

HOUSE BILL No. 2125

By Committee on General Government Budget

1-29

AN ACT concerning ~~real estate brokers and salespersons; relating to~~
~~license fees~~ *the Kansas expanded lottery act*; amending K.S.A. ~~2012~~
~~Supp. 58-3063~~ *2013 Supp. 74-8741, 74-8746 and 74-8747* and
repealing the existing ~~section~~ *sections*.

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

Section 1. ~~K.S.A. 2012 Supp. 58-3063 is hereby amended to read as~~
~~follows: 58-3063. (a) The commission shall adopt rules and regulations~~
~~fixing the amounts of the fees provided for by this act, subject to the~~
~~following:~~

(1) ~~For any examination required for licensure, a fee in an amount~~
~~equal to the actual cost of the examination and the administration thereof.~~

(2) ~~For any criminal history record check required for licensure, a fee~~
~~in the amount necessary to reimburse the commission for the cost of~~
~~administering the criminal history record check.~~

(3) ~~For submission of an application for an original salesperson's~~
~~license, an amount not exceeding \$25.~~

(4) ~~For submission of an application for an original broker's license,~~
~~an amount not exceeding \$50.~~

(5) ~~For an original salesperson's license, a prorated fee based on a~~
~~two-year amount not exceeding \$100.~~ *\$150.*

(6) ~~For an original broker's license, a prorated fee based on a two-~~
~~year amount not exceeding \$150.~~ *\$200.*

(7) ~~For renewal of a salesperson's license, a fee based on a two-year~~
~~amount not exceeding \$100.~~ *\$150.*

(8) ~~For renewal of a broker's license, a fee based on a two-year~~
~~amount not exceeding \$150.~~ *\$200.*

(9) ~~For reinstatement of a license which has been deactivated or~~
~~which has been canceled pursuant to subsection (c) of K.S.A. 58-3047, and~~
~~amendments thereto, or by reason of termination of a salesperson, an~~
~~amount not exceeding \$15.~~

(10) ~~For reinstatement of all licenses canceled pursuant to subsections~~
~~(d) or (f) of K.S.A. 58-3047, and amendments thereto, an amount not~~
~~exceeding \$7.50 for each license canceled.~~

(11) ~~For issuance of a duplicate license, an amount not exceeding~~
~~\$10.~~

~~(12) For certification of licensure to another jurisdiction, an amount not exceeding \$10.~~

~~(13) For approval of a course of instruction submitted by a course provider pursuant to K.S.A. 58-3046a, and amendments thereto, an amount not exceeding \$75.~~

~~(14) For renewal of an approved course of instruction pursuant to K.S.A. 58-3046a, and amendments thereto, an amount not exceeding \$15.~~

~~(15) For approval of a course of instruction submitted by any licensee for credit toward the 12 hours of additional instruction required by K.S.A. 58-3046a, and amendments thereto, an amount not less than \$10 nor more than \$20, as determined by the commission.~~

~~(16) For a temporary salesperson's license, an amount not exceeding \$25.~~

~~(17) For each branch office opened or established after July 1, 2006, an amount not exceeding \$100.~~

~~(18) For each primary office of a company created or established by a supervising broker after July 1, 2006, an amount not exceeding \$100.~~

~~(19) For certification of a licensee's education history under K.S.A. 58-3046a, and amendments thereto, an amount not exceeding \$25.~~

~~(20) For certification of licensure of a professional corporation, an amount not exceeding \$25.~~

~~(21) For each additional primary or branch office at which a salesperson or an associate, supervising or branch broker is associated or employed, if such person is associated or employed by more than one primary or branch office, an amount not exceeding \$50, to be paid by such salesperson or broker.~~

~~(b) For each prorated fee, the commission shall establish a monthly amount, rounded off to the nearest dollar, and shall compute the fee from the last calendar day of the month in which the license is issued to the expiration date of the license.~~

~~(c) Subject to the limitations of this section, the commission shall fix the fees provided for by this section in the amounts necessary to administer and enforce this act.~~

~~(d) The fees provided for by this section shall be applicable regardless of the type of license.~~

New Section 1. The Kansas lottery commission shall negotiate an addendum to existing lottery gaming facility management contracts that prohibit the state from operating electronic gaming machines at parimutuel licensee locations in the south central gaming zone until after July 1, 2032.

Sec. 2. K.S.A. 2013 Supp. 74-8741 is hereby amended to read as follows: 74-8741. (a) The executive director of the Kansas lottery shall negotiate a racetrack gaming facility management contract to place

1 *electronic gaming machines at one parimutuel licensee location in each*
2 *gaming zone except the southwest Kansas gaming zone and the south*
3 *central Kansas gaming zone.*

4 *(b) To be eligible to enter into a racetrack gaming facility*
5 *management contract the prospective racetrack gaming facility manager*
6 *shall, at a minimum:*

7 *(1) Have sufficient access to financial resources to support the*
8 *activities required of a racetrack gaming facility manager under the*
9 *Kansas expanded lottery act; and*

10 *(2) be current in filing all applicable tax returns and in payment of*
11 *all taxes, interest and penalties owed to the state of Kansas and any*
12 *taxing subdivision where such prospective manager is located in the*
13 *state of Kansas, excluding items under formal appeal pursuant to*
14 *applicable statutes.*

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

16 *(1) The term of the contract;*

17 *(2) provisions for the Kansas racing and gaming commission to*
18 *oversee all racetrack gaming facility operations, including, but not*
19 *limited to: Oversight of internal controls; oversight of security of*
20 *facilities; performance of background investigations, determination of*
21 *qualifications and any required certification or licensing of officers,*
22 *directors, board members, employees, contractors and agents of the*
23 *racetrack gaming facility manager; auditing of net electronic gaming*
24 *machine income and maintenance of the integrity of electronic gaming*
25 *machine operations;*

26 *(3) provisions for the racetrack gaming facility manager to pay the*
27 *costs of oversight and regulation of the racetrack gaming facility*
28 *manager under this act and such manager's racetrack gaming facility*
29 *operations by the Kansas racing and gaming commission; and*

30 *(4) enforceable provisions: (A) Prohibiting the state, until July 1,*
31 *2032, from (i) entering into management contracts for more than three*
32 *four lottery gaming facilities or similar gaming facilities, one to be*
33 *located in the northeast Kansas gaming zone, one to be located in the*
34 *south central Kansas gaming zone, one to be located in the southwest*
35 *Kansas gaming zone and one to be located in the southeast Kansas*
36 *gaming zone, (ii) designating additional areas of the state where*
37 *operation of lottery gaming facilities or similar gaming facilities would*
38 *be authorized or (iii) operating an aggregate of more than 2,800*
39 *electronic gaming machines at all parimutuel licensee locations; and (B)*
40 *requiring the state to repay to the racetrack gaming facility manager an*
41 *amount equal to the privilege fee paid by such racetrack gaming facility*
42 *manager, plus interest on such amount, compounded annually at the*
43 *rate of 10%, if the state violates the prohibition provision described in*

1 (A).

2 (d) *Racetrack gaming facility management contracts authorized by*
3 *this section may include provisions relating to:*

4 (1) *Accounting procedures to determine net electronic gaming*
5 *machine income, unclaimed prizes and credits;*

6 (2) *minimum requirements for a racetrack gaming facility manager*
7 *to provide qualified oversight, security and supervision of electronic*
8 *gaming machines including the use of qualified personnel with*
9 *experience in applicable technology;*

10 (3) *eligibility requirements for employees, contractors or agents of a*
11 *racetrack gaming facility manager who will have responsibility for or*
12 *involvement with electronic gaming machines or for the handling of*
13 *cash or tokens;*

14 (4) *background investigations to be performed by the Kansas racing*
15 *and gaming commission;*

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

19 (6) *provision for termination of the management contract by either*
20 *party for cause; and*

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

24 (e) *A person who is the manager of a lottery gaming facility in a*
25 *gaming zone shall not be eligible to be the manager of the racetrack*
26 *gaming facility in the same zone.*

27 (f) *A racetrack gaming facility management contract shall not*
28 *constitute property, nor shall it be subject to attachment, garnishment or*
29 *execution, nor shall it be alienable or transferable, except upon approval*
30 *by the executive director, nor shall it be subject to being encumbered or*
31 *hypothecated.*

32 *Sec. 3. K.S.A. 2013 Supp. 74-8746 is hereby amended to read as*
33 *follows: 74-8746. (a) Except as provided in subsection (b):*

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

42 (2) (b) *Except as provided in subsection (c): (1) No electronic*
43 *gaming machines shall be operated at a parimutuel licensee location in*

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

16 ~~(3)~~ (2) *No electronic gaming machines shall be operated at a*
17 *parimutuel licensee location in Crawford county unless, during the first*
18 *full calendar year and each year thereafter in which electronic gaming*
19 *machines are operated at such location, the parimutuel licensee*
20 *conducts at such location at least 85 live greyhound races each calendar*
21 *week for the number of weeks raced during calendar year 2003 in*
22 *Sedgwick county, with at least 12 live races conducted each day for not*
23 *less than five days per week.*

24 ~~(4)~~ (3) *If a parimutuel licensee has not held live races pursuant to a*
25 *schedule approved by the Kansas racing and gaming commission in the*
26 *preceding 12 months, the Kansas racing and gaming commission shall*
27 *hold a hearing to determine the number of days of live racing required*
28 *for the remaining days of the first calendar year of operation to qualify*
29 *for operation of electronic gaming machines. At such hearing, the*
30 *commission shall receive testimony and evidence from affected breed*
31 *groups, the licensee and others, as the Kansas racing and gaming*
32 *commission deems appropriate concerning the schedule of live race*
33 *days. The operation of electronic gaming machines shall not commence*
34 *more than 90 days prior to the start of live racing at such facility.*

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

1 *the control of the licensee, the Kansas racing and gaming commission*
2 *may grant an exception.*

3 *Sec. 4. K.S.A. 2013 Supp. 74-8747 is hereby amended to read as*
4 *follows: 74-8747. (a) Net electronic gaming machine income from a*
5 *racetrack gaming facility shall be distributed as follows:*

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

8 *(2) 7% of net electronic gaming machine income shall be credited*
9 *to the live horse racing purse supplement fund established by K.S.A.*
10 *2013 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*
13 *facility shall not exceed an amount equal to the average of \$3,750 per*
14 *electronic gaming machine at each location and any moneys in excess of*
15 *such amount shall be distributed between the state and the racetrack*
16 *gaming facility manager in accordance with the racetrack gaming*
17 *facility management contract;*

18 *(3) 7% of net electronic gaming machine income shall be credited*
19 *to the live greyhound racing purse supplement fund established by*
20 *K.S.A. 2013 Supp. 74-8767, and amendments thereto, except that the*
21 *amount of net electronic gaming machine income credited to the fund*
22 *during any fiscal year from electronic gaming machines at a racetrack*
23 *gaming facility shall not exceed an amount equal to the average of*
24 *\$3,750 per electronic gaming machine at each location and any moneys*
25 *in excess of such amount shall be distributed between the state and the*
26 *racetrack gaming facility manager in accordance with the racetrack*
27 *gaming facility management contract;*

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

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

1 *amount equal to 1% of such revenues to the other county in such zone;*
2 *or (B) if the racetrack gaming facility is located in the southeast or south*
3 *central Kansas gaming zone and is located within a city, provide for*
4 *payment of an amount equal to 1% of the—racetrack gaming facility—*
5 *revenues net electronic gaming machine income to the city in which the*
6 *racetrack gaming facility is located, an amount equal to 1% of such*
7 *revenues to the county in which such facility is located and an amount*
8 *equal to 1% of such revenues to the other county in such zone;*

9 *(6) 2% of net electronic gaming machine income shall be credited*
10 *to the problem gambling and addictions grant fund established by K.S.A.*
11 *2013 Supp. 79-4805, and amendments thereto;*

12 *(7) 1% of net electronic gaming machine income shall be credited*
13 *to the Kansas horse fair racing benefit fund established by K.S.A. 74-*
14 *8838, and amendments thereto;*

15 *(8) 40% of net electronic gaming machine income shall be credited*
16 *to the expanded lottery act revenues fund; and*

17 *(9) 15% of electronic gaming machine income shall be used for*
18 *gaming expenses, subject to agreement between the Kansas lottery and*
19 *the racetrack gaming facility manager.*

20 *(b) A racetrack gaming facility management contract may include*
21 *provisions for a parimutuel licensee or any other entity to pay the*
22 *parimutuel licensee's expenses related to electronic gaming machines,*
23 *as the executive director deems appropriate, subject to the requirements*
24 *of subsection (a)(9).*

25 ~~Sec. 2. 5. K.S.A. 2012 Supp. 58-3063 is 2013 Supp. 74-8741, 74-~~
26 ~~8746 and 74-8747 are hereby repealed.~~

27 ~~Sec. 2. 6. This act shall take effect and be in force from and after its~~
28 ~~publication in the statute book.~~