

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2022 REGULAR SESSION
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Amend printed copy of **HB 606/GA**

On page 5, line 6, to page 7, line 15, delete Section 3 in its entirety and insert the following in lieu thereof:

"➔SECTION 3. A NEW SECTION OF KRS CHAPTER 239A IS CREATED TO READ AS FOLLOWS:

(1) (a) The cabinet shall promulgate administrative regulations for the operation of fantasy contests as necessary to enforce the provisions of this chapter.

(b) The cabinet shall promulgate the administrative regulations listing the requirements for registration within one hundred eighty (180) days of the effective date of this Act.

(2) The cabinet may consider all applications for registration and may issue a valid registration to an applicant that meets the criteria set forth in Section 2 of this Act and any administrative regulations promulgated by the cabinet.

(3) (a) The cabinet shall have thirty (30) days after receiving an initial application to issue a registration or deny the application.

(b) The cabinet shall prepare and issue a written statement setting forth the reasons why an application for registration has been denied.

(4) The cabinet may revoke, deny, or suspend the registration of a fantasy contest operator if it finds that:

Amendment No. SFA

Rep. Sen. Whitney Westerfield

Committee Amendment _____

Signed: _____

Floor Amendment _____

LRC Drafter: _____

Adopted: _____

Date: _____

Rejected: _____

Doc. ID: XXXX

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- (a) Any partner, member, officer, principal stockholder, or director of the operator has been convicted of a felony in this state, a felony in another state which would be a felony if committed in this state, or a felony under the laws of the United States. For purposes of this paragraph, the term "convicted" means having been found guilty, regardless of adjudication of guilt, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere; or
- (b) Any fantasy contest operator has:
1. Violated any order of the secretary or any of the provisions set forth in this chapter;
 2. Failed to meet the requirements for registration under this chapter; or
 3. Used fraud, misrepresentation, or deceit in applying for or attempting to apply for a registration or otherwise in operating or offering to operate a fantasy contest.
- (5) The cabinet shall promulgate administrative regulations that address the following details relating to suspensions, with an emphasis on limiting registrations in the interest of public safety:
- (a) The length of suspensions;
 - (b) How and why suspensions may vary depending on the nature of the violation;
 - (c) The reinstatement process if a person may be reinstated;
 - (d) The standard of review for reinstatement, which shall be more stringent than the standard of review applied to new applicants;
 - (e) The length of the probationary period after reinstatement and how that period may vary depending on the number or type of offenses; and
 - (f) The type of prior offense history that leads to revocation rather than suspension.

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- (6) If it appears to the secretary, based upon credible evidence presented in a written complaint, that a person is operating or offering to operate a fantasy contest without being registered, the secretary may issue an order to cease and desist the activity.**
- (7) The secretary shall set forth in the order:**
- (a) The statutes and administrative regulations alleged to have been violated;**
 - (b) The facts alleged to have constituted the violation; and**
 - (c) The requirement that all unauthorized practices immediately cease.**
- (8) (a) Within ten (10) days after service of the order to cease and desist, the person may request a hearing on the question of whether acts or practices in violation of this section have occurred. The hearing shall be conducted pursuant to KRS Chapter 13B.**
- (b) The person may appeal the final order of the cabinet to the Circuit Court within thirty (30) days of the hearing.**
- (9) To verify whether the cabinet is not spending more than what is necessary to cover administrative expenses, on June 30 of each year, the cabinet shall submit to the Legislative Research Commission and the Interim Joint Committee on Licensing, Occupations, and Administrative Regulations a written report detailing financial transactions, including:**
- (a) The number of applications received;**
 - (b) The number of applications approved;**
 - (c) The number of applications denied;**
 - (d) The amount of funds received from initial registration fees;**
 - (e) The amount of funds received from annual renewal fees; and**
 - (f) The amount of funds expended to enforce this chapter."; and**

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On page 37, line 9, delete "Franklin".