

CHAPTER 70

(HB 387)

AN ACT relating to advance deposit account wagering licenses.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔SECTION 1. KRS 230.210 IS REPEALED AND REENACTED TO READ AS FOLLOWS:

As used in this chapter, unless the context requires otherwise:

- (1) *"Advance deposit account wagering" means a form of pari-mutuel wagering in which an individual may establish an account with a person or entity licensed by the racing commission, and may place a pari-mutuel wager through that account that is permitted by law;*
- (2) *"Advance deposit account wagering licensee" means a person or entity licensed by the racing commission to conduct advance deposit account wagering and accept deposits and wagers, issue a receipt or other confirmation to the account holder evidencing such deposits and wagers, and transfer credits and debits to and from accounts;*
- (3) *"Appaloosa race" or "Appaloosa racing" means that form of horse racing in which each horse participating in the race is registered with the Appaloosa Horse Club of Moscow, Idaho, and is mounted by a jockey;*
- (4) *"Arabian" means a horse that is registered with the Arabian Horse Registry of Denver, Colorado;*
- (5) *"Association" means any person licensed by the Kentucky Horse Racing Commission under KRS 230.300 and engaged in the conduct of a recognized horse race meeting;*
- (6) *"Harness race" or "harness racing" means trotting and pacing races of the standardbred horses;*
- (7) *"Horse race meeting" means horse racing run at an association licensed and regulated by the Kentucky Horse Racing Commission, and may include thoroughbred, harness, and quarter horse racing;*
- (8) *"Host track" means the track conducting racing and offering its racing for intertrack wagering, or, in the case of interstate wagering, means the Kentucky track conducting racing and offering simulcasts of races conducted in other states or foreign countries;*
- (9) *"Intertrack wagering" means pari-mutuel wagering on simulcast horse races from a host track by patrons at a receiving track;*
- (10) *"Interstate wagering" means pari-mutuel wagering on simulcast horse races from a track located in another state or foreign country by patrons at a receiving track or simulcast facility;*
- (11) *"Kentucky Quarter Horse Purse Program" means a purse program established to receive funds from the racing commission for purse programs established in KRS 230.3771(4) to supplement purses for quarter horse races. The purse program shall be administered by the Kentucky Quarter Horse Racing Association;*
- (12) *"Kentucky resident" means:*
 - (a) *An individual domiciled within this state;*
 - (b) *An individual who maintains a place of abode in this state and spends, in the aggregate, more than one hundred eighty-three (183) days of the calendar year in this state; or*
 - (c) *An individual who lists a Kentucky address as his or her principal place of residence when applying for an account to participate in advance deposit account wagering;*
- (13) *"Principal" means any of the following individuals associated with a partnership, trust, association, limited liability company, or corporation that is licensed to conduct a horse race meeting or an applicant for a license to conduct a horse race meeting:*
 - (a) *The chairman and all members of the board of directors of a corporation;*
 - (b) *All partners of a partnership and all participating members of a limited liability company;*
 - (c) *All trustees and trust beneficiaries of an association;*

- (d) *The president or chief executive officer and all other officers, managers, and employees who have policy-making or fiduciary responsibility within the organization;*
 - (e) *All stockholders or other individuals who own, hold, or control, either directly or indirectly, five percent (5%) or more of stock or financial interest in the collective organization; and*
 - (f) *Any other employee, agent, guardian, personal representative, or lender or holder of indebtedness who has the power to exercise a significant influence over the applicant's or licensee's operation;*
- (14) *"Quarter horse" means a horse that is registered with the American Quarter Horse Association of Amarillo, Texas;*
 - (15) *"Racing commission" means the Kentucky Horse Racing Commission;*
 - (16) *"Receiving track" means a track where simulcasts are displayed for wagering purposes. A track that submits an application for intertrack wagering shall meet all the regulatory criteria for granting an association license of the same breed as the host track, and shall have a heated and air-conditioned facility that meets all state and local life safety code requirements and seats a number of patrons at least equal to the average daily attendance for intertrack wagering on the requested breed in the county in which the track is located during the immediately preceding calendar year;*
 - (17) *"Simulcast facility" means any facility approved pursuant to the provisions of KRS 230.380 to simulcast racing and conduct pari-mutuel wagering;*
 - (18) *"Simulcasting" means the telecast of live audio and visual signals of horse races for the purpose of pari-mutuel wagering;*
 - (19) *"Telephone account wagering" means a form of pari-mutuel wagering where an individual may deposit money in an account at a track and may place a wager by direct telephone call or by communication through other electronic media owned by the holder of the account to the track;*
 - (20) *"Thoroughbred race" or "thoroughbred racing" means a form of horse racing in which each horse participating in the race is a thoroughbred, (i.e., meeting the requirements of and registered with The Jockey Club of New York) and is mounted by a jockey; and*
 - (21) *"Track" means any association duly licensed by the Kentucky Horse Racing Commission to conduct horse racing. "Track" shall include any facility or real property that is owned, leased, or purchased by a track within the same geographic area within a sixty (60) mile radius of a track but not contiguous to track premises, upon racing commission approval, and provided the noncontiguous property is not within a sixty (60) mile radius of another licensed track premise where live racing is conducted and not within a forty (40) mile radius of a simulcast facility, unless any affected track or simulcast facility agrees in writing to permit a noncontiguous facility within the protected geographic area.*

➔Section 2. KRS 230.260 is amended to read as follows:

The racing commission, in the interest of breeding or the improvement of breeds of horses, shall have all powers necessary and proper to carry out fully and effectually the provisions of this chapter including, but without limitation, the following:

- (1) The racing commission is vested with jurisdiction and supervision over all horse race meetings in this Commonwealth and over all associations and all persons on association grounds and may eject or exclude therefrom or any part thereof, any person, licensed or unlicensed, whose conduct or reputation is such that his presence on association grounds may, in the opinion of the racing commission, reflect on the honesty and integrity of horse racing or interfere with the orderly conduct of horse racing or racing at horse race meetings; provided, however, no persons shall be excluded or ejected from association grounds solely on the ground of race, color, creed, national origin, ancestry, or sex;
- (2) The racing commission is vested with jurisdiction over any *person or entity that offers advance deposit account wagering to Kentucky residents*~~[SPMO that offers and accepts pari mutuel wagers on races conducted at any racing association within the Commonwealth].~~ *Any such person or entity*~~[An SPMO]~~ under the jurisdiction of the racing commission shall be licensed by the racing commission, and the racing commission may impose a license fee~~[on an SPMO]~~ not to exceed ten thousand dollars (\$10,000) annually. The racing commission shall, by administrative regulation promulgated in accordance with KRS Chapter 13A, establish conditions and procedures for the licensing of *advance deposit account wagering providers*~~[SPMOs, and]~~ *to include but not be limited to:*

- (a) A fee schedule for applications for licensure; *and*
- (b) **Reporting requirements to include quarterly reporting on:**
 - 1. **The amount wagered on Kentucky races; and**
 - 2. **The total amount wagered by Kentuckians;**
- (3) The racing commission is vested with jurisdiction over any totalisator company that provides totalisator services to a racing association located in the Commonwealth. A totalisator company under the jurisdiction of the racing commission shall be licensed by the racing commission, regardless of whether a totalisator company is located in the Commonwealth or operates from a location or locations outside of the Commonwealth, and the racing commission may impose a license fee on a totalisator company. The racing commission shall, by administrative regulation promulgated in accordance with KRS Chapter 13A, establish conditions and procedures for the licensing of totalisator companies, and a fee schedule for applications for licensure;
- (4) The racing commission is vested with jurisdiction over any manufacturer, wholesaler, distributor, or vendor of any equine drug, medication, therapeutic substance, or metabolic derivative which is purchased by or delivered to a licensee or other person participating in Kentucky horse racing by means of the Internet, mail delivery, in-person delivery, or other means;
- (5) The racing commission is vested with jurisdiction over any horse training center or facility in the Commonwealth that records official timed workouts for publication;
- (6) The racing commission may require an applicant for a license under subsections (2) and (3) of this section to submit to a background check of the applicant, or of any individual or organization associated with the applicant. An applicant shall be required to reimburse the racing commission for the cost of any background check conducted;
- (7) The racing commission, its representatives and employees, may visit, investigate and have free access to the office, track, facilities, or other places of business of any licensee, or any person owning a horse or performing services regulated by this chapter on a horse registered to participate in a breeders incentive fund under the jurisdiction of the racing commission;
- (8) The racing commission shall have full authority to prescribe necessary and reasonable administrative regulations and conditions under which horse racing at a horse race meeting shall be conducted in this state and to fix and regulate the minimum amount of purses, stakes, or awards to be offered for the conduct of any horse race meeting;
- (9) Applications for licenses shall be made in the form, in the manner, and contain information as the racing commission may, by administrative regulation, require. Fees for all licenses issued under KRS 230.310 shall be prescribed by and paid to the racing commission;
- (10) The racing commission shall establish by administrative regulation minimum fees for jockeys to be effective in the absence of a contract between an employing owner or trainer and a jockey. The minimum fees shall be no less than those of July 1, 1985;
- (11) The racing commission may refuse to issue or renew a license, revoke or suspend a license, impose probationary conditions on a license, issue a written reprimand or admonishment, impose fines or penalties, deny purse money, require the forfeiture of purse money, or any combination thereof with regard to a licensee or other person participating in Kentucky horse racing for violation of any federal or state statute, regulation, or steward's or racing commission's directive, ruling, or order to preserve the integrity of Kentucky horse racing or to protect the racing public. The racing commission shall, by administrative regulation, establish the criteria for taking the actions described in this subsection;
- (12) The racing commission may issue subpoenas for the attendance of witnesses before it and for the production of documents, records, papers, books, supplies, devices, equipment, and all other instrumentalities related to pari-mutuel horse racing within the Commonwealth. The racing commission may administer oaths to witnesses and require witnesses to testify under oath whenever, in the judgment of the racing commission, it is necessary to do so for the effectual discharge of its duties;
- (13) The racing commission shall have authority to compel any racing association licensed under this chapter to file with the racing commission at the end of its fiscal year, a balance sheet, showing assets and liabilities, and an earnings statement, together with a list of its stockholders or other persons holding a beneficial interest in the association; and

- (14) The racing commission shall promulgate administrative regulations establishing safety standards for jockeys, which shall include the use of rib protection equipment. Rib protection equipment shall not be included in a jockey's weight.

Signed by Governor March 17, 2011.