

**230.225 Kentucky Horse Racing and Gaming Corporation -- Board of directors -- Annual audit -- Annual report -- Office -- Meetings -- Responsibilities -- Operations -- Limitations -- Administrative regulations.**

- (1) There is hereby created and established the Kentucky Horse Racing and Gaming Corporation to regulate all forms of live horse racing, pari-mutuel wagering, sports wagering, breed integrity and development, and on and after July 1, 2025, charitable gaming, in the Commonwealth, exclusive of the state lottery established under KRS Chapter 154A. It shall be an independent, de jure municipal corporation and political subdivision of the Commonwealth of Kentucky which shall be a public body corporate and politic. The corporation shall be deemed a public agency within the meaning of KRS 61.805 and 61.870. The corporation shall be managed in such a manner that enables the people of the Commonwealth to benefit from its actions and to enjoy the best possible racing and gaming experiences. The General Assembly hereby recognizes that the operations of racing and gaming are unique activities for state government and that a corporate structure will best enable racing and gaming to be managed in a businesslike manner. It is the intent of the General Assembly that the Kentucky Horse Racing and Gaming Corporation shall be accountable to the Governor, the General Assembly, and the people of the Commonwealth.
- (2)
  - (a)
    1. The Auditor of Public Accounts shall perform an audit of the corporation once every four (4) years, a copy of which shall be sent to the Governor and the Legislative Research Commission.
    2. A different auditing entity that is qualified to evaluate municipal corporations shall conduct an annual audit of the corporation once each year in every year when the Auditor of Public Accounts does not perform an audit. A copy of this audit shall be sent to the Governor and Legislative Research Commission.
    3. This first audit conducted under this subsection shall cover fiscal year 2024-2025.
  - (b) The corporation shall submit a written annual report to the Governor and the Legislative Research Commission on or before July 1 of each year. The first report shall be due July 1, 2025. The corporation shall file any additional reports requested by the Governor or the Legislative Research Commission. The annual report shall include the following information:
    1. The receipts and disbursements of the corporation; and
    2. Actions taken by the corporation.
  - (c) The corporation may submit any additional information and recommendations that the corporation considers useful or that the Governor or the Legislative Research Commission requests.
- (3) The Kentucky Horse Racing and Gaming Corporation shall be administered by a board of directors to regulate the conduct of:
  - (a) Live horse racing;
  - (b) Pari-mutuel wagering;
  - (c) Sports wagering;

- (d) Charitable gaming on and after July 1, 2025;
  - (e) Breed integrity and development; and
  - (f) Related activities within the Commonwealth of Kentucky.
- (4) (a) The corporation shall establish and maintain a general office for the transaction of its business and may, in its discretion, establish a branch office or offices.
- (b) The corporation may hold meetings at any of its offices or at any other place at its convenience.
- (c) A majority of the voting members of the corporation shall constitute a quorum for the transaction of its business or exercise of any of its powers.
- (5) Except as otherwise provided, the corporation shall be responsible for the following:
- (a) Developing and implementing programs designed to ensure the safety and well-being of horses, jockeys, and drivers;
  - (b) Developing programs and procedures that will fulfill its oversight and regulatory role on such matters as medical practices and integrity issues;
  - (c) Recommending tax incentives and implementing incentive programs to ensure the strength and growth of the equine industry;
  - (d) Designing and implementing programs that strengthen the ties between Kentucky's horse industry and the state's universities, with the goal of significantly increasing the economic impact of the horse industry on Kentucky's economy, improving research for the purpose of promoting the enhanced health and welfare of the horse, and other related industry issues;
  - (e) Developing and supporting programs which ensure that Kentucky remains in the forefront of equine research;
  - (f) Designing and implementing programs that support and ensure breed integrity and development;
  - (g) Developing monitoring programs to ensure the highest integrity of sporting events and sports wagering;
  - (h) Developing a program to share wagering information with sports governing bodies upon which sports wagering may be conducted. The program shall be designed to assist the corporation in determining potential problems or questionable activity and provide reports to sports governing bodies effectively;
  - (i) Developing programs and procedures that will fulfill its oversight and regulatory role to ensure the highest integrity in charitable gaming;
  - (j) Developing programs and procedures that will provide oversight and regulation for all current forms of gaming and wagering;
  - (k) Annually evaluating the allocation and use of funds among the purposes listed in KRS 230.3612 from unredeemed pari-mutuel vouchers; and
  - (l) Ensuring that the correct responsibilities are assigned to each of its offices as established in KRS 230.232.

- (6)
  - (a) The corporation shall conduct all procurements in accordance with procedures which are not inconsistent with the provisions of KRS Chapter 45A and this chapter; provided, however, that this chapter shall control if and to the extent that any provision in this chapter is expressly inconsistent with any provision of KRS Chapter 45A.
  - (b) The corporation may promulgate administrative regulations establishing its procurement procedures. If the corporation elects to promulgate administrative regulations establishing its procurement procedures rather than conduct procurements in accordance with KRS Chapter 45A, the corporation may include sections of KRS Chapter 45A as part of its administrative regulations.
  - (c) Major procurements for personal service contracts shall not be subject to the requirements of KRS 45A.695(2)(b) due to the unique operational activities conducted for state government by the corporation. The corporation's procurement procedures or administrative regulations shall be designed to provide for the purchase of supplies, equipment, services, and construction items that provide the greatest long-term benefit to the state and the greatest integrity for the corporation and the public.
  - (d) In its bidding and negotiation processes, the corporation may do its own bidding and procurement, or may utilize the services of the Finance and Administration Cabinet, or a combination thereof. The president of the corporation may, in lieu of the secretary of the Finance and Administration Cabinet, declare an emergency for purchasing purposes.
- (7) Corporation records shall be open and subject to public inspection in accordance with KRS 61.870 to 61.884 unless:
  - (a) A record is exempted from inspection under KRS 61.878;
  - (b) A record involves a trade secret or other legally protected intellectual property or confidential proprietary information of the corporation or of an applicant, licensee, individual, or entity having submitted information of such character to the corporation, in which case, the portion of the record relating to these subjects may be closed; or
  - (c) The disclosure of the record could impair or adversely affect the operational security of the corporation in the regulation of matters within its jurisdiction or could impair or adversely impact the operational security of applicants or licensees.
- (8) Meetings of the corporation through its board of directors shall be open to the public in accordance with KRS 61.800 to 61.850 unless the exceptions set forth in KRS 61.810 apply or the meeting addresses trade secrets, confidential or proprietary information, or operational security issues as described in subsection (7)(c) of this section. If this is the case, the corporation may meet in closed session and shall follow the procedures set forth in KRS 61.815.
- (9) The corporation may participate in all state agency price contracts to the same extent as agencies of the Commonwealth in accordance with KRS 45A.050(3).
- (10)
  - (a) The corporation is hereby authorized to accept and expend such moneys as

may be appropriated by the General Assembly or such moneys as may be received from any source for effectuating its purposes, including without limitation the payment of the initial expenses of administration and operation of the corporation.

- (b) After the transfer to the corporation of any funds appropriated in fiscal year 2024-2025 and fiscal year 2025-2026 for the administration of this chapter and KRS Chapter 238, the corporation shall be self-sustaining and self-funded and moneys in the state general fund shall not be used or obligated to pay the expenses of the corporation.
- (11) On July 1, 2024:
- (a) The Kentucky Horse Racing and Gaming Corporation shall assume all responsibilities of the Kentucky Horse Racing Commission;
  - (b) The Kentucky Horse Racing Commission shall be abolished and all employees of the Kentucky Horse Racing Commission are transferred to the corporation; and
  - (c) All personnel, equipment, and funding shall be transferred from the Kentucky Horse Racing Commission to the Kentucky Horse Racing and Gaming Corporation.
- (12) On July 1, 2025:
- (a) The office regulating charitable gaming in the Kentucky Horse Racing and Gaming Corporation shall assume all responsibilities of the Department of Charitable Gaming;
  - (b) The Department of Charitable Gaming shall be abolished and all employees of the Department of Charitable Gaming are transferred to the corporation; and
  - (c) All personnel, equipment, and funding shall be transferred from the Department of Charitable Gaming to the Kentucky Horse Racing and Gaming Corporation.
- (13) Notwithstanding any other law to the contrary, nothing in this chapter or KRS Chapter 238 shall authorize the corporation to:
- (a) Regulate or control horse sales;
  - (b) Require the licensure of horse breeders in their capacity as breeders;
  - (c) Prohibit or restrict any approved, either by statute or administrative regulation, game or charitable gaming activity in use in the Commonwealth as of July 1, 2025, without action by the Kentucky General Assembly; or
  - (d) Exercise jurisdiction over matters within the exclusive national authority of entities designated by the laws of the United States of America.

**Effective:** July 1, 2025

**History:** Amended 2025 Ky. Acts ch. 98, sec. 35, effective July 1, 2025; and ch. 124, sec. 3, effective July 1, 2025. -- Repealed and reenacted 2024 Ky. Acts ch. 171, sec. 4, effective July 1, 2024. -- Amended 2023 Ky. Acts ch. 147, sec. 7, effective June 29, 2023. -- Amended 2018 Ky. Acts ch. 9, sec. 1, effective July 14, 2018. -- Repealed, reenacted, and amended 2017 Ky. Acts ch. 54, sec. 1, effective June 29, 2017. -- Amended 2010 Ky. Acts ch. 24, sec. 446, effective July 15, 2010. --

Amended 2009 Ky. Acts ch. 16, sec. 58, effective June 25, 2009. -- Amended 2004 Ky. Acts ch. 191, sec. 3, effective July 13, 2004. -- Created 1992 Ky. Acts ch. 109, sec. 1, effective March 30, 1992.

**Legislative Research Commission Note** (7/1/2025). This statute was amended by 2025 RS HB 566 (2025 Ky. Acts ch. 124, sec. 3), which was subsequently amended by 2025 RS HB 775 (2025 Ky. Acts ch. 98, sec. 35). The amendments have been codified together.