

74-8736. Lottery gaming facility management contract approval process; parimutuel licensees; deadlines. (a) Upon approval of a lottery gaming facility management contract by the commission, but not later than 90 days after the deadline for receipt of proposals established pursuant to subsection (b) of K.S.A. 2016 Supp. 74-8734, and amendments thereto, the executive director and the prospective lottery gaming facility manager shall execute the contract, which shall be binding upon the parties only upon a determination by the lottery gaming facility review board pursuant to this section that the contract is the best possible such contract, approval of the contract by the Kansas racing and gaming commission pursuant to this section and endorsement by resolution of the city governing body or county commission as required in K.S.A. 2016 Supp. 74-8734, and amendments thereto.

(b) Upon execution of a lottery gaming facility management contract or contracts by the executive director, the executive director shall submit such contract or contracts to the lottery gaming facility review board. The board shall determine which contract best maximizes revenue, encourages tourism and otherwise serves the interests of the people of Kansas. In making its determination, the board shall conduct public hearings, take testimony, solicit the advice of experts and investigate the merits of each contract submitted by the executive director.

(c) Within 30 days after execution of a lottery gaming facility management contract with a parimutuel licensee for development of a lottery gaming facility at a parimutuel licensee location, the parimutuel licensee must submit to the Kansas racing and gaming commission, for approval by the commission, a plan for compliance with the requirements for live racing and purse supplements established pursuant to K.S.A. 2016 Supp. 74-8745 and 74-8767, and amendments thereto. Upon application of a parimutuel licensee, the Kansas racing and gaming commission shall open a proceeding to consider such licensee's proposal for development of a lottery gaming facility at the parimutuel licensee location. Such proposal shall include provisions for: (1) Compliance with the requirements of K.S.A. 2016 Supp. 74-8745, and amendments thereto; (2) payment of purse supplements from the appropriate funds established by K.S.A. 2016 Supp. 74-8767, and amendments thereto; and (3) a plan for protecting and promoting live racing in Kansas. The Kansas racing and gaming commission shall hear evidence and testimony from all interested parties. Upon a finding by the Kansas racing and gaming commission that the proposal is in the best interest of live racing in Kansas and more beneficial to live racing than placement of electronic gaming machines at such parimutuel licensee location, the Kansas racing and gaming commission may approve such proposal. The Kansas racing and gaming commission shall notify the lottery gaming facility review board of the commission's approval or disapproval of the proposal. If the Kansas racing and gaming commission does not approve the proposal, the lottery gaming facility review board shall not give further consideration to the lottery gaming facility management contract with the parimutuel licensee and the executive director shall direct the state treasurer to refund, without interest, the privilege fee paid pursuant to such contract.

(d) (1) Not more than 60 days after all lottery gaming facility management contracts for a lottery gaming facility in a gaming zone have been submitted to the lottery gaming facility review board, the board: (A) If more than one lottery gaming facility management contract has been submitted for a lottery gaming facility in a gaming zone, shall select by public vote the lottery gaming facility management contract, if any, which the board determines is the best possible such contract; or (B) if the executive director submits only one lottery gaming facility management contract for a lottery gaming facility in a gaming zone, shall determine whether such contract is the best possible such contract.

(2) If the board cannot reach agreement that a lottery gaming facility management contract is the best possible such contract, the board shall request the executive director to renegotiate the contract or contracts until the board determines that the best possible such contract or contracts have been executed.

(e) Upon a determination by the lottery gaming facility review board that a lottery gaming facility management contract is the best possible such contract, the board shall submit the contract to the Kansas racing and gaming commission for approval. The Kansas racing and gaming commission shall conduct such background investigations of prospective lottery gaming facility managers, their directors and officers and any other persons having an interest in such prospective managers, as determined in accordance with rules and regulations adopted by the Kansas racing and gaming commission. Upon completion of such investigations and approval of the background of the prospective lottery gaming facility manager, directors, officers and other persons having an interest in such prospective manager, but not more than 10 days after receiving the recommendation of the lottery gaming facility review board, the Kansas racing and gaming commission shall vote to approve in whole or reject in whole the recommendation of the lottery gaming facility review board. If the Kansas racing and gaming commission does not approve the background of such prospective lottery gaming facility manager, directors, officers and other persons having an interest in such prospective manager or does not approve the recommendation of the lottery gaming facility review board, the Kansas racing and gaming commission shall notify the executive director of the lottery and the process for selection of a lottery gaming facility manager shall begin again in the manner provided in K.S.A. 2016 Supp. 74-8734 and 74-8735, and amendments thereto.

(f) The deadline for receipt of proposals established pursuant to subsection (b) of K.S.A. 2016 Supp. 74-8734, and amendments thereto, the time limit imposed by subsection (a) for action by the lottery commission, the time limit imposed by subsection (d) for action by the lottery gaming facility review board or the time limit imposed by subsection (e) for action by the Kansas racing and gaming commission, upon application by the respective commission or board, may be extended by the governor for a period not to exceed 60 days if the governor, in the governor's discretion, determines that the respective commission or board has acted on good faith to comply with the time limit. Failure to comply with any such time limit, unless extended as provided by this subsection, or to comply with an extended time limit authorized by this subsection, shall render the respective commission or board subject to relief in the form of mandamus, injunction or other legal remedy.

History: L. 2007, ch. 110, § 5; Apr. 19.