

1 management contract, or a third party on behalf of the racetrack gaming  
2 facility manager, shall submit a letter of credit in a total amount equal to  
3 the monetary damages that may be awarded in such action as determined  
4 by the executive director, ~~subject to the limitations of subsection (e).~~ This  
5 requirement shall be included in each racetrack gaming facility  
6 management contract, so that the failure to submit a letter of credit in a  
7 timely manner shall constitute a material breach of the racetrack gaming  
8 facility management contract and shall be cause for termination of such  
9 contract. The letter of credit shall name the Kansas lottery as the  
10 beneficiary.

11 (g) (1) If a court of competent jurisdiction, in any action commenced  
12 in accordance with subsection (b), determines pursuant to a final, non-  
13 appealable order that the racetrack gaming facility management contract  
14 does not violate the provisions of K.S.A. 2017 Supp. 74-8734(h)(19) or  
15 74-8741(c)(4), and amendments thereto, or create a material breach of any  
16 lottery gaming facility management contract entered into with the Kansas  
17 lottery by any of the lottery gaming facility managers that are a party to  
18 such action, the executive director shall provide a letter of cancellation to  
19 the racetrack gaming facility canceling the letter of credit.

20 (2) If a court of competent jurisdiction, in any action commenced in  
21 accordance with subsection (b), determines in a final, non-appealable order  
22 that the racetrack gaming management contract violates the provisions of  
23 K.S.A. 2017 Supp. 74-8734(h)(19) or 74-8741(c)(4), and amendments  
24 thereto, or creates a material breach of any lottery gaming facility  
25 management contract entered into with the Kansas lottery by any of the  
26 lottery gaming facility managers that are a party to such action, the  
27 executive director shall present the letter of credit for payment in an  
28 amount equal to the monetary damages awarded to any lottery gaming  
29 facility manager in whose favor final judgment has been rendered in such  
30 action. The executive director shall remit all moneys from such payment to  
31 the state treasurer in accordance with the provisions of K.S.A. 75-4215,  
32 and amendments thereto. Upon receipt of such remittance, the state  
33 treasurer shall deposit the entire amount in the state treasury to the credit  
34 of the privilege fee repayment fund.

35 ~~(h) In the event the executive director presents the letter of credit for  
36 payment in accordance with subsection (g), and the moneys from such  
37 payment are remitted to the state treasurer for repayment to a lottery  
38 gaming facility manager pursuant to subsection (g)(2), the Kansas lottery  
39 shall thereafter reimburse an equal amount to the racetrack gaming facility  
40 manager. Such reimbursement payments shall be paid monthly from the  
41 racetrack gaming facility manager repayment fund. The amount of each  
42 monthly reimbursement payment shall be a percentage of the funds in the  
43 expanded lottery act receipts fund that were received by the Kansas lottery.~~

1 pursuant to K.S.A. 2017 Supp. 74-8747(a)(1), and amendments thereto, as  
2 hereinafter provided. Such percentage shall be agreed to by the executive  
3 director and the racetrack gaming facility manager in each racetrack  
4 gaming facility management contract, except that such percentage shall  
5 not be less than 50% of the funds in the expanded lottery act receipts fund  
6 that were received by the Kansas lottery pursuant to K.S.A. 2017 Supp.  
7 74-8747(a)(1), and amendments thereto. The executive director shall  
8 certify the amount to be paid under this subsection to the director of  
9 accounts and reports. Upon receipt of such certification, the director of  
10 accounts and reports shall transfer such certified amount from the  
11 expanded lottery act receipts fund to the racetrack gaming facility manager  
12 repayment fund. Transfers from the expanded lottery act receipts fund  
13 under this subsection shall only be made from those funds held in the  
14 expanded lottery act receipts fund that were received by the Kansas lottery  
15 pursuant to K.S.A. 2017 Supp. 74-8747(a)(1), and amendments thereto, as  
16 net electronic gaming machine income from the racetrack gaming facility  
17 to which the racetrack gaming facility management contract applies. All  
18 funds transferred to the racetrack gaming facility manager repayment fund  
19 pursuant to this subsection shall be expended by the Kansas lottery for the  
20 purposes of this subsection.

21 (i) (1) —The privilege fee repayment fund is hereby created in the state  
22 treasury and shall be administered by the Kansas lottery. The privilege fee  
23 repayment fund shall consist of those moneys credited to the privilege fee  
24 repayment fund pursuant to subsection (g)(2). All expenditures from the  
25 privilege fee repayment fund shall be for the repayment of privilege fees,  
26 including accrued interest thereon, pursuant to subsection (g)(2), and shall  
27 be made in accordance with appropriation acts upon warrants of the  
28 director of accounts and reports issued pursuant to vouchers approved by  
29 the executive director.

30 (2) —The racetrack gaming facility manager repayment fund is hereby  
31 created in the state treasury and shall be administered by the Kansas  
32 lottery. The racetrack gaming facility manager repayment fund shall  
33 consist of those moneys credited to the racetrack gaming facility manager  
34 repayment fund pursuant to subsection (h). All expenditures from the  
35 racetrack gaming facility manager repayment fund shall be for  
36 reimbursement to the racetrack gaming facility manager of the moneys  
37 remitted to the state treasurer for payment to a lottery gaming facility  
38 manager pursuant to subsection (g)(2), and shall be made in accordance  
39 with appropriation acts upon warrants of the director of accounts and  
40 reports issued pursuant to vouchers approved by the executive director.

41 (j) For purposes of this section, the Kansas expanded lottery act and  
42 the Kansas parimutuel racing act, a racetrack gaming facility manager, as  
43 defined in K.S.A. 74-8702, and amendments thereto, may also be a facility

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Redesignate subsections