

CHAPTER 8

(SB 120)

AN ACT relating to pari-mutuel wagering and declaring an emergency.

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

➔Section 1. KRS 230.210 is amended 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, Appaloosa, Arabian, paint, 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, paint horse, Appaloosa, and Arabian purse fund" means a purse fund established to receive funds as specified in KRS 230.3771 for purse programs established in KRS 230.446 to supplement purses for quarter horse, paint horse, Appaloosa, and Arabian horse races. The purse program shall be administered by the Kentucky Horse Racing Commission;
- (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) *"Licensed premises" means a track or simulcast facility licensed by the racing commission under this chapter;*
- (14) "Paint horse" means a horse registered with the American Paint Horse Association of Fort Worth, Texas;
- (15)~~(14)~~ *"Pari-mutuel wagering," "pari-mutuel system of wagering," or "mutuel wagering" each means any method of wagering previously or hereafter approved by the racing commission in which one (1) or more patrons wager on a horse race or races, whether live, simulcast, or previously run. Wagers shall be placed*

in one (1) or more wagering pools, and wagers on different races or sets of races may be pooled together. Patrons may establish odds or payouts, and winning patrons share in amounts wagered including any carryover amounts, plus any amounts provided by an association less any deductions required, as approved by the racing commission and permitted by law. Pools may be paid out incrementally over time as approved by the racing commission;

- (16) "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;
- ~~(17)(15)~~ "Quarter horse" means a horse that is registered with the American Quarter Horse Association of Amarillo, Texas;
- ~~(18)(16)~~ "Racing commission" means the Kentucky Horse Racing Commission;
- ~~(19)(17)~~ "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;
- ~~(20)(18)~~ "Simulcast facility" means any facility approved pursuant to the provisions of KRS 230.380 to simulcast *live* racing and conduct pari-mutuel wagering *on live racing*;
- ~~(21)(19)~~ "Simulcasting" means the telecast of live audio and visual signals of horse races for the purpose of pari-mutuel wagering;
- ~~(22)(20)~~ "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;
- ~~(23)(21)~~ "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
- ~~(24)(22)~~ "Track" means any association duly licensed by the Kentucky Horse Racing Commission to conduct horse racing *and* ~~["Track"]~~ shall include:
- (a) *For facilities in operation as of 2010, the location and physical plant described in the "Commonwealth of Kentucky Initial/Renewal Application for License to Conduct Live Horse Racing, Simulcasting, and Pari-Mutuel Wagering," filed for racing to be conducted in 2010;*
 - (b) *Real property of an association, if the association received or receives approval from the racing commission after 2010 for a location at which live racing is to be conducted; or*
 - (c) *One (1)* ~~any~~ facility or real property that is:
 1. Owned, leased, or purchased by *an association* ~~["a track within the same geographic area"]~~ within a sixty (60) mile radius of *the association's racetrack* ~~["a track"]~~ but not contiguous to *racetrack* ~~["track"]~~ premises, upon racing commission approval; ~~[""]~~ and
 2. ~~["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 230.361 is amended to read as follows:

- (1)
 - (a) The racing commission shall promulgate administrative regulations governing and regulating mutuel wagering on horse races under what is known as the pari-mutuel system of wagering.
 - (b) The wagering shall be conducted only by a person licensed under this chapter to conduct a race meeting and only upon the licensed premises, *and provided further that only pari-mutuel wagering on simulcasting shall be allowed at simulcast facilities.*
 - (c) The pari-mutuel system of wagering shall be operated only by a totalizator or other mechanical equipment approved by the racing commission. The racing commission shall not require any particular make of equipment.
- (2) The operation of a pari-mutuel system for betting where authorized by law shall not constitute grounds for the revocation or suspension of any license issued and held under KRS 242.1238 and 243.265.
- (3) All reported but unclaimed pari-mutuel winning tickets held in this state by any person or association operating a pari-mutuel or similar system of betting at horse race meetings shall be presumed abandoned if not claimed by the person entitled to them within one (1) year from the time the ticket became payable.
- (4) The racing commission may issue a license to conduct pari-mutuel wagering on steeple chases or other racing over jumps; if all proceeds from the wagering, after expenses are deducted, is used for charitable purposes. If the dates requested for such a license have been granted to a track within a forty (40) mile radius of the race site, the racing commission shall not issue a license until it has received written approval from the affected track. Pari-mutuel wagering licensed and approved under this subsection shall be limited to four (4) days per year. All racing and wagering authorized by this subsection shall be conducted in accordance with applicable administrative regulations promulgated by the racing commission.

➔Section 3. Whereas the horse racing industry is crucial to the overall economy of the Commonwealth, and whereas the definition of pari-mutuel wagering is key to the successful operation of horse racing tracks for the upcoming racing season, an emergency is declared to exist, and this Act takes effect upon its passage and approval by the Governor or upon its otherwise becoming a law.

Signed by Governor February 22, 2021.