrack wagering locations  
42 outside the commission's jurisdiction and may allow parimutuel pools in  
43 other jurisdictions to be combined with parimutuel pools in the

1 commission's jurisdiction for the purpose of establishing an interstate  
2 combined wagering pool.

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

7 (k) If the organization licensee, facility owner licensee if any and the  
8 recognized horsemen's group ~~or recognized greyhound owners' group~~ are  
9 *is* unable to agree concerning a simulcasting application, the matter may  
10 be submitted to the commission for determination at the written request of  
11 any party in accordance with rules and regulations of the commission.

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

14 Sec. 8. K.S.A. 74-8741, 74-8744, 74-8746, 74-8747 and 74-8836 are  
15 hereby repealed.

16 Sec. 9. This act shall take effect and be in force from and after its  
17 publication in the statute book.