

1 AN ACT relating to sports wagering.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 230.805 is amended to read as follows:

- 4 (1) The corporation shall institute a system of sports wagering in conformance with  
5 federal law, this chapter, and by administrative regulations promulgated under the  
6 authority of KRS 230.215.
- 7 (2) Sports wagering shall not be offered in this state except as authorized by this  
8 section and KRS 230.811. A track that holds a license to operate sports wagering  
9 may contract with sports wagering service providers to conduct or manage sports  
10 wagering operations as authorized by this chapter. Sports wagering may be  
11 provided at a licensed facility for sports wagering or online through a website or  
12 mobile application. The licensed facility for sports wagering or a sports wagering  
13 service provider may provide sports wagering through a website or mobile interface  
14 as approved by the corporation. The corporation may provide temporary licenses to  
15 licensed facilities for sports wagering or sports wagering service providers, if the  
16 corporation deems that the information submitted by them is sufficient to determine  
17 the applicant's suitability. The corporation shall promulgate administrative  
18 regulations to establish the suitability for temporary and ordinary license  
19 applications for licensed facilities for sports wagering, sports wagering service  
20 providers, and any related parties.
- 21 (3) Sports wagering licensees and service providers that accept wagers online via  
22 websites and mobile applications shall impose the following requirements:
- 23 (a) Prior to placing a wager online via websites or mobile applications operated  
24 by either a sports wagering licensee or a service provider, a patron shall  
25 register the patron's sports wagering account with the operating sports  
26 wagering licensee or service provider either in person at a licensed facility for  
27 sports wagering or remotely through the service provider's website or mobile

1 application;

2 (b) 1. The registration process shall include attestation that the patron meets  
3 the requirements to place a wager with a sports wagering licensee or  
4 service provider in this state.

5 2. Prior to verification of a patron's identity, a sports wagering licensee or  
6 service provider shall not allow the patron to engage in sports wagering,  
7 make a deposit, or process a withdrawal via the patron's sports wagering  
8 account.

9 3. A sports wagering licensee or service provider shall implement  
10 commercially and technologically reasonable procedures to prevent  
11 access to sports wagering by any person under the age of eighteen (18):

12 a. At a licensed facility; and

13 b. Online via website or mobile application.

14 4. A sports wagering licensee or service provider may use information  
15 obtained from third parties to verify that a person is authorized to open  
16 an account, place wagers, and make deposits and withdrawals;

17 (c) A sports wagering licensee or service provider shall adopt an account  
18 registration policy to ensure that all patrons are authorized to place a wager  
19 with a sports wagering licensee or service provider within the Commonwealth  
20 of Kentucky. This policy shall include, without limitation, a mechanism by  
21 which to:

22 1. Verify the name and age of the patron;

23 2. Verify that the patron is not prohibited from placing a wager; and

24 3. Obtain the following information:

25 a. A physical address other than a post office box;

26 b. A phone number;

27 c. A unique user name; and

- 1                   d.    An e-mail account;
- 2           (d)   A sports wagering licensee or service provider shall use all commercially and  
3           technologically reasonable means to ensure that each patron is limited to one  
4           (1) account with that service provider in the Commonwealth, but nothing in  
5           this paragraph restricts a patron from holding other sports wagering accounts  
6           in other jurisdictions;
- 7           (e)   A sports wagering licensee or service provider, in addition to complying with  
8           state and federal law pertaining to the protection of the private, personal  
9           information of patrons, shall use all other commercially and technologically  
10          reasonable means to protect this information consistent with industry  
11          standards;
- 12          (f)   A sports wagering licensee or service provider shall use all commercially and  
13          technologically reasonable means to verify the identity of the patron making a  
14          deposit or withdrawal;
- 15          (g)   A sports wagering licensee or service provider shall utilize geolocation or  
16          geofencing technology to ensure that wagers are only accepted from patrons  
17          who are physically located in the Commonwealth. A sports wagering licensee  
18          or service provider shall maintain in this state its servers used to transmit  
19          information for purposes of accepting or paying out wagers on a sporting  
20          event placed by patrons in this state;
- 21          (h)   A patron may fund the patron's account using any acceptable form of payment  
22          or advance deposit method, which shall include the use of cash, cash  
23          equivalents, credit cards, debit cards, automated clearing house, other  
24          electronic methods, and any other form of payment authorized by the  
25          corporation; and
- 26          (i)   The corporation may enter into agreements with other jurisdictions or entities  
27          to facilitate, administer, and regulate multijurisdictional sports betting by

1 sports betting operators to the extent that entering into the agreement is  
2 consistent with state and federal laws and the sports betting agreement is  
3 conducted only in the United States.

4 (4) A track may contract with no more than three (3) service providers at a time to  
5 conduct and manage services and technology which support the operation of sports  
6 betting both on the track and online via websites and mobile applications. The  
7 website or mobile application used to offer sports betting shall be offered only  
8 under the same brand as the track or that of the service provider contracted with the  
9 track, or both.

10 (5) A track or service provider through an agreement with a licensed track shall not  
11 offer sports wagering until the corporation has issued a sports wagering license to  
12 the track, except for temporary licenses authorized under KRS 230.814.

13 (6) (a) A track licensed under KRS 230.811 may offer sports wagering at a facility  
14 that meets the definition of "track" in KRS 230.210.

15 (b) A simulcast facility may offer sports wagering through an agreement with a  
16 track by using any of that track's already established service providers.