

KENTUCKY HORSE RACING AND GAMING CORPORATION
(New Administrative Regulation)

810 KAR 7:080. Kentucky Quarter Horse Development Fund.

RELATES TO: KRS 138.510, 230.215, 230.225, 230.443, 230.405

STATUTORY AUTHORITY: KRS 230.215(2), 230.260(8), 230.405

CERTIFICATION STATEMENT: This certifies that this administrative regulation complies with the requirements of 2025 RS HB 6, Section 8.

NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215 and 230.260 authorize the corporation to promulgate administrative regulations establishing the conditions under which horse racing shall be conducted in Kentucky and to fix and regulate the minimum amount of purses, stakes, or awards to be offered for the conduct of any horse race meeting. KRS 230.405 establishes the Kentucky Quarter Horse development fund and requires the corporation to promulgate administrative regulations to carry out the purpose of the statute and to administer the development fund in a manner to promote and aid in the development of the horse industry in Kentucky, upgrade the quality of racing in Kentucky, and to improve the quality of horses bred in Kentucky. This administrative regulation establishes eligibility standards, administrative practices to enforce the standards, and the administration of purses and payments in these races.

Section 1. Definitions.

- (1) "AI" means artificial insemination
- (2) "AQHA" means the American Quarter Horse Association.
- (3) "Broodmare" means a mare that conceives and carries her genetic foal to term.
- (4) "Donor mare" means the mare from which an embryo is harvested for the purpose of performing an embryo transfer.
- (5) "ET" means an embryo transfer where an embryo is harvested from a donor mare and implanted into a recipient mare who carries the non-genetic foal to term.
- (6) "Fund" means the Kentucky Quarter Horse Development Fund established by KRS 230.405.
- (7) "Kentucky bred" means a horse that meets the requirements of this administrative regulation and is:
 - (a) A Quarter Horse registered with the AQHA or its successor;
 - (b) A Quarter Horse registered with the KYQHRA or its successor.
- (8) "KQHDF" means the Kentucky Quarter Horse Development Fund, established by KRS.230.405.
- (9) "KYQHRA" means the Kentucky Quarter Horse Racing Association, as the official registrar for the KQHDF pursuant to KRS 230.405
- (10) "Mare" means a broodmare, donor mare, or recipient mare.
- (11) "Qualified breeder" means the breeder of record according to the AQHA.
- (12) "Qualified winner" means a quarter horse registered with the AQHA, registered with the KQHDF, declared the official winner of an eligible race by the stewards and is not eligible to be claimed in that race.
- (13) "Recipient mare" means a mare of any breed who:
 - (a) Is implanted with an embryo from a donor mare;
 - (b) Carries the non-genetic foal to term; and
 - (c) Is implanted with an electronic horse identification microchip that accurately identifies the horse and is compliant with international standards ISO 11784.
- (14) "Stallion" means a stallion registered with the KYQHRA

Section 2. Advisory Committee. The KQHDF advisory committee shall consist of five (5) members, all of whom shall be Kentucky residents, to be appointed by the chairman of the

corporation by July 1 of each year. The committee shall consist of one (1):

- (1) Member of the corporation; and
- (2) Officer or director of a licensed racing association in Kentucky conducting Quarter Horse racing; and
- (3) Owner of a horse nominated to the fund; and
- (4) Owner of a mare registered with the fund; and
- (5) Member of the Kentucky Quarter Horse Racing Association recommended by that organization's board of directors.

Section 3. Mare Eligibility.

(1) In order for a foal to be eligible to earn money from the fund, the broodmare or both the donor and recipient mare shall be registered with the fund on or before December 31 of the year of conception. Late mare registration may be accepted on or before July 1 of the foaling year as established by subsection (7) of this section.

(a) Beginning in 2025, and ending in 2028, a mare bred in another state and brought back to Kentucky to foal may be eligible for moneys from the fund. The pregnant mare shall register with the fund, be in Kentucky 30 days prior to foaling, foal in Kentucky and have the resulting foal registered as a Kentucky-bred quarter horse.

(b) To maintain eligibility of the first foal, the mare must reregister and be bred back that same foaling year to a Kentucky registered stallion, remain in the state of Kentucky a minimum of 180 days during that year of conception, foal in Kentucky and register the second resulting foal as a Kentucky-bred. Both foals shall then remain eligible as Kentucky-breds by fulfilling the remaining requirements of this regulation.

(c) Pregnant mares from another state who fail to have a viable foal, fail to breed back or lose one of the two foals to natural causes may maintain their eligibility along with the remaining foal's eligibility by providing to the KYQHRA proper medical documentation, verified by a licensed veterinarian, as to why a foal passed, the mare did not take or documentation as to why the mare aborted. The mare shall remain in Kentucky for a period no less than 180 days only if there is a remaining foal on the ground or in utero sought to be eligible.

(d) Foals born in 2025 from a mare bred in another state may late register by filling out a Late Mare Registration Form 7-080-2, Late Stallion Registration Form 7-080-4, paying half of those late nomination fees by July 1, 2026, and shall register the resulting foal as a Kentucky-bred. The mare and foal shall then fulfill the additional requirements in Section (1)(a), (b) and (c).

(e) Registration Deadlines for mares bred in 2025, with resulting foals of 2026, shall be extended to July 1, 2026, without penalty, by submitting both a Mare Registration Form 7-080-1 and Stallion Registration Form 7-080-3 with corresponding payments.

(2) A mare shall be bred naturally, by AI or by ET in the state of Kentucky and foal in the state of Kentucky.

(3) In order to be eligible to be registered with the fund, a pregnant mare, shall reside in Kentucky for a period no less than 180 days during the year of conception.

(4) Registrations shall be received by the KYQHRA by close of business or postmarked on the date of the deadline. If that deadline falls on a non-business day or federal holiday the deadline shall extend to the next business day.

(5) Breeding involving an ET:

(a) A donor mare and recipient mare shall both be registered; and

(b) A recipient mare shall be microchipped; and

(c) A maximum of two (2) ET's, bred to a single stallion, may be done in a single breeding season as determined by the owner of the donor mare.

(d) A donor mare may also carry her own genetic foal to term and if she has natural twins, they both shall be eligible to the fund.

- (6) A mare shall be registered with the fund by:
 - (a) Completing and filing with the KYQHRA a Kentucky Quarter Horse Development Fund Mare Registration Form, KHRGC 7-080-1; and
 - (b) Providing a photocopy of:
 - 1. The mare's official breed registration papers from the AQHA; and
 - 2. Documentation regarding a recipient mare's electronic horse identification; and
 - 3. A stallion breeding report from AQHA
- (7) A late mare shall be registered with the fund by:
 - (a) Completing and filing with the KYQHRA a Kentucky Quarter Horse Development Fund Late Mare Registration Form, KHRGC 7-080-2; and
 - (b) Providing a photocopy of:
 - 1. The mare's official breed registration papers from the AQHA; and
 - 2. Documentation regarding a recipient mare's electronic horse identification; and
 - 3. A stallion breeding report from AQHA

Section 4. Stallion Eligibility.

- (1) In order for a foal to be eligible to earn money from the fund, the stallion shall be registered with the fund on or before December 31 of the year of conception. Late stallion registration may be accepted on or before July 1 of the foaling year as established by subsection (4) of this section.
- (2) Stallions do not have to reside in the state of Kentucky to maintain eligibility and may breed by artificial insemination.
- (3) A stallion shall be registered with the fund by:
 - (a) Completing and filing with the KYQHRA a Kentucky Quarter Horse Development Fund Stallion Registration Form, KHRGC 7-080-3; and
 - (b) Providing a photocopy of:
 - 1. The stallion's official breed registration papers from the AQHA; and
 - 2. A stallion breeding report from AQHA
- (4) A late stallion shall be registered with the fund by:
 - (a) Completing and filing with the KYQHRA a Kentucky Quarter Horse Development Fund Late Mare Registration Form, KHRGC 7-080-4; and
 - (b) Providing a photocopy of:
 - 1. The stallion's official breed registration papers from the AQHA; and
 - 2. A stallion breeding report from AQHA

Section 5. Nomination. In order for a horse to be eligible to earn money from the fund it shall be registered at the time of entry for an eligible race, "Kentucky bred" as defined by Section 1 of this administrative regulation and shall be nominated to the fund by:

- (1) Completing and filing with the KYQHRA a Kentucky Quarter Horse Development Fund Nomination Form, KHRGC 7-080-5 and;
- (2) Providing the KYQHRA with a photocopy of the horse's official AQHA registration.

Section 6. Purse Structure.

- (1) Each licensed association shall submit its KQHDF purse structure proposal to the KQHDF advisory committee for approval at least forty-five (45) days prior to the opening day of the live race meet.
- (2) The KQHDF advisory committee shall review the proposed purse structure and make a recommendation to the corporation whether to approve the proposal based upon the best interests of Kentucky racing.

Section 7. Reconciliation.

- (1) Each licensed association shall file with the corporation a copy of the pari-mutuel tax form filed with the Department of Revenue, along with a copy of the check submitted for each report. These reports shall be filed weekly.

- (2) The corporation shall reconcile the weekly reports submitted by the licensed association with the Department of Revenue's reports and deposit monthly.
- (3) If at the close of a live race meet, a licensed association has a surplus balance of KQHDF monies earned pursuant to KRS 230.405, then the licensed association may request to distribute a portion of that balance, contingent on the recommendation of the KQHDF Advisory Committee and the approval of the corporation to:
 - (a) Supplement purses at future live race meets held by that licensed association; or
 - (b) Fund supplemental purse structures approved by the corporation for a previous live race meet held by the licensed association to the recipients of the original purse allocation; or
 - (c) Supplement quarter horse purses at another licensed Kentucky racetrack conducting quarter horse racing.
- (4) Reasonable and customary administrative charges for time spent reconciling the KQHDF account may be charged by the corporation.
- (5) A licensed association, at its option, may pay reasonable advertising charges billed to the association by the KYQHRA from the association's KQHDF available balance, if the advertising charges are consistent with the intent of the KQHDF. Approval of any advertising payment shall be contingent on the recommendation of the KQHDF Advisory Committee and the approval of the corporation.
- (6) Each licensed association shall submit its purses paid reports, advertising invoices, or any other documentation requested by the corporation, pertinent to reimbursement, within fifteen (15) calendar days after the last day of a live race meet. Each licensed association shall sign an acknowledgment from the corporation stating that it accepts and agrees with the reconciliation prior to the reimbursement of any KQHDF funds.

Section 8. Breeder Awards.

- (1) An incentive of \$5,000 shall be awarded to the qualified breeder of the qualified winner of the following quarter horse race types with a minimum purse of \$15,000:
 - (a) Grade I, II or III stakes race, as defined by the AQHA Graded Stakes Committee anywhere in the USA;
 - (b) Non-Grades stakes race, as defined by the AQHA, anywhere in the USA;
 - (c) Allowance race, as defined by the AQHA, anywhere in the USA;
 - (d) Maiden race, as defined by the AQHA, anywhere in the USA.
- (2) Any race with a claiming component shall not be eligible.
- (3) The qualified breeder of a qualified winner shall be notified by the corporation of an eligible award by July 1st the year after the eligible race was won.
- (4) The qualified breeder shall have until December 31st of the year after the eligible race was won to claim the award by submitting to the corporation a completed Kentucky Quarter Horse Development Fund Breeder Award Claim Form, KHRGC 7-080-6. Any award not claimed shall roll back into the KQHDF.

Section 9. Shortfall and Bonus Calculation.

- (1) Purses approved in Section 6 of this administrative regulation, shall be paid first.
- (2) If, at the close of any calendar year, inadequate funding is available in the KQHDF to fund the awards provided for in Section 8 of this administrative regulation, the funding shall be decreased proportionally among all awards.
- (3) If, at the close of any calendar year, extra funding is available in the KQHDF a bonus to breeders winning awards in Section 8 of this administrative regulation may be provided; contingent on the recommendation of the KQHDF Advisory Committee and the approval of the corporation.

JONATHAN RABINOWITZ, Chair

APPROVED BY AGENCY: July 14, 2025

FILED WITH LRC: July 14, 2025 at 1:44 p.m.

PUBLIC HEARING AND COMMENT PERIOD: A public hearing on this administrative regulation shall be held on September 24, 2025, at 9:00 a.m. at Kentucky Horse Racing & Gaming Corporation, 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 was received by that date, the hearing may be cancelled. 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 September 30, 2025. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Ashleigh Bailey, General Counsel, Kentucky Horse Racing & Gaming Corporation, 4047 Iron Works Parkway, Lexington, Kentucky 40511, phone (859) 246-2040, fax (859) 246-2039, email Ashleigh.Bailey@ky.gov