

230.405 Kentucky quarter horse development fund -- Contributions -- Purposes -- Distribution -- Supplemental purses -- Official registrar -- Administrative regulations.

- (1)
 - (a) There is hereby created a corporate account for the Kentucky Horse Racing and Gaming Corporation, designated as the Kentucky quarter horse development fund, consisting of moneys allocated to the fund under KRS 230.3771 together with any other moneys contributed to or allocated to the fund from all other sources.
 - (b) For the purposes of this section, "development fund" or "fund" means the Kentucky quarter horse development fund.
 - (c) Moneys to the credit of the development fund shall be transferred in the following order:
 1. Twenty-five thousand dollars (\$25,000) each fiscal year to the Kentucky problem gambling assistance account established in KRS 230.826; and
 2. Remaining moneys to be divided as follows:
 - a. At least ninety percent (90%) shall be allocated within Kentucky as set forth in this section; and
 - b. Up to ten percent (10%) for administration and operation of the corporation.
 - (d) Notwithstanding KRS 45.229, moneys to the credit of the fund at the end of the fiscal year shall not lapse but shall be carried forward in the fund to the succeeding fiscal year.
 - (e) Interest earnings of the fund shall become a part of the fund and shall not lapse.
- (2)
 - (a) The Kentucky Horse Racing and Gaming Corporation shall use the development fund to promote races, provide purses for races, and award breeders for horses bred and foaled in the Commonwealth.
 - (b) A foal of a pregnant mare bred in another state and brought back to Kentucky to foal beginning with the breeding year 2025 and ending with foals of the foaling year 2028 may be eligible for moneys from the fund. The pregnant mare shall foal in Kentucky and have the resulting foal registered as a Kentucky-bred quarter horse. Then the same mare, within the same calendar year of the first foal being born, may be bred in Kentucky and registered to the fund. If the mare foals a second time in Kentucky based on this breeding, the resulting foal shall be registered as a Kentucky-bred quarter horse.
 - (c) The corporation shall provide for distribution of moneys to the credit of the development fund to persons, corporations, or associations operating licensed tracks within Kentucky conducting quarter horse racing, on an equitable basis as determined by the corporation and in conformance with subsections (3) and (4) of this section.
- (3) The Kentucky Horse Racing and Gaming Corporation:
 - (a) Shall approve the amount of moneys to be paid from the development fund to be:

1. Added to the purse provided for each race by the licensed operator of the track; and
 2. Awarded to breeders of Kentucky-bred quarter horses that win races at licensed tracks in Kentucky;
- (b) Shall approve the dates and conditions of races to be held by licensed tracks; and
- (c) May promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the provisions of this section.
- (4) (a) Moneys from the fund shall be allocated to each licensed association in an amount equal to at least ninety percent (90%) of the amount the association contributed to the fund.
- (b) Any portion of a supplemental purse that is not awarded and paid over shall be returned to the fund.
- (c) The portion of the supplemental purse provided for any designated race shall be awarded and paid to the owner of the horse only if the horse is duly registered with the official registrar under this section.
- (5) (a) In order for an owner of a Kentucky-bred quarter horse to be eligible to demand, claim, and receive a portion of a supplemental purse provided by the Kentucky quarter horse development fund, the quarter horse in a designated race for which a supplemental purse has been provided by the Kentucky quarter horse development fund shall have been duly registered as a Kentucky-bred quarter horse with the official registrar of the Kentucky quarter horse development fund prior to entry in the race.
- (b) The Kentucky Quarter Horse Racing Association is hereby recognized and designated as the sole official registrar of the Kentucky quarter horse development fund for the purposes of registering Kentucky quarter horse stallions, quarter horse mares, and Kentucky-bred quarter horses in accordance with the terms of this section and any administrative regulations promulgated by the Kentucky Horse Racing and Gaming Corporation. When a Kentucky-bred quarter horse is registered with the official registrar, the registrar shall be authorized to stamp the American Quarter Horse Association certificate issued for the quarter horse with the seal of the registrar, certifying that the quarter horse is a duly qualified and registered Kentucky-bred quarter horse for purposes of this section. The registrar may establish and charge, with the approval of the corporation, reasonable registration fees for its services in the registration of Kentucky quarter horse stallions, quarter horse mares, and Kentucky-bred quarter horses. Registration records of the registrar shall be public records and open to public inspection at all normal business hours and times.
- (c) Any interested party aggrieved by the failure or refusal of the official registrar to register a stallion, mare, or quarter horse as a Kentucky stallion, mare, or Kentucky-bred quarter horse shall have the right to file with the registrar, within thirty (30) days of the failure or refusal of the registrar, a petition seeking registration of the quarter horse. The registrar shall promptly hear the matter de novo and issue its order.

- (6) The Kentucky Horse Racing and Gaming Corporation shall:
 - (a) Supervise registration of, or determine the eligibility of, horses entitled to entry in races which receive a portion of purse money from the development fund; and
 - (b) Determine the conditions, class, and quality of the fund-supported race program established to carry out the purposes of this section.
- (7) The corporation may promulgate administrative regulations in accordance with KRS Chapter 13A to carry out the provisions and purposes of this section and shall administer the Kentucky quarter horse development fund in a manner designed to:
 - (a) Promote and aid in the development of the quarter horse industry in Kentucky;
 - (b) Upgrade the quality of quarter horse racing in Kentucky; and
 - (c) Improve the quality of quarter horses bred in Kentucky.

Effective: March 27, 2025

History: Created 2025 Ky. Acts ch. 124, sec. 13, effective March 27, 2025.