

KENTUCKY GENERAL ASSEMBLY AMENDMENT FORM
2026 REGULAR SESSION
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Amend printed copy of **HB 904/HCS 1**

On page 4, line 16, after "activity", insert ", except that the bookmaker may apply Tattersalls rules to ensure fair settlement"; and

On page 8, delete lines 14 to 20 in their entirety, and insert the following in lieu thereof:

"(a) Means an individual that is restricted from participating in fantasy contests:

1. Where the individual's profession or relationship gives the individual access to nonpublic information that could affect the outcome of a fantasy contest;

or

2. For any reason the individual may have access to nonpublic information that could affect the outcome of a fantasy contest;"; and

On page 10, line 12, delete "(i.e., meeting" and insert in lieu thereof "(e.g., f.i.e.), meeting"; and

On page 12, lines 12 to 13, after "Corporation", delete "or any other state regulatory authority and"; and

On page 12, line 14, after "or", delete "interactive"; and

On page 12, line 19, after "The", delete "Cabinet for Health and Family Services", and insert "Office of the Attorney General or applicable administrative body" in lieu thereof; and

On page 12, delete lines 24 and 25 in their entirety, and insert the following in lieu thereof:

"(b) 1. Transmit an updated registry to the corporation on a monthly basis, or more

Amendment No. HFA 4

Rep. Rep. Michael Meredith

Committee Amendment _____

Signed: _____

Floor Amendment _____

LRC Drafter: _____

Adopted: _____

Date: _____

Rejected: _____

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frequently as practicable.

2. Upon receipt of the updated registry, the corporation shall disseminate the registry to each licensed online gaming operator."; and

On page 13, line 15, delete "*Cabinet for Health and Family Services*" and insert "*Office of the Attorney General or applicable administrative body*" in lieu thereof; and

On page 13, delete lines 18 to 22 in their entirety; and

On page 13, line 23, delete "*(7)*" and insert "*(6)*" in lieu thereof; and

On page 13, line 23, after "*operator*", delete "*or the Kentucky Lottery Corporation*"; and

On page 14, line 1, delete "*(8)*" and insert "*(7)*" in lieu thereof; and

On page 14, lines 1 to 2, after "*operator*", delete "*or the Kentucky Lottery Corporation*";

and

On page 14, line 4, delete "*(9)*", and insert "*(8)*" in lieu thereof; and

On page 14, line 4, after "*authority*", delete "*and the Kentucky Lottery Corporation*"; and

On page 14, line 5, delete "*each*"; and

On page 14, line 9, delete "*(10)*" and insert "*(9)*" in lieu thereof; and

On page 14, delete lines 13 to 18 in their entirety, and insert the following in lieu thereof:

(1) The corporation shall promulgate administrative regulations in accordance with KRS Chapter 13A to govern the operation of fantasy contests and enforce Sections 4 to 13 of this Act, but the corporation shall not limit or restrict lawful fantasy contests solely by labeling them as sports wagering, except the corporation may classify a contest as sports wagering when warranted by its actual characteristics and consistent with state and federal law."; and

On page 20, line 18, after "*athlete*", insert "*or referee or other officiant*"; and

On page 20, line 19, after "*athlete*", insert "*or referee or other officiant*"; and

On page 21, delete lines 14 and 15 in their entirety, and insert the following in lieu thereof:

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"(1) (a) A fantasy contest service provider that is currently licensed as a sports wagering service provider under this chapter shall pay an:"; and

On page 21, delete lines 19 to 21 in their entirety, and insert the following in lieu thereof:

"(b) A fantasy contest service provider that is not currently licensed as a sports wagering service provider under this chapter shall pay an:"; and

Starting on page 22, line 22, to page 23, line 10, delete the text in its entirety and insert in lieu thereof the following:

"(1) (a) There is hereby established in the State Treasury a restricted account to be known as the fantasy contest administration fund. The fund shall consist of moneys received from the fees imposed by Section 11 of this Act, the monthly tax imposed on fantasy contest service providers, and state appropriations.

(b) 1. The amounts deposited in the fund shall be used as follows:

a. Ten percent (10%) of the receipts shall be distributed to the Kentucky Horse Racing and Gaming Corporation for the administration and operation of the corporation. The corporation shall prepare and submit a quarterly report to the Legislative Research Commission for referral to the Interim Joint Committee on Licensing, Occupations, and Administrative Regulations or to the Senate Standing Committee on Licensing and Occupations and the House Standing Committee on Licensing, Occupations, and Administrative Regulations, as appropriate, which includes the amounts received as well as the expenditures against those funds. This information shall also be included in the corporation's annual report required by Section 18 of this Act; and

b. Two and one-half percent (2.5%) of the funds shall be deposited in the

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**Kentucky problem gambling assistance account established in KRS
230.826.**

- 2. The remaining funds shall be deposited in the Kentucky permanent pension fund established in KRS 42.205.**
- 3. Any interest accruing to the fund shall become a part of the fund and shall not lapse.**

(2) Notwithstanding KRS 45.229, fund amounts not expended at the close of a fiscal year shall not lapse but shall be carried forward into the next fiscal year.

(3) Moneys deposited in the fund shall be:

(a) Used for the purposes set forth in this section; and

(b) Distributed as they are received on a rolling basis."; and

On page 30, line 13, after "**racing**", insert "**and all combination of bets of multiple individual wagers into one (1) bet that includes one (1) or more fixed-odds wagers on live horse racing**"; and

On page 30, line 15, after the first occurrence of "**pursuant**", delete "**paid pursuant**"; and

On page 30, line 17, after "events", insert "**, except any combination of bets of multiple individual wagers into one (1) bet that includes one (1) or more fixed-odds wagers on live horse racing**"; and

Starting on page 42, line 7, to page 43, line 7, delete the text in its entirety, and insert in lieu thereof the following:

"(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

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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.

(14) This section shall not prohibit the corporation from denying, suspending, or revoking a license, imposing probationary conditions on a license, issuing a written reprimand or warning, imposing fines or penalties, issuing cease and desist orders, or any combination thereof with regard to any licensee or person participating in charitable gaming in Kentucky for a violation of any federal or state statute, KRS Chapter 238, or any administrative regulation promulgated by the corporation pursuant to this chapter or KRS Chapter 238.

(15) The Attorney General has concurrent jurisdiction with the Commonwealth's attorneys and county attorneys of this state for the enforcement and prosecution of offenses under this chapter and KRS Chapter 238.

(16) (a) A licensee required to submit a report to the corporation under this chapter or KRS Chapter 238 shall submit with the report an attestation that the report is true, correct, and complete to the best of the applicant's knowledge and belief under penalty of perjury.

(b) Any information or data in the report provided to the corporation that is substantially misleading or containing materially false information shall be under penalty of refusal, suspension, or revocation of the license by the corporation."; and

On page 55, line 19, after "regulations", insert "**in accordance with KRS Chapter 13A**";

and

Starting on page 59, line 17, to page 60, line 5, delete subsection (5) in its entirety, and insert in lieu thereof the following:

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"(5) (a) The corporation shall as soon as practicable, but in no event later than November 1 in any calendar year, award dates for racing in the Commonwealth during the next year. In awarding dates, the corporation shall consider and seek to preserve each track's usual and customary dates, as these dates are requested. If dates other than the usual and customary dates are requested, the applicant shall include a statement in its application setting forth the reasons the requested dates are sought. Dates for the conduct of intertrack wagering shall be awarded as provided in KRS 230.377. ~~[In the event scheduled racing is canceled by reason of flood, fire, inclement weather, or other natural disaster or emergency, the corporation may award after November 1 additional racing dates to make up for those dates canceled.]~~

(b) After November 1, the corporation may authorize additional racing dates or otherwise make adjustments or amendments to the racing dates awarded if doing so is requested by the licensed association, supported by the applicable horsemen's group, deemed to be in the best interest of racing, and, if the change impacts the race dates of another licensed association, only with the affected licensed association's express written consent."; and

On page 63, between lines 24 and 25, insert:

"(c) This subsection shall not prevent an association or track that holds a license to conduct racing under this chapter, or its affiliate, from:

- 1. Leasing space to a charitable organization or nonprofit organization at a commercially reasonable rate; or*
- 2. Conducting raffles or other special limited charity fundraising events as authorized by the corporation.*"; and

On page 63, line 25, delete "(c)", and insert "(d)" in lieu thereof; and

On page 64, line 1, delete "(d)", and insert "(e)" in lieu thereof; and

On page 66, delete lines 12 to 14 in their entirety, and insert the following in lieu thereof:

"(6) (a) Licensed associations and tracks shall ensure all wagering is disabled simultaneously with, but not later than, the moment the starting gate is opened for commencement of a race.

(b) This subsection shall not prevent the parimutuel pools and odds from being updated after wagering is disabled to reflect all wagers that were placed up to the moment wagering is disabled."; and

On page 69, delete lines 23 to 25 in their entirety, and insert the following in lieu thereof:

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

(b) A track or association, or service provider through an agreement with a licensed track, shall not offer fixed-odds wagering until the corporation has issued a supplemental fixed-odds wagering license to the track."; and

On page 70, delete lines 3 to 7 in their entirety, and insert the following in lieu thereof:

"(7) (a) As used in this subsection, "minimum bet limit":

1. Means the amount a bettor can win, not how much can be staked or collected;
and

2. Includes that the minimum bet limit must be accepted by bookmakers on all fixed-odds wagers.

(b) A track or association licensed under this chapter may conduct fixed-odds wagering on horse racing with or without a service provider.

(c) A track or association or service provider licensed under this chapter shall have a mandatory minimum bet limit of at least one thousand dollars (\$1,000) per race.

(d) The betting menu shall be determined by the host track."; and

On page 70, delete lines 10 to 12 in their entirety, and insert the following in lieu thereof:

"(b) A sports wagering licensee or service provider shall not offer or accept any proposition bets on an individual performance statistic on athletes participating in collegiate sporting events for a collegiate team located in Kentucky if the successful outcome of the wager is contingent upon the athlete failing to meet a specified statistical threshold or experiencing a negative performance outcome."; and

On page 70, line 13, after "subsection", insert "and subsection (10) of this section"; and

On page 70, line 23, after "market", insert "in the Commonwealth of Kentucky"; and

On page 70, line 24, after "markets", insert "in the Commonwealth of Kentucky"; and

On page 71, line 2, after "market", insert "in the Commonwealth of Kentucky"; and

On page 71, line 5, after "market", insert "in the Commonwealth of Kentucky"; and

On page 71, between lines 5 and 6, insert:

"(10) (a) On and after July 1, 2027, a track or association that holds a license to conduct horse racing, sports wagering, or a licensee offering fantasy contests under this chapter or its affiliate shall not participate in or contract with platforms that offer events contracts through a prediction market or have a beneficial interest in the proceeds of prediction markets.

(b) On and after July 1, 2027, a track or association licensed to conduct horse racing, sports wagering, or a licensee offering fantasy contests under this chapter or its affiliate or an entity in which it has a beneficial interest shall not contract with a service provider that:

1. Offers events contracts through a prediction market; or

2. Owns, rents, licenses, advertises, operates, is partnered or affiliated with, or has a beneficial interest in, an entity that makes available to its users in any form a prediction market.

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(11) Notwithstanding subsections (9) and (10) of this section, this chapter shall not prohibit the corporation or the Department of Revenue from promulgating administrative regulations in accordance with KRS Chapter 13A to regulate the conduct or activity of prediction markets in the Commonwealth in accordance with applicable federal law.

(12) If a track or association holds two (2) or more licenses, only the specific license or licensee for which the track or association has violated the terms shall be subject to suspension or revocation or the applicable penalties."; and

On page 71, line 6, delete "**(10)**", and insert "**(13)**" in lieu thereof; and

On page 72, delete lines 6 to 15 in their entirety, and insert the following in lieu thereof:

"(6) **(a)** "Chairperson" means:

- 1.** The chief executive officer and any officer, member, or employee of a licensed charitable organization; **or**
- 2.** **An employee of the premises upon which the charitable gaming is conducted that is twenty-one (21) years of age or older, has completed training prescribed by the office, and has completed the required background checks;**

who will be involved in the management and supervision of charitable gaming as designated in the organization's charitable gaming license application under KRS 238.535(13)(g).

(b) Training prescribed by the office in paragraph (a) of this subsection and the federal background check required in Section 29 of this Act shall not be in effect until July 1, 2027;"; and

On page 89, line 19, after "**corporation**", insert "**in accordance with KRS Chapter 13A**";

and

Starting on page 98, line 25, to page 99, line 6, delete the text in its entirety, and insert the following in lieu thereof:

- "(b) 1. A licensed charitable organization shall not be required to cease activities and may move to a new location that is restricted to ages twenty-one (21) and older, if any of the following occurs:**
- a. A sale or transfer of ownership of any part of the property where the additional location is located;**
- b. A sale or transfer of ownership of the business where the additional location is located; or**
- c. Any closure of the location for ninety (90) days or more, which shall include any closures due to an act of God.**

- 2. A licensed charitable organization shall not be required to cease activities and may rebuild at the same location if there is a closure due to an act of God.";**
and

On page 100, line 3, after "regulations", insert "in accordance with KRS Chapter 13A";
and

On page 104, line 15, delete "twenty-one (21)" and remove brackets and strikethrough from "[~~eighteen (18)~~]"; and

On page 106, line 10, delete "twenty-one (21)" and remove brackets and strikethrough from "[~~eighteen (18)~~]"; and

On page 107, lines 10 to 11, after "of" delete "twenty-one (21)" and remove brackets and strikethrough from "[~~eighteen (18)~~]"; and

On page 107, line 25, delete "twenty-one (21)" and remove brackets and strikethrough from "[~~eighteen (18)~~]"; and

On page 129, lines 26 to 27, after "wagering", delete "fantasy contests, charitable gaming"; and

On page 135, delete lines 18 to 25 in their entirety, and insert the following in lieu thereof:

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"➔SECTION 48. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Adjusted gross fantasy contest receipts" means the total sum of entry fees collected by a fantasy contest service provider from all fantasy contest participants entering a fantasy contest, less winnings paid to fantasy contest participants in the contest, multiplied by the location percentage;

(b) "Department" means Department of Revenue;

(c) "Fantasy contest service provider" has the same meaning as in Section 1 of this Act; and

(d) "Location percentage" means the percentage of the total entry fees for each fantasy contest collected from fantasy contest participants located in the Commonwealth divided by the total entry fees collected from all fantasy contest participants in the fantasy contest, rounded to the nearest one-tenth of one percent (0.1%).

(2) Beginning on July 1, 2026, the Commonwealth shall impose and collect a tax at a rate of twelve percent (12%) of the fantasy contest service provider's adjusted gross fantasy contest receipts. The accrual method of accounting shall be used for purposes of calculating the amount of tax owed by the licensee.

(3) The tax imposed by this section is due and payable to the department monthly and shall be remitted on or before the last day of each calendar month.

(4) The fantasy contest service provider's payment shall be accompanied by a return prescribed by the department indicating the amount of tax due for the previous calendar month as well as any other information the department shall require by promulgation of an administrative regulation in accordance with KRS Chapter 13A.

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➔ SECTION 49. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO READ AS FOLLOWS:

(1) As used in this section:

(a) "Consumer" means a:

- 1. Kentucky resident who purchases an event contract through a prediction market; or**
- 2. Person who is not a Kentucky resident who purchases an event contract through a prediction market while in Kentucky;**

(b) "Event contract" has the same meaning as in Section 1 of this Act;

(c) "Gross receipts" means the total sum of transaction fees collected by a prediction market operator from all consumers;

(d) "Person" has the same meaning as KRS 139.010;

(e) "Prediction market" has the same meaning as in Section 1 of this Act;

(f) "Prediction market operator":

- 1. Means a board of trade or other person, including any affiliate of the person, that operates a prediction market; and**
- 2. Includes but is not limited to a person that satisfies the requirements of this section through the ownership, operation, or control of a digital distribution service, digital distribution platform, online portal, or application store where a prediction market may be accessed;**

(g) "Speculative position" means a financial commitment made by a consumer in a prediction market; and

(h) "Transaction fee" means:

- 1. The fee charged by the prediction market operator to complete a sale, purchase, or trade of an event contract to a consumer; and**

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- 2. The amount paid by a consumer to purchase an event contract from a prediction market operator.**
- (2) An excise tax is hereby imposed on a prediction market operator at the rate of fourteen and one-quarter percent (14.25%) of the prediction market operator's gross receipts. The accrual method of accounting shall be used for purposes of calculating the amount of tax owed by the prediction market operator under this subsection. Revenues generated from the tax shall be transferred to the permanent pension fund established in KRS 42.205.**
- (3) The tax imposed by subsection (2) of this section is due and payable monthly and shall be remitted to the department on or before the twentieth day of the next succeeding calendar month.**
- (4) The prediction market operator's payment shall be accompanied by a return prescribed by the department indicating the amount of tax due for the previous calendar month as well as any other information the department shall require through an administrative regulation promulgated in accordance with KRS Chapter 13A.**
- (5) Any prediction market operator who violates this section shall be subject to the uniform civil penalties imposed under KRS 131.180.**
- (6) In every case, any tax not paid on or before the due date shall bear interest at the tax interest rate as defined in KRS 131.010 from the due date until the date of payment.**
- (7) It is the purpose and intent of the General Assembly to levy taxes on persons engaged in the operations of a prediction market. It is not the intent of the General Assembly to legalize such activities.**

➔SECTION 50. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO READ
AS FOLLOWS:

- (1) The General Assembly finds and declares that:**

- (a) The Commonwealth of Kentucky is internationally recognized as the preeminent center of the Thoroughbred horse industry, serving as the breeding, sales, and racing capital of the world;**
- (b) The economic impact of the Thoroughbred industry in Kentucky generates billions of dollars annually, supports tens of thousands of jobs, and sustains a complex ecosystem of breeders, farms, veterinarians, sales companies, and racetracks;**
- (c) The integrity, accuracy, and reliability of pedigree records are foundational to the valuation, breeding, and sale of Thoroughbred horses, directly influencing market confidence and investment in the industry;**
- (d) A registrar of Thoroughbred horses ensures the maintenance of accurate lineage records, ownership documentation, and breeding data necessary to preserve the integrity of the breed;**
- (e) A registrar operating with transparency, accountability, and collaboration with breeders and industry stakeholders builds trust and confidence in the recordkeeping;**
- (f) Kentucky has a compelling state interest in ensuring that any registrar of Thoroughbred horses operates in a manner that promotes fairness, competition, and long-term sustainability within the industry;**
- (g) A registrar framework within Kentucky would further solidify the Commonwealth's role as the global standard-setter for Thoroughbred breeding, registration, and innovation; and**
- (h) Coordination between a registrar, breeders, and relevant regulatory or industry bodies would provide a structured mechanism for evaluating emerging issues, including breeding limits, genetic diversity, and industry best practices.**
- (2) For purposes of this chapter, a registrar of Thoroughbreds shall:**

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- (a) 1. Not restrict the number of mares that can be bred to a stallion or otherwise refuse to register any foal based upon the number of mares bred to the stallion of the foal submitted for registration, unless the limitations have first been adopted and implemented by the International Stud Book Committee; or
2. Not refuse to register any foal of a mare that is or seeks to be:
- a. Bred in the Commonwealth of Kentucky; or
- b. Residing in the Commonwealth of Kentucky; or
- c. Foaling in the Commonwealth of Kentucky;
- If the foal would otherwise meet the registration requirements of the Jockey Club of America but for the limitation set forth in subparagraph 1. of this paragraph exclusive of the International Stud Book Committee; and
- (b) Consent to the jurisdiction of the Commonwealth of Kentucky.
- (3) Notwithstanding any provision of this section to the contrary, if any registrar fails to comply with the requirements of this chapter, the corporation shall select and utilize an entity to serve as the registrar of Kentucky Thoroughbreds.
- (4) The corporation may promulgate administrative regulations in accordance with KRS Chapter 13A to implement this section.
- (5) Any violation of subsection (2)(a) of this section shall be considered an unlawful trade practice under KRS Chapters 365 and 367.
- (6) Notwithstanding subsection (5) of this section, a party aggrieved by a registrar's action in violation of subsection (2)(a) of this section shall have the right to seek any applicable remedy, in law or in equity, against the registrar, as well as be entitled to recover treble damages plus any actual damages sustained as a result of the registrar's actions.

➔Section 51. KRS 230.400 is amended to read as follows:

- (1) (a) There is hereby created a corporate account for the Kentucky Horse Racing and

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Gaming Corporation, designated as the Kentucky Thoroughbred development fund, consisting of moneys allocated to the fund under the provisions of KRS 138.510, together with other moneys contributed to or allocated to the fund from all other sources.

(b) Moneys to the credit of the Kentucky Thoroughbred development fund shall be transferred in the following order:

1. One hundred thousand dollars (\$100,000) each fiscal year to the Kentucky problem gambling assistance account established in KRS 230.826; and
2. Remaining moneys to the Kentucky Horse Racing and Gaming Corporation 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.

(c) Moneys from the Kentucky Thoroughbred development 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.

(d) Moneys to the credit of the Kentucky Thoroughbred development fund at the end of each fiscal year shall not lapse, but shall be carried forward in such fund to the succeeding fiscal year.

(2) There is hereby established, under the general jurisdiction of the Kentucky Horse Racing and Gaming Corporation, a Kentucky Thoroughbred Development Fund Advisory Committee. The advisory committee shall consist of five (5) members, all of whom shall be residents of Kentucky, to be appointed by the chairman of the Kentucky Horse Racing and Gaming Corporation by July 1 of each year. The committee shall consist of two (2)

Thoroughbred breeders recommended by the Kentucky Thoroughbred Owners and Breeders, Inc.; one (1) Thoroughbred owner recommended by the Kentucky division of the Horsemen's Benevolent and Protective Association; one (1) officer or director of a licensed association conducting Thoroughbred racing in Kentucky, recommended by action of all of the licensed associations conducting Thoroughbred racing in Kentucky; and one (1) member of the Kentucky Horse Racing and Gaming Corporation. If any member other than the corporation member has not been recommended for appointment by July 1 of each year, the chairman of the Kentucky Horse Racing and Gaming Corporation shall make an appointment for the organization or organizations failing to recommend a member of the committee. The members of the advisory committee shall serve without compensation, but shall be entitled to reimbursement for all expenses incurred in the discharge of official business. The advisory committee shall select from its membership annually a chairman and a vice chairman.

- (3) (a) The Kentucky Thoroughbred Development Fund Advisory Committee shall advise and assist the Kentucky Horse Racing and Gaming Corporation in the development of the supplemental purse program provided herein for Kentucky-bred Thoroughbreds, shall make recommendations to the corporation with respect to the establishment of guidelines, administrative regulations for the provision of supplemental purses, the amount thereof, the races for which the purses are to be provided and the conditions thereof, manner and method of payment of supplemental purses, registry of Thoroughbred stallions standing within the Commonwealth of Kentucky, registry of Kentucky-bred Thoroughbreds for purposes of this section, nature and type of forms and reports to be employed and required in connection with the establishment, provision for, award and payment of supplemental purses, and with respect to all other matters necessary in connection with the carrying out of the intent and purposes

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of this section.

- (b) The Kentucky Horse Racing and Gaming Corporation shall employ qualified personnel as may be required to assist the corporation and the advisory committee in carrying out the provisions of this section. These persons shall serve at the pleasure of the corporation and compensation for these personnel shall be fixed by the corporation.
- (4) The Kentucky Horse Racing and Gaming Corporation, with the advice and assistance of the Kentucky Thoroughbred Development Fund Advisory Committee, shall use the Kentucky Thoroughbred development fund to promote, enhance, improve, and encourage the further and continued development of the Thoroughbred breeding industry in Kentucky by providing, out of the Kentucky Thoroughbred development fund, supplemental purses for designated stakes, handicap, allowance, nonclaiming maiden races, and claiming races contested at licensed Thoroughbred race meetings in Kentucky. The Kentucky Horse Racing and Gaming Corporation may, by administrative regulation promulgated in accordance with KRS Chapter 13A, establish the requirements, conditions, and procedures for awarding and payment of supplemental purses in designated races by Kentucky-bred Thoroughbred horses. That 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 a Kentucky-bred Thoroughbred duly registered with the official registrar. Any portion of the supplemental purse which is not awarded and paid over shall be returned to the Kentucky Thoroughbred development fund.
- (5) (a) For purposes of this section, the term "Kentucky Thoroughbred stallion" shall mean and include only a Thoroughbred stallion standing the entire breeding season in Kentucky and registered as a Kentucky Thoroughbred stallion with the official registrar of the Kentucky Thoroughbred development fund.

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- (b) Except for Thoroughbred horses foaled prior to January 1, 1980, the term "Kentucky-bred Thoroughbreds," for purposes of this section, shall mean and include only Thoroughbred horses sired by Kentucky Thoroughbred stallions foaled in Kentucky and registered as a Kentucky-bred Thoroughbred with the official registrar of the Kentucky Thoroughbred development fund.
- (c) Any Thoroughbred horse foaled prior to January 1, 1980, may qualify as a Kentucky-bred Thoroughbred for purposes of this section if the horse was foaled in Kentucky and if the sire of the Thoroughbred was standing at stud within Kentucky at the time of conception of such Thoroughbred, provided the Thoroughbred is duly registered as a Kentucky-bred Thoroughbred with the official registrar of the Kentucky Thoroughbred development fund.
- (d) In order for an owner of a Kentucky-sired Thoroughbred to be eligible to demand, claim, and receive a portion of a supplemental purse provided by the Kentucky Thoroughbred development fund, the Thoroughbred horse in a designated race for which a supplemental purse has been provided by the Kentucky Thoroughbred development fund shall have been duly registered as a Kentucky-bred Thoroughbred with the official registrar of the Kentucky Thoroughbred development fund prior to entry in the race.
- (6) (a) Kentucky Thoroughbred Owners and Breeders, Inc., is hereby recognized and designated as the sole official registrar of the Kentucky Thoroughbred development fund for the purposes of registering Kentucky Thoroughbred stallions and Kentucky-bred Thoroughbreds 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 Thoroughbred is registered with the official registrar, the registrar shall be authorized to stamp the ~~the Jockey Club~~ certificate

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issued for the Thoroughbred with the seal of the registrar, certifying that the Thoroughbred is a duly qualified and registered Kentucky-bred Thoroughbred 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 Thoroughbred stallions and in the registration of Kentucky-bred Thoroughbreds. Registration records of the registrar shall be public records and open to public inspection at all normal business hours and times.

- (b) Any interested party aggrieved by the failure or refusal of the official registrar to register a stallion or Thoroughbred as a Kentucky stallion or as a Kentucky-bred Thoroughbred shall have the right to file with the registrar, within thirty (30) days of such failure or refusal of the registrar, a petition seeking registration of the Thoroughbred. The corporation shall promptly hear the matter de novo and issue its order directing the official registrar to register or not to register as it may be determined by the registrar.
- (7) The Kentucky Horse Racing and Gaming Corporation may promulgate administrative regulations to carry out the provisions and purposes of this section, including the promulgation of administrative regulations and forms for the proper registration of Kentucky stallions and Kentucky-bred Thoroughbreds with the official registrar, and shall administer the Kentucky-bred Thoroughbred program created hereby in a manner best designed to promote and aid in the further development of the Thoroughbred breeding industry in Kentucky, to upgrade the quality of Thoroughbred racing in Kentucky, and to improve the quality of Thoroughbred horses bred in Kentucky.

➔Section 52. KRS 230.811 is amended to read as follows:

- (1) Except as provided in KRS 230.805(6), no person shall conduct, manage, or offer to conduct sports wagering within the Commonwealth of Kentucky without obtaining a

license from the corporation.

- (2) As a prerequisite to obtaining a sports wagering license, a person shall be licensed as an association under KRS 230.300. If sports wagering is conducted by the track that chooses not to contract with a service provider, it shall comply with the standards established by the corporation for service providers to ensure the integrity of the system of sports wagering before conducting sports wagering in the Commonwealth.
- (3) In addition to the requirement in subsection (2) of this section, an initial fee of five hundred thousand dollars (\$500,000) shall be paid to the corporation before a sports wagering license may be issued to a track.
- (4) An annual renewal fee of fifty thousand dollars (\$50,000) shall be required for each sports wagering license.
- (5) **(a) A track or association shall not manage or offer to conduct fixed-odds wagering within the Commonwealth of Kentucky without obtaining a supplemental license from the corporation.**
(b) An initial fee of two thousand five hundred dollars (\$2,500) shall be paid to the corporation before a supplemental license may be issued to a track or association.
(c) An annual renewal fee of two thousand five hundred dollars (\$2,500) shall be required for a supplemental license.

(6) Licensing fees under this section shall be paid to the corporation.

➔Section 53. KRS 230.990 is amended to read as follows:

- (1) Any person who violates KRS 230.070 or KRS 230.080(3) shall be guilty of a Class D felony.
- (2) Any person who violates KRS 230.090 shall be guilty of a Class A misdemeanor.
- (3) Any person who violates KRS 230.680 shall be guilty of a Class A misdemeanor.
- (4) Any person who refuses to make any report or to turn over sums as required by KRS

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230.361 to 230.373 shall be guilty of a Class A misdemeanor.

- (5) Any person failing to appear before the corporation at the time and place specified in the summons issued pursuant to KRS 230.260(12), or refusing to testify, shall be guilty of a Class B misdemeanor. False swearing on the part of any witness shall be deemed perjury and punished as such.
- (6) (a) A person is guilty of tampering with or interfering with a horse race when, with the intent to influence the outcome of a horse race, he or she uses any device, material, or substance not approved by the Kentucky Horse Racing and Gaming Corporation on or in any participant involved in or eligible to compete in a horse race to be viewed by the public.
- (b) Any person who, while outside the Commonwealth and with intent to influence the outcome of a horse race contested within the Commonwealth, tampers with or interferes with any equine participant involved in or eligible to compete in a horse race in the Commonwealth is guilty of tampering with or interfering with a horse race.
- (c) Tampering with or interfering with a horse race is a Class C felony.
- (7) Any participant who wagers on a sporting event in violation of KRS 230.820 **or participates in a fantasy contest in violation of Section 10 of this Act** is guilty of a Class A misdemeanor.
- (8) Any person tampering with the outcome of a sporting event in violation of KRS 230.820 **or a fantasy contest in violation of Section 10 of this Act** is guilty of a Class C felony.

→Section 54. The Kentucky Horse Racing and Gaming Corporation shall present a status report on the purse stabilization fund established in Section 14 of this Act no later than November 30, 2027, to the Interim Joint Committee on Licensing, Occupations, and Administrative Regulations, to include the amount:

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(1) Received in the fund; and

(2) Of moneys bet in fixed-odds wagering on horse racing versus all other sporting events.

➔Section 55. (1) The General Assembly finds that:

(a) The long-term viability, genetic diversity, and soundness of the Thoroughbred industry are matters of substantial economic and cultural importance to the Commonwealth of Kentucky; and

(b) Advances in genomic science and data analysis present an opportunity to better understand breeding practices and their impacts on equine health, performance, and sustainability.

(2) The Jockey Club, Thoroughbred breeders of varying sizes located within and outside the Commonwealth of Kentucky, and recognized international stud book authorities, including but not limited to entities responsible for maintaining international Thoroughbred registries, shall collaborate with and engage with each other to consider matters as set forth in this section.

(3) The scope shall include:

(a) Genomic surveillance within the Thoroughbred breeding industry, including the identification of heritable conditions, soundness issues, and other genetic risk factors, if any;

(b) The extent to which current breeding practices, including the concentration of breeding among high-demand stallions, may impact genetic diversity, durability, and overall herd health;

(c) Data derived from domestic and international stud books, breeding registries, veterinary research, and academic studies relevant to equine genetics and breeding outcomes;

(d) Whether industry conditions warrant consideration of limitations or caps on the number of mares to which a single stallion may be bred during a breeding season, and the potential economic, legal, and international implications of any such limitations; and

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(e) Best practices from other jurisdictions, breeds, or international models regarding genetic management and breeding limits.

(4) The effort shall:

(a) Include input from breeders of varying sizes, owners, veterinarians, geneticists, academic researchers, and industry stakeholders;

(b) Provide for consultation with international organizations responsible for Thoroughbred registry standards and stud book harmonization; and

(c) Be conducted in a manner that ensures data integrity, confidentiality where appropriate, and transparency of methodology.

(5) This section shall not be construed to require the adoption of genomic surveillance measures or the imposition of breeding caps, but rather to ensure a comprehensive consideration of both the attributes and limitations associated with such measures.

(6) On or before December 1, 2026, the parties shall submit a written report to the Interim Joint Committee on Licensing, Occupations, and Administrative Regulations to include:

(a) Factors considered as part of the effort;

(b) The feasibility and advisability of genomic surveillance;

(c) Analysis of the potential need for, and impacts of, any cap on stallion breeding; and

(d) Recommendations for legislative or regulatory action, if any.

➔Section 56. If any provision of this Act or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

➔Section 57. Sections 1 to 54 of this Act may be cited as the Wagering Consumer Protection Act."