

**74-8744. Executive director duties; rules and regulations; electronic gaming machines, limitations on number; privilege fee. (a)**

In accordance with rules and regulations adopted by the commission, the executive director shall have general responsibility for the implementation and administration of the provisions of this act relating to racetrack gaming facility operations, including the responsibility to:

- (1) Certify net electronic gaming machine income by inspecting records, conducting audits, having agents of the Kansas lottery on site or by any other reasonable means; and
- (2) assist the commission in the promulgation of rules and regulations concerning the operation of racetrack gaming facilities, which rules and regulations shall include, without limitation, the following:
  - (A) The number of electronic gaming machines allocated for placement at each racetrack gaming facility, subject to the provisions of subsection (b);
  - (B) standards for advertising, marketing and promotional materials used by racetrack gaming facility managers;
  - (C) the kind, type, number and location of electronic gaming machines at any racetrack gaming facility; and
  - (D) rules and regulations and procedures for the accounting and reporting of the payments required from racetrack gaming facility managers under K.S.A. 2016 Supp. 74-8766, and amendments thereto, including the calculations required for such payments.
- (b) Rules and regulations establishing the minimum and maximum number of electronic gaming machines allocated for placement at each racetrack gaming facility shall be adopted and published not later than 120 days after the effective date of this act. Such rules and regulations shall be subject to the following:
  - (1) At least 600 electronic gaming machines shall be allocated to and placed at each racetrack gaming facility.
  - (2) The total number of electronic gaming machines allocated to and placed at all racetrack gaming facilities in the state shall not exceed 2,800. Until lottery gaming facility management contracts for lottery gaming facilities in all gaming zones become binding, the total number of electronic gaming machines placed at all racetrack gaming facilities shall not exceed 2,200. When lottery gaming facility management contracts for lottery gaming facilities in all gaming zones have become binding, the lottery commission shall take privilege fee bids from the lottery gaming facility manager and racetrack gaming facility manager in each gaming zone for the remaining electronic gaming machines allocated to but not yet placed at the racetrack gaming facility in such zone. The minimum bid shall be a privilege fee of \$2,500 per electronic gaming machine. If the racetrack gaming facility manager submits the highest bid, the lottery commission shall place the remaining electronic gaming machines at the racetrack gaming facility. If the lottery gaming facility manager submits the highest bid, the commission shall not place any additional electronic gaming machines at the racetrack gaming facility.
  - (3) In addition to any privilege fee paid pursuant to paragraph (2), each racetrack gaming facility manager shall pay a privilege fee of \$2,500 for each electronic gaming machine placed at the racetrack gaming facility for which a privilege fee is not paid pursuant to paragraph (2).
  - (4) The racetrack gaming facility manager shall pay the privilege fees provided by this subsection to the executive director, who shall remit the entire amount to the state treasurer in accordance with K.S.A. 75-4215, and amendments thereto. Upon receipt of the remittance, the state treasurer shall deposit the entire amount in the state treasury and credit it to the expanded lottery act revenues fund.

**History:** L. 2007, ch. 110, § 13; Apr. 19.