

PUBLIC PROTECTION CABINET
Kentucky Horse Racing Commission
(Amendment)

810 KAR 4:070. Jockeys and apprentices.

RELATES TO: KRS 230.215, 230.260

STATUTORY AUTHORITY: KRS 230.215(2), 230.260(8), 230.260 (10), 230.260 (14)

NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215(2) and KRS 230.260(8) authorize the Kentucky Horse Racing Commission to promulgate administrative regulations prescribing conditions under which all horse racing is conducted. KRS 230.260(10) authorizes the commission to promulgate administrative regulations establishing minimum fees for jockeys in the absence of a contract between an employing owner or trainer and a jockey. KRS 230.260(14) authorizes the commission to promulgate administrative regulations to establish safety standards and minimum fees for jockeys. This administrative regulation establishes the requirements for jockeys and apprentice jockeys.

Section 1. Probationary Mounts. Any person desiring to participate in this state as a jockey, who has not ridden in a race previously, may ride in three (3) races before applying for a license as a jockey or apprentice jockey if:

- (1) The person is a licensed stable employee, assistant trainer, or trainer with at least one (1) year of service with a racing stable;
- (2) A licensed trainer certifies in writing to the stewards that the person has demonstrated sufficient horsemanship, as evidenced by control of the animal while mounting, riding, and dismounting in race and nonrace conditions, to be permitted the probationary mounts;
- (3) The starter has schooled the person in breaking from the starting gate with other horses and approves the person as capable of starting a horse properly from the starting gate in a race;
- (4) The stewards determine that the person:
 - (a) Intends to become a licensed jockey;
 - (b) Possesses the physical ability to be a jockey; and
 - (c) Has demonstrated the ability to ride in a race without jeopardizing the safety of horses or other jockeys in the race; and
- (5) The person has prior oral or written approval of the stewards.

Section 2. Qualifications for License. In addition to the requirements applicable to licensees under 810 KAR 3:020, a holder of a license as a jockey or apprentice jockey:

- (1) Shall be sixteen (16) years of age or older and licensed under his or her legal name, which shall be listed in the daily race program;
- (2) Shall have served at least one (1) year with a racing stable;
- (3) Shall have ridden in at least three (3) races; and
- (4) Shall, if required by the stewards, to protect the health and safety of the jockey, other jockeys, the horses, or the welfare of the betting public, provide a medical affidavit certifying the person is physically and mentally capable of performing the activities and duties of a licensed jockey.

Section 3. Amateur or Provisional Jockey.

- (1) An amateur wishing to ride in races on even terms with professional riders, but without accepting fees or gratuities, shall:
 - (a) Be approved by the stewards as to competency of horsemanship, as demonstrated by meeting the requirements in Section 1(2), (3), and (4)(b) and (c) of this administrative regulation;

- (b) Be granted an amateur jockey's license; and
 - (c) Have amateur status duly noted on the daily race program.
- (2) A licensed owner or licensed trainer, upon approval by the stewards, may be issued a provisional jockey's license to ride his or her own horse or horse registered in his care as trainer.

Section 4. Apprentice Allowance in Thoroughbred Racing.

- (1) The provisions of this section apply only to thoroughbred racing.
- (2) Any person sixteen (16) years of age or older, who has not been licensed previously as a jockey in any jurisdiction, and who is qualified under Section 2 of this administrative regulation, may claim in all purse races except handicaps the following weight allowances:
- (a) Ten (10) pounds until he or she has ridden five (5) winners;
 - (b) Seven (7) pounds until he or she has ridden an additional thirty-five (35) winners;
 - (c) If he or she has ridden a total of forty (40) winners prior to the end of one (1) year from the date of riding his fifth winner, he or she shall have an allowance of five (5) pounds until the end of that year; and
 - (d) If after one (1) year from the date of the fifth winner, the apprentice jockey has not ridden forty (40) winners, the applicable weight allowance shall continue for one (1) additional year, or until the 40th winning mount, whichever occurs first.
- (3)
- (a) After the completion of conditions in subsection (1) of this section, a contracted apprentice may claim three (3) pounds for one (1) year if riding horses owned or trained by his or her original contract employer if his or her contract has not been transferred or sold since his or her first winner.
 - (b) The original contract employer shall be the party to the contract who was the employer at the time of the apprentice jockey's first winner.
 - (c) Apprentice allowance shall not be claimed for a period in excess of two (2) years from the date of the rider's fifth winner unless an extension has been granted in accordance with subsection (4) of this section.
- (4) An apprentice jockey may enter into a contract with a licensed owner or licensed trainer qualified under Section 5 of this administrative regulation for a period not to exceed five (5) years.
- (a) These contracts shall be:
 - 1. Approved by the stewards;
 - 2. Filed with the commission; and
 - 3. Binding in all respects on the parties to the contract.
 - (b) An apprentice who has not entered into a contract pursuant to this subsection shall be given an apprentice jockey certificate.
- (5) If an apprentice jockey is unable to ride for a period of seven (7) consecutive days or more because of service in the armed forces of the United States, physical disablement, attendance in an institution of secondary or higher education, restrictions on racing, or other valid reason, the commission, upon recommendation of the stewards and after consultation with the racing entity that approved the original apprentice contract, may extend the time during which the apprentice weight allowance may be claimed for a period no longer than the period the apprentice rider was unable to ride.
- (6) After completion of conditions in subsection (1) of this section, the rider shall be issued a license as a jockey before accepting subsequent mounts. Under these circumstances, the commission may waive collection of an additional license fee.

Section 5. Rider Contracts.

- (1) All riding contracts for terms longer than thirty (30) days, and any amendments, cancellation, or transfer of the contract, shall be in writing with the signatures of the

parties notarized, and shall be approved by the stewards and filed with the commission.

(2) The stewards shall approve a riding contract and permit parties to participate in racing in this state if the stewards determine that:

- (a) The contract employer is a licensed owner or licensed trainer who owns or trains at least three (3) horses eligible to race when the contract is executed;
- (b) The contract employer possesses the character, ability, facilities, and financial responsibility conducive to developing a competent race rider; and
- (c) If it is a contract for an apprentice jockey, the contract provides for fair remuneration, adequate medical care, and an option equally available to both employer and apprentice jockey to cancel the contract after two (2) years from the date of execution.

Section 6. Restrictions as to Contract Riders. A contract rider shall not:

- (1) Ride any horse not owned or trained by his contract employer in a race against a horse owned or trained by his or her contract employer;
- (2) Ride or agree to ride any horse in a race without consent of his or her contract employer;
- (3) Share any money earned from riding with his or her contract employer; or
- (4) Accept any present, money, or reward of any kind in connection with his or her riding of any race except through his or her contract employer.

Section 7. Calls and Engagements.

- (1) Any rider not prohibited by contract may agree to give first or second call on his or her race-riding services to any licensed owner or trainer.
- (2) Any rider employed by a racing stable on a regular salaried basis shall not ride against the stable that employs him or her.

Section 8. Jockey Fees in Thoroughbred Racing.

- (1) The fee to a jockey, in the absence of special agreement to the contrary, shall be as follows:

(a)

Purse	Winning Mount	Second Place Mount	Third Place Mount	Fourth Place Mount	Losing Mount
		<u>≥5% or</u> <u>\$140,</u> <u>whichever is</u> <u>greater</u>	<u>≥5% or</u> <u>\$135,</u> <u>whichever is</u> <u>greater</u>	<u>≥5% or</u> <u>\$130,</u> <u>whichever</u> <u>is greater</u>	<u>\$125</u>
<u>\$100,000 -</u> <u>\$999,999</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>\$125</u>
<u>\$1,000,000 and up</u>	<u>10%</u>	<u>5%</u>	<u>5%</u>	<u>5%</u>	<u>\$500</u>
[Up to \$9,999]	[10% of Win Purse]	[5% of Place Purse OR \$75, whichever is greater]	[\$70]	[\$65]	[\$60]
[\$10,000 - \$14,999]	[10% of Win Purse]	[5% of Place Purse]	[\$75]	[\$70]	[\$65]

[\$15,000-\$24,999]	[10% of Win Purse]	[5% of Place Purse]	[5% of Show Purse OR \$80, whichever is greater]	[\$75]	[\$70]
[\$25,000-49,999]	[10% of Win Purse]	[5% of Place Purse]	[5% of Show Purse]	[\$85]	[\$80]
[\$50,000-\$99,000]	[10% of Win Purse]	[5% of Place Purse]	[5% of Show Purse]	[\$90]	[\$85]
[\$100,000 and up]	[10% of Win Purse]	[5% of Place Purse]	[5% of Show Purse]	[5% of Fourth Place Purse]	[\$110]

(b) The flat fee amounts as established in paragraph (a) of this subsection are not percentage driven.

(2) A jockey fee shall be considered earned by a rider if he or she is weighed out by the clerk of scales, with the following exceptions:

(a) If a rider does not weigh out and ride in a race for which he or she has been engaged because an owner or trainer engaged more than one (1) rider for the same race, the owner or trainer shall pay an appropriate fee to each rider engaged for the race;

(b) If a rider capable of riding elects to take himself off the mount without, in the opinion of the stewards, reasonable cause; or

(c) If a rider is replaced by the stewards with a substitute rider for a reason other than a physical injury suffered by the rider during the time between weighing out and start of the race.

Section 9. Jockey Fees for Quarter Horse, Paint Horse, Appaloosa, and Arabian Racing.

(1) The fee to a jockey in all races shall be, in the absence of special agreement, as follows:

Purse	Winning Mount	Second Place Mount	Third Place Mount	Fourth Place Mount	Losing Mount
Up to \$6,499	10% of Win Purse	Losing mt + \$15	Losing mt + \$10	Losing mt + \$5	\$75
\$6,500-\$9,999	10% of Win Purse	Losing mt + \$15	Losing mt + \$10	Losing mt + \$5	\$80
\$10,000-\$14,999	10% of Win Purse	5% of Place Purse	Losing mt + \$10	Losing mt + \$5	\$85
\$15,000-24,999	10% of Win Purse	5% of Place Purse	5% or (LM + \$10) whichever is greater	Losing mt + \$5	\$90

\$25,000-\$49,999	10% of Win Purse	5% of Place Purse	5% or (LM + \$10)	Losing mt + \$5	\$95
\$50,000-\$99,999	10% of Win Purse	5% of Place Purse	5% of Show Purse	Losing mt + \$5	100
\$100,000 and up	10% of Win Purse	5% of Place Purse	5% of Show Purse	5% of Fourth Place Purse	\$125

(2) A jockey fee shall be considered earned by a rider when he or she is weighed out by the clerk of scales, with the following exceptions:

- (a) If a rider does not weigh out and ride in a race for which he or she has been engaged because an owner or trainer engaged more than one (1) rider for the same race, the owner or trainer shall pay an appropriate fee to each rider engaged for such race;
- (b) If a such rider capable of riding elects to take himself or herself off the mount without, in the opinion of the stewards, reasonable cause; or
- (c) If a such rider is replaced by the stewards with a substitute rider for a reason other than a physical injury suffered by the rider during the time between weighing out and start of the race.

Section 10. Revised Order of Finish After Race is Declared Official. If a winning purse is forfeited through subsequent ruling of the stewards or the commission, after a race has been declared official, the winning fee shall be paid to the jockey whose mount is ultimately adjudged the winner, and the original winner shall be paid a losing mount fee.

Section 11. Duty to Fulfill Engagements. Every rider shall fulfill his or her duly scheduled riding engagements, unless excused by the stewards due to circumstances under which a jockey could not reasonably be expected to be physically present at the required time. A rider shall not be required to ride a horse he or she believes to be unsound, nor over a racing strip he or she believes to be unsafe. If the stewards find a rider's refusal to fulfill a riding engagement is based on a personal belief unwarranted by the facts and circumstances, the rider may be subject to disciplinary action.

Section 12. Presence in Jockey Room.

(1) Each rider who has been engaged to ride in a race shall be physically present in the jockey room no later than one (1) hour prior to post time for the first race he or she is scheduled to ride, unless excused by the stewards or the clerk of scales due to circumstances under which a jockey could not reasonably be expected to ride. Upon arrival each rider shall report his or her engagements to the clerk of scales. If a rider fails for any reason to arrive in the jockey room no later than one (1) hour before post time of a race in which he or she is scheduled to ride, the clerk of scales shall so advise the stewards who may name a substitute rider and shall cause a public announcement to be made of the rider substitution prior to opening of wagering on the race.

(2) Each rider reporting to the jockey room shall remain in the jockey room until he or she has fulfilled all riding engagements for the day, except to ride in a race, or to view the running of a race from a location approved by the stewards. While a rider is outside of the jockey room, a rider shall not have contact or communication with any person other than an owner or trainer for whom he or she is riding, a racing official, or a media representative authorized by the stewards, until the rider has fulfilled all his riding engagements for the day.

(3) The association shall be responsible for security of the jockey room and for excluding all persons except riders scheduled to ride on the day's program, valets, authorized attendants, racing officials, media representatives authorized by the stewards, and persons having special permission of the stewards to enter the jockey room.

(4) Any rider intending to discontinue riding at a race meeting prior to its conclusion shall notify the stewards of his or her intent to depart after fulfilling his or her final riding engagement of the day.

Section 13. Weighing Out.

(1) Each rider engaged to ride in a race shall report to the clerk of scales for weighing out not more than one (1) hour and not less than fifteen (15) minutes before post time for each race in which he or she is engaged to ride, and when weighing out, the rider shall declare overweight, if any.

(2)

(a) A rider shall not pass the scale with more than one (1) pound overweight, without consent of the owner or trainer of the horse he or she is engaged to ride; and

(b) A rider shall not pass the scale with more than five (5) pounds overweight.

(3) A horse shall not be disqualified because of overweight carried.

(4) Riding crops, blinkers, number cloths, bridles, bits, reins, over-girth, breast collar, goggles, safety helmets, and safety vests shall not be included in a rider's weight.

Section 14. Wagering.

(1) A rider shall not:

(a) Place a wager;

(b) Cause a wager to be placed on his behalf, or

(c) Accept any ticket or winnings from a wager on any race except on his or her own mount, and except through the owner or trainer of the horse he or she is riding.

(2) The owner or trainer placing wagers for his or her rider shall maintain a precise and complete record of all of these wagers, and the record shall be available for examination by the stewards at all times.

Section 15. Attire.

(1) Upon leaving the jockey room to ride in any race, each rider shall be neat and clean in appearance and wear the traditional jockey attire with all jacket buttons and catches fastened.

(2) Each jockey shall wear:

(a) The cap and jacket racing colors registered in the name of the owner of the horse he or she is to ride;

(b) Stock tie;

(c) White or light breeches;

(d) Top boots;

(e) A safety vest and safety helmet that meet the standards established in subsections (4) and (5) of this section; and

(f) A number on his or her right shoulder corresponding to his mount's number as shown on the saddle cloth and daily racing program.

(3) The clerk of scales and attending valet shall be held jointly responsible with a rider for his neat and clean appearance and proper attire.

(4) A jockey mounted on a horse or stable pony at a location under the jurisdiction of the commission shall wear a properly secured safety helmet at all times. If requested by a commission official, the jockey shall provide sufficient evidence that his or her helmet has a tag, stamp, or similar identifying marker indicating that it meets or exceeds one (1) of the following safety standards:

(a) ASTM International Standard, ASTM F1163-04a;

- (b) British Standards, BS EN 1384:1997 or PAS 015:1999; or
 - (c) Australian/New Zealand Standard, AS/NZS 3838:2006.
- (5) A jockey mounted on a horse or stable pony at any location under the jurisdiction of the commission shall wear a safety vest at all times. If requested by a commission official, the jockey shall provide sufficient evidence that his or her safety vest has a tag, stamp, or similar identifying marker indicating that it meets or exceeds one (1) of the following safety standards:
- (a) British Equestrian Trade Association (BETA):2000 Level 1;
 - (b) Euro Norm (EN) 13158:2000 Level 1;
 - (c) ASTM International Standard, ASTM F2681-08;
 - (d) Shoe and Allied Trade Research Association (SATRA) Jockey Vest Document M6 Issue 3; or
 - (e) Australian Racing Board (ARB) Standard 1.1998.

Section 16. Advertising.

- (1) A jockey shall not wear advertising or promotional material of any kind (whether for a nonprofit or for-profit entity) on clothing within one (1) hour before or after a race, unless:
- (a)
 - 1. The material advertises or promotes the Jockey's Guild in the form of the picture of a jockey's boot or the picture of a wheelchair, with no additional picture or logo;
 - 2. The material advertises or promotes the Permanently Disabled Jockey's Fund in the form of the pictures of its logo, with no additional picture or logo; or
 - 3. The picture or logo has previously been approved by the current owner, association, and the stewards under the process established in this administrative regulation, and this approval is reflected in the commission's official records;
 - (b) The material complies with the size restrictions of subsection (2)(b) of this section;
 - (c) The material meets the advertising standards established in subsection (2) of this section;
 - (d) Written approval by the following is submitted to the commission:
 - 1. The managing owner of the horse, or authorized agent of the managing owner;
 - 2. The jockey riding the horse or the authorized agent of the jockey;
 - 3. The licensed racing association, which shall grant approval if it reasonably determines the material meets the standards in subsection (2)(a) of this section; and
 - 4. The stewards, who shall grant approval if they reasonably determine the material meets the standards in subsections (2)(b) and (3) of this section; and
 - (e) Written approval required pursuant to subsection (1)(d) of this section is evidenced by completion and return to the commission of the Request to Wear Advertising and Promotional Materials, form KHRC-4-070-1. The form shall be completed and submitted to the stewards not later than 5 p.m. at least two (2) days prior to the day of the race in which the advertising and promotional materials will be worn. Other forms of approval shall not be accepted by the commission.
- (2) Advertising or promotional material displayed on jockey clothing shall:
- (a) Not compete with, conflict with, or infringe upon sponsorship agreements applicable to the racing association race or to the race meet in progress; and
 - (b) Comply with the following size restrictions:
 - 1. A maximum of thirty-two (32) square inches on each thigh of the pants on the outer side between the hip and knee and ten (10) square inches on the rear of the pant at the waistline at the base of the spine;
 - 2. A maximum of twenty-four (24) square inches on boots and leggings on the outside of each nearest the top of the boot; and

3. A maximum of six (6) square inches on the front center of the neck area (on a turtleneck or other undergarment).
- (3) A sponsorship shall not be permitted by a person or entity whose message, business reputation, or ongoing business activity could be considered as obscene or indecent to a reasonable person.
- (4) Any party who fails to comply with this or any other provision established in this administrative regulation shall be subject to penalties by the commission in accordance with KRS Chapter 230 and KAR Title 810.
- (5) As a condition for approval of advertising or promotional material, either the owners, the stewards, or the licensed racing association may require a personal viewing of the proposed material as it is to be displayed, to determine compliance with this section.
- (6) The sponsor of a licensed racing association race or race meeting may display advertising or promotional material on an association saddlecloth if it does not interfere with the clear visibility of the number of the horse.
- (7) Advertising content other than that approved in accordance with this administrative regulation shall not be permitted.
- (8) This administrative regulation shall not infringe upon or limit the common law rights of a racing association to eject or exclude persons, licensed or unlicensed, from association grounds, or to apply the association's internal rules regarding other forms of advertising not addressed in this or any other applicable statute or administrative regulation, if the internal rules have been previously filed with and approved by the commission or its authorized representative.

Section 17. Race Replay.

- (1) Every rider shall check the race replay list posted by the stewards in the jockey room the day after riding in a race.
- (2) The posting of the race replayfilm list shall be considered as notice to all riders whose names are listed to present themselves when designated by the stewards to view the race replay.
- (3) Any rider may be accompanied by a representative of the jockey organization of which he or she is a member in viewing the race replay or, with the stewards' permission, be represented at the viewing by his or her designated representative.

Section 18. Material Incorporated by Reference.

- (1) "Request to Wear Advertising and Promotional Material", KHRC 4-070-1, 11/2018.
- (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at the Kentucky Horse Racing Commission, 4063 Iron Works Parkway, Building B, Lexington, Kentucky, Monday through Friday, 8 a.m. to 4:30 p.m.
- (3) This material may also be obtained from the Kentucky Horse Racing Commission Web site at <http://khrc.ky.gov>.

JONATHAN RABINOWITZ, Chairman
RAY PERRY, Secretary

APPROVED BY AGENCY: November 13, 2023

FILED WITH LRC: November 15, 2023 at 11:15 a.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held at 9:00 a.m. on January 22, 2024 at 4047 Iron Works Parkway, Lexington, Kentucky 40511. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A

transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 11:59 p.m. on January 31, 2023. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.

CONTACT PERSON: Jennifer Wolsing, General Counsel, 4047 Iron Works Parkway, Lexington, Kentucky 40511, phone +1, (859) 246-2040, fax +1 (859) 246-2039, email jennifer.wolsing@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Contact Person:Jennifer Wolsing

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This regulation sets forth the requirements and responsibilities imposed upon jockeys and apprentice jockeys who participate in racing in Kentucky.

(b) The necessity of this administrative regulation:

This regulation is necessary to set forth the rules and requirements to participate as a jockey or apprentice jockey in horse racing in Kentucky.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 230.215(2) and 230.260(8) authorize the Commission to promulgate administrative regulations prescribing the conditions under which racing shall be conducted in Kentucky. KRS 230.260(10) requires the Commission to promulgate administrative regulations establishing minimum fees for jockeys in absence of a contract. KRS 230.210(14) requires the Commission to promulgate administrative regulations that establish safety standards for jockeys.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This administrative regulation assists in the effective administration of statutes by setting forth jockey and apprentice requirements that ensure and enhance the safety and integrity of racing in Kentucky.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation:

This amendment will modernize the jockey fees established in Section 8. Jockey Fees in Thoroughbred Racing. The proposed amendment is approved by the Kentucky Thoroughbred Association/Kentucky Thoroughbred Owners and Breeders ("KTA/KTOB"), as well as the Kentucky Horsemen's Benevolent and Protective Association ("KHBPA") and the Jockeys' Guild.

(b) The necessity of the amendment to this administrative regulation:

These amendments are necessary to update jockey fees in our regulation to establish parity with jockey and apprentice fees in other states.

(c) How the amendment conforms to the content of the authorizing statutes:

KRS 230.260(10) requires the Commission to promulgate administrative regulations establishing minimum fees for jockeys in absence of a contract.

(d) How the amendment will assist in the effective administration of the statutes:

KRS 230.260(10) requires the Commission to promulgate administrative regulations establishing minimum fees for jockeys in absence of a contract.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

The KHRC, owners, jockeys, and apprentices are affected by this regulation. Owners will have the flexibility to negotiate different rates with jockeys and apprentices if preferred. In 2023, the KHRC had 5,278 owner licenses, 174 jockey licenses, and 17 jockey apprentice licenses. This figure remains consistent from year to year.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:

Horse owners will be required to pay jockeys and apprentice jockeys in accordance with this regulation or negotiate a different fee schedule with the jockey or apprentice.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

If the owner and the jockey/apprentice do not negotiate a different amount, then jockeys will be paid as follows for races in which the purses are up to \$99,999: 10% for the winning mount; greater than 5% or \$140, whichever is greater for the second place mount; greater than 5% or \$135, whichever is greater for the third place mount; greater than 5% or \$130, whichever is greater for the fourth place mount; and \$125 for a losing mount. Jockeys will be paid as follows for races in which the purses are between \$100,000 and \$999,999: 10% for the winning mount; 5% for the second, third, and fourth place mounts; and \$125 for a losing mount. Jockeys will be paid as follows for races in which the purses are \$1 million and up: 10% for the winning mount; 5% for the second, third, and fourth place mounts; and \$500 for a losing mount.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

Jockeys and apprentices in Kentucky will be paid commensurately with jockeys and apprentices in other states. This will allow Kentucky to remain a competitive state for jockeys and attract the best jockeys.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially:

There is no initial cost to implement this amendment.

(b) On a continuing basis:

There is no continuing cost to implement this amendment.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

Any costs incident to the issuance of licenses will be funded through the Commission's budget.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

No increase in fees or funding will be necessary to implement this administrative regulation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

This amendment increases fees between stakeholders, as it requires owners to pay jockeys and apprentices according to a different compensation model.

(9) TIERING: Is tiering applied?

Tiering is not applied because the amended regulation will apply to all similarly situated entities in an equal manner.

FISCAL NOTE

(1) What units, parts, or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation?

The Kentucky Horse Racing Commission will be impacted by this regulation.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation.

KRS 230.215(2), 230.260(8), 230.260(10), and 230.260(14).

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year?

This regulation may generate additional revenue for state government for its first year, as a result of more jockey and apprentice licenses being issued, due to Kentucky working to stay competitive with other states. This regulation will not generate additional revenue for local governments during its first year.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years?

This regulation may generate additional revenue for state government for subsequent years, as a result of more jockey and apprentice licenses being issued, due to Kentucky working to stay competitive with other states. This regulation will not generate additional revenue for local governments during subsequent years.

(c) How much will it cost to administer this program for the first year?

No additional funds will be required to administer this regulation for the first year.

(d) How much will it cost to administer this program for subsequent years?

No additional funds will be required to administer this regulation for subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-):Some revenue may be generated for state government, as a result of more licenses being issued.

Expenditures (+/-):Neutral

Other Explanation:

None

(4) Estimate the effect of this administrative regulation on the expenditures and cost savings of regulated entities for the first full year the administrative regulation is to be in effect.

(a) How much cost savings will this administrative regulation generate for the regulated entities for the first year?

This regulation will not generate cost savings for regulated entities during the first year.

(b) How much cost savings will this administrative regulation generate for the regulated entities for subsequent years?

This regulation will not generate cost savings for regulated entities during subsequent years.

(c) How much will it cost the regulated entities for the first year?

This regulation may cost horse owners a nominal sum during the first year, but that cost will be offset by the wage gains for jockeys and apprentices.

(d) How much will it cost the regulated entities for subsequent years?

This regulation may cost horse owners a nominal sum during subsequent years, but that cost will be offset by the wage gains for jockeys and apprentices.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Cost Savings (+/-):\$0.00

Expenditures (+/-):\$0.00

Other Explanation:

N/A

(5) Explain whether this administrative regulation will have a major economic impact, as defined below.

"Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)] As set forth above, this regulation will not have a major economic impact on state government, local government, or regulated entities.