

SESSION OF 2019

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2037

As Amended by House Committee on Veterans
and Military

Brief*

HB 2037, as amended, would make changes to the veterans benefit lottery game and establish the Veterans Benefit Lottery Game Fund (Veterans Fund). The bill also would make a proviso transferring \$1,260,000 to the Veterans Fund in FY 2020, passed by the 2018 Legislature, null and void and would have no force and effect on and after the effective date of the bill.

Expenditures and Appropriations

The Veterans Fund would be administered by the Kansas Commission on Veterans' Affairs Office (KCVAO). All expenditures from the Veterans Fund would be made *via* vouchers approved by the KCVAO or its designee, pursuant to the provisions set out for the veterans benefit lottery game in the Kansas Lottery Act. A provision related to Veterans Fund moneys would be amended to remove the appropriation to the Kansas National Guard Museum, as this obligation was fulfilled on July 1, 2010. Moneys in the Veterans Fund would continue to be appropriated for specific purposes related to veterans as provided by law.

Transfers

On July 1 of each year, or as soon thereafter as moneys are available, \$2,000,000 from the Lottery Operating Fund

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

would be transferred to the Veterans Fund. Beginning on July 1, 2020, or as soon thereafter as moneys are available, the amount transferred to the Veterans Fund would increase at a rate of 5.0 percent from the amount transferred in the previous year.

Oversight

The House Committee on Veterans and Military or its successor committee would review the provisions of this bill beginning in 2024 and every five years thereafter.

Rules and Regulations

The bill would make the establishment of, and the decision to make regular changes to the design or theme of, a veterans benefit game by the Kansas Lottery Commission (Commission) discretionary. Current law mandates such establishment and regular design changes. The bill also would make the adoption of rules and regulations governing a veterans benefit game by the Commission discretionary rather than mandatory.

Background

The bill was introduced by the House Committee on Federal Affairs at the request of Representatives Pittman and Gartner. The bill was withdrawn from the House Committee on Federal Affairs and referred to the House Committee on Veterans and Military.

In the House Committee on Veterans and Military hearing, Representative Pittman, a representative from the Kansas Adjutant General's Department, the Executive Director of the KCVAO, and a representative from the Kansas Lottery testified in support of the bill, stating the desire to make permanent similar provisions enacted by a budget proviso in 2018 SB 109.

No neutral or opponent testimony was provided.

The House Committee amended the bill to make the budget proviso enacted last session null and void on and after the effective date of the bill.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the Kansas Lottery indicates enactment of the bill would reduce transfers from the Lottery Operating Fund to the State General Fund (SGF) by \$800,000 in FY 2020. Furthermore, increasing the transfer from the Lottery Operating Fund to the Veterans Fund by 5.0 percent year over year would result in lower ongoing available balances to be transferred to SGF. The 2018 Legislature previously approved transfers into the Veterans Fund totaling \$1,260,000 in FY 2020, so enactment of the bill would transfer an additional \$2,000,000 in FY 2020, resulting in a total transfer of \$3,260,000 to the Veterans Fund.

The FY 2020 Governor's Budget Report includes making the Veterans Fund "no limit"; under current law, the KCVAO could not spend more than \$1,260,000 from the Veterans Fund in FY 2020, regardless of how much money is transferred to or from the Veterans Fund.