

1           AN ACT relating to wagering.

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

3           ➔Section 1. KRS 230.210 is amended to read as follows:

4    As used in this chapter, unless the context requires otherwise:

5    (1) "Advance deposit account wagering" means a form of pari-mutuel wagering in  
6        which an individual may establish an account with a person or entity licensed by the  
7        corporation, and may place a pari-mutuel wager through that account that is  
8        permitted by law;

9    (2) "Advance deposit account wagering licensee" means a person or entity licensed by  
10      the corporation to conduct advance deposit account wagering and accept deposits  
11      and wagers, issue a receipt or other confirmation to the account holder evidencing  
12      such deposits and wagers, and transfer credits and debits to and from accounts;

13   (3) "Amateur youth sporting event" means any sporting event in which an individual:  
14       (a) Shall be less than eighteen (18) years of age to participate; and  
15       (b) Is prohibited, as a condition of participating in the sporting event, from  
16          receiving direct or indirect compensation for the use of the individual's  
17          athletic skill in any manner with respect to the sport in which the particular  
18          sporting event is conducted;

19   (4) "Appaloosa race" or "Appaloosa racing" means that form of horse racing in which  
20      each horse participating in the race is registered with the Appaloosa Horse Club of  
21      Moscow, Idaho, and is mounted by a jockey;

22   (5) "Arabian" means a horse that is registered with the Arabian Horse Registry of  
23      Denver, Colorado;

24   (6) "Association" means any person licensed by the Kentucky Horse Racing and  
25      Gaming Corporation under KRS 230.300 and engaged in the conduct of a  
26      recognized horse race meeting;

27   (7) "Charitable gaming" means gaming licensed by the corporation on and after July 1,

1        2025, as authorized under this chapter and KRS Chapter 238;

2        (8) "Corporation" means the Kentucky Horse Racing and Gaming Corporation;

3        (9) "Geofence" means a virtual geographic boundary defined by Global Positioning

4        System (GPS) or Radio Frequency Identification (RFID) technology;

5        (10) "Harness race" or "harness racing" means trotting and pacing races of the

6        standardbred horses;

7        (11) "Horse race meeting" means horse racing run at an association licensed and

8        regulated by the Kentucky Horse Racing and Gaming Corporation, and may include

9        Thoroughbred, harness, Appaloosa, Arabian, paint, and quarter horse racing;

10       (12) "Host track" means the track conducting racing and offering its racing for intertrack

11       wagering, or, in the case of interstate wagering, means the Kentucky track

12       conducting racing and offering simulcasts of races conducted in other states or

13       foreign countries;

14       (13) "Interstate wagering" means pari-mutuel wagering on simulcast horse races from a

15       track located in another state or foreign country by patrons at a receiving track or

16       simulcast facility;

17       (14) "Intertrack wagering" means pari-mutuel wagering on simulcast horse races from a

18       host track by patrons at a receiving track;

19       (15) "Kentucky paint horse, Appaloosa, and Arabian purse fund" means a purse fund

20       established to receive funds as specified in KRS 230.3771 for purse programs

21       established in KRS 230.446 to supplement purses for paint horse, Appaloosa, and

22       Arabian horse races. The purse program shall be administered by the Kentucky

23       Horse Racing and Gaming Corporation;

24       (16) "Kentucky quarter horse purse fund" means a purse fund established to receive

25       funds as specified in KRS 230.3771 for purse programs established in KRS 230.407

26       to supplement purses for quarter horse races. The purse program shall be

27       administered by the Kentucky Horse Racing and Gaming Corporation;

- 1        (17) "Kentucky resident" means:
  - 2            (a) An individual domiciled within this state;
  - 3            (b) An individual who maintains a place of abode in this state and spends, in the  
4                aggregate, more than one hundred eighty-three (183) days of the calendar year  
5                in this state; or
  - 6            (c) An individual who lists a Kentucky address as his or her principal place of  
7                residence when applying for an account to participate in advance deposit  
8                account wagering;
- 9        (18) "Licensed facility for sports wagering" means the designated areas to conduct  
10        sports wagering for a track licensed to conduct sports wagering pursuant to KRS  
11        230.811;
- 12       (19) "Licensed premises" means a track or simulcast facility licensed by the corporation  
13        under this chapter;
- 14       (20) "Paint horse" means a horse registered with the American Paint Horse Association  
15        of Fort Worth, Texas;
- 16       (21) "Pari-mutuel wagering," "pari-mutuel system of wagering," or "mutuel wagering"  
17        each means any method of wagering previously or hereafter approved by the  
18        corporation in which one (1) or more patrons wager on a horse race or races,  
19        whether live, simulcast, or previously run. Wagers shall be placed in one (1) or  
20        more wagering pools, and wagers on different races or sets of races may be pooled  
21        together. Patrons may establish odds or payouts, and winning patrons share in  
22        amounts wagered including any carryover amounts, plus any amounts provided by  
23        an association less any deductions required, as approved by the corporation and  
24        permitted by law. Pools may be paid out incrementally over time as approved by  
25        the corporation;
- 26       (22) "Person" means an individual, sole proprietorship, partnership, association,  
27        fiduciary, corporation, limited liability company, or any other business entity;

- (23) "President" means the president of the Kentucky Horse Racing and Gaming Corporation, who shall serve as chief executive officer of the corporation;
- (24) "Principal" means any of the following individuals associated with a partnership, trust, association, limited liability company, or corporation that is licensed to conduct a horse race meeting or an applicant for a license to conduct a horse race meeting:
  - (a) The chairman and all members of the board of directors of a corporation;
  - (b) All partners of a partnership and all participating members of a limited liability company;
  - (c) All trustees and trust beneficiaries of an association;
  - (d) The president or chief executive officer and all other officers, managers, and employees who have policymaking or fiduciary responsibility within the organization;
  - (e) All stockholders or other individuals who own, hold, or control, either directly or indirectly, five percent (5%) or more of stock or financial interest in the collective organization; and
  - (f) Any other employee, agent, guardian, personal representative, or lender or holder of indebtedness who has the power to exercise a significant influence over the applicant's or licensee's operation;
- (25) "Proof of wagers" includes any paper, card, certificate, token, or ticket, which indicates the details of one (1) or more pari-mutuel wagers that were placed and, if such wagers are successful, that winnings are due to the ticket holder from the track;
- (26) "Quarter horse" means a horse that is registered with the American Quarter Horse Association of Amarillo, Texas;
- (27) "Receiving track" means a track where simulcasts are displayed for wagering purposes. A track that submits an application for intertrack wagering shall meet all

1       the regulatory criteria for granting an association license of the same breed as the  
2       host track, and shall have a heated and air-conditioned facility that meets all state  
3       and local life safety code requirements and seats a number of patrons at least equal  
4       to the average daily attendance for intertrack wagering on the requested breed in the  
5       county in which the track is located during the immediately preceding calendar  
6       year. If a receiving track has allowed an outside person or facility to display its  
7       simulcasts through an agreement pursuant to subsection (1)(b) of Section 5 of  
8       this Act, the receiving track shall still be deemed the responsible party for any  
9       simulcast excise taxes or simulcast agreements with any host track;

10      (28) "Simulcast facility" means any facility approved pursuant to KRS 230.380 to  
11       simulcast live racing and conduct pari-mutuel wagering on live racing or races  
12       previously run;

13      (29) "Simulcasting" means the telecast of live audio and visual signals of horse races for  
14       the purpose of pari-mutuel wagering;

15      (30) "Sporting event" means an event at which two (2) or more persons participate in  
16       athletic contests, or an event that takes place in relation to athletic contests as  
17       approved by the corporation, but shall not include horse racing or amateur youth  
18       sports or athletic events in which the majority of participants are under the age of  
19       eighteen (18) years;

20      (31) "Sports governing body" means the organization, league, or association that  
21       oversees a sport, prescribes final rules, and enforces codes of conduct with respect  
22       to such sport and participants therein;

23      (32) "Sports wagering" means the wagering conducted under this chapter on sporting  
24       events or portions of sporting events, or on the individual performance statistics of  
25       athletes in a sporting event or combination of sporting events, in conformance with  
26       federal law and as authorized by the corporation pursuant to this chapter;

27      (33) "Sports wagering device":

- (a) Means a mechanical, electrical, or computerized contrivance, terminal, device, apparatus, software, piece of equipment, or supply approved by the corporation for conducting sports wagering under this chapter; and
- (b) Includes a personal computer, mobile device, or other device used in connection with sports wagering not conducted at a licensed facility for sports wagering;

(34) "Sports wagering service provider" or "service provider" means a person authorized to conduct or manage sports wagering through an agreement with a track and provide these services at a licensed facility for sports wagering, simulcast facility, or through a website or mobile interface approved by the corporation;

(35) "Telephone account wagering" means a form of pari-mutuel wagering where an individual may deposit money in an account at a track and may place a wager by direct telephone call or by communication through other electronic media owned by the holder of the account to the track;

(36) "Thoroughbred race" or "Thoroughbred racing" means a form of horse racing in which each horse participating in the race is a Thoroughbred, (i.e., meeting the requirements of and registered with The Jockey Club of New York) and is mounted by a jockey;

(37) "Track" means any association duly licensed by the Kentucky Horse Racing and Gaming Corporation to conduct horse racing and includes:

- (a) For facilities in operation as of 2010, the location and physical plant described in the "Commonwealth of Kentucky Initial/Renewal Application for License to Conduct Live Horse Racing, Simulcasting, and Pari-Mutuel Wagering," filed for racing to be conducted in 2010;
- (b) Real property of an association, if the association received or receives approval from the corporation after 2010 for a location at which live racing is to be conducted; or

1 (c) One (1) facility or real property that is:

2     1. Owned, leased, or purchased by an association within a sixty (60) mile  
3             radius of the association's racetrack but not contiguous to racetrack  
4             premises, upon corporation approval; and

5     2. Not within a sixty (60) mile radius of another licensed track premise  
6             where live racing is conducted and not within a forty (40) mile radius of  
7             a simulcast facility, unless any affected track or simulcast facility agrees  
8             in writing to permit a noncontiguous facility within the protected  
9             geographic area;

10 (38) "Unclaimed pari-mutuel winning ticket":

11     (a) Means the proof of wager that would require payment of winnings upon  
12             submission to the track, but has been presumed abandoned under KRS  
13             230.361; and

14     (b) Includes proof of wagers from live racing and simulcasting; and

15 (39) "Unredeemed pari-mutuel voucher":

16     (a) Means a voucher issued by a licensed track that evidences the value of funds  
17             or credits available that a patron may use for placing pari-mutuel wagers on  
18             live or previously run horse races, or which the patron may redeem for cash,  
19             but has been presumed abandoned under KRS 230.361; and

20     (b) Does not include:

21         1. Any proof of wagers or any other information related to specific wagers  
22             placed on live or historical horse racing; or

23         2. Any vouchers that were voluntarily surrendered for donation to charity  
24             or similar purposes.

25 ➔Section 2. KRS 230.361 is amended to read as follows:

26 (1) (a) The corporation may promulgate administrative regulations governing and  
27             regulating mutuel wagering on horse races under what is known as the pari-

1 mutuel system of wagering.

(b) The wagering shall be conducted only by a person licensed under this chapter to conduct a race meeting and only upon the licensed premises or by a person licensed under subsection (1)(b) of Section 5 of this Act, ~~and~~ provided~~further~~ that only pari-mutuel wagering on simulcasting or races previously run shall be allowed at simulcast facilities.

(c) The pari-mutuel system of wagering shall be operated only by a totalizator or other mechanical equipment approved by the corporation. The corporation shall not require any particular make of equipment.

(2) The corporation may promulgate administrative regulations governing and regulating sports wagering, including administrative regulations for the deposit of funds by credit or debit cards or other means of electronic funds transfer. The corporation may promulgate administrative regulations to establish a fully functioning sports wagering system within six (6) months after June 29, 2023.

(3) The operation of a pari-mutuel system for betting, or the conduct of sports wagering, where authorized by law shall not constitute grounds for the revocation or suspension of any license issued and held under KRS 242.1238 and 243.265.

(4) Notwithstanding any law to the contrary:

(a) The corporation may promulgate administrative regulations governing all reported but unclaimed pari-mutuel winning tickets and unredeemed pari-mutuel vouchers held in this state by any person or association operating a pari-mutuel or similar system of betting authorized under this chapter; and

(b) The unclaimed pari-mutuel winning tickets and unredeemed pari-mutuel vouchers shall be presumed abandoned if not claimed by the person entitled to them within one (1) year from the time the ticket was issued.

(5) The corporation may issue a license to conduct pari-mutuel wagering on steeple chases or other racing over jumps; if all proceeds from the wagering, after expenses

1       are deducted, is used for charitable purposes. If the dates requested for such a  
2       license have been granted to a track within a forty (40) mile radius of the race site,  
3       the corporation shall not issue a license until it has received written approval from  
4       the affected track. Pari-mutuel wagering licensed and approved under this  
5       subsection shall be limited to four (4) days per year. All racing and wagering  
6       authorized by this subsection shall be conducted in accordance with applicable  
7       administrative regulations promulgated by the corporation.

8       ➔Section 3. KRS 230.3615 is amended to read as follows:

- 9       (1) The commission, including the tax levied in KRS 138.510, deducted from the gross  
10      amount wagered by the association which operates a race track under the  
11      jurisdiction of the Kentucky Horse Racing and Gaming Corporation and conducts  
12      the Thoroughbred racing at which betting is conducted through a pari-mutuel or  
13      other similar system, in races where the patron is required to select one (1) horse,  
14      and the breaks, which breaks shall be made and calculated to the penny, except on  
15      races previously run in which the breaks shall be made and calculated to the penny  
16      or retained in the pari-mutuel pools, shall not be more than seventeen and one-half  
17      percent (17.5%).
- 18       (2) The commission, including the tax levied in KRS 138.510, deducted from the gross  
19      amount wagered by the person, corporation, or association which operates a race  
20      track under the jurisdiction of the Kentucky Horse Racing and Gaming Corporation  
21      and conducts Thoroughbred racing at which betting is conducted through a pari-  
22      mutuel or other similar system shall not exceed twenty-two percent (22%) of the  
23      gross handle in races where the patron is required to select two (2) or more horses,  
24      and the breaks, which breaks shall be made and calculated to the penny, except on  
25      races previously run in which the breaks shall be made and calculated to the penny  
26      or retained in the pari-mutuel pools.
- 27       (3) The minimum wager to be accepted by any licensed association or simulcast

1        facility shall be ten cents (\$0.10). The minimum pay-off on a one dollar (\$1) wager  
2        shall be one dollar and ten cents (\$1.10); but, in the event of a minus pool, the  
3        minimum pay-off for a one dollar (\$1) wager shall be one dollar and five cents  
4        (\$1.05).

5        (4) Each association conducting Thoroughbred racing shall pay to the corporation all  
6        moneys allocated to the backside improvement fund in an amount equal to one-half  
7        of one percent (0.5%) of its on-track pari-mutuel wagers.

8        ➔Section 4. KRS 230.378 is amended to read as follows:

9        (1) A receiving track may accept wagers only at the track where it is licensed to  
10        conduct its race meeting or conduct intertrack wagering or at a facility it has  
11        established through an agreement pursuant to subsection (1)(b) of Section 5 of  
12        this Act. A receiving track may accept wagers through a telephone account  
13        wagering system. Wagers at a receiving track, simulcast facility, or on telephone  
14        account wagering shall form a common pool with wagers at a host track. This  
15        common pool requirement shall not apply to wagers made in connection with  
16        interstate simulcasting pursuant to KRS 230.3771; however, common pools shall be  
17        encouraged.

18        (2) Except as provided in KRS 230.3771(2), the commission of a receiving track,  
19        simulcast facility, or on telephone account wagering shall be the same as the  
20        commission of the host track as determined in KRS 230.3615 or 230.750.

21        (3) In the absence of a valid contract with a horsemen's organization, the commission  
22        of a receiving track, after deduction of applicable taxes and other applicable  
23        deductions, shall be split as follows: twenty-two percent (22%) to the host track,  
24        twenty-two percent (22%) to the purse program at the host track, twenty-two  
25        percent (22%) to the receiving track and twenty-two percent (22%) to the purse  
26        program at the receiving track. Twelve percent (12%) of the commission shall be  
27        allocated evenly between the host track and the receiving track to cover the cost of

1 simulcasting, unless otherwise agreed to by contract.

2 (4) The deduction for the backside improvement fund, as provided for in KRS  
3 230.3615(4) shall not apply to the commission or pari-mutuel tax of a receiving  
4 track or telephone account wagering.

5 (5) A receiving track shall be exempt from any license fee imposed by statute or  
6 administrative regulation by the corporation.

7 ➔Section 5. KRS 230.380 is amended to read as follows:

8 (1) (a) Any track licensed by the corporation to conduct horse racing and desiring to  
9 establish a simulcast facility shall apply for and may receive approval from  
10 the corporation for each simulcast facility. Prior to considering an application  
11 for approval of a simulcast facility, the corporation shall notify by regular  
12 mail, each state senator, state representative, county judge/executive, and  
13 mayor in the jurisdiction in which the proposed simulcast facility is located, at  
14 least ten (10) days in advance of the corporation meeting at which the  
15 application is to be considered or voted upon. Consideration of an application  
16 shall be based on criteria contained in administrative regulations promulgated  
17 under KRS 230.300. Approval, if granted, shall be granted for a term of one  
18 (1) calendar year.

19                   (b) 1. Any track licensed by the corporation that chooses not to establish a  
20                   simulcast facility may transfer its ability to establish one (1) simulcast  
21                   facility to another person.

## ii. The agreement between the track and the simulcast facility

shall establish how the percentage in subsection (9)(a) of this section is divided.

b. Consideration of an application shall be based on criteria contained in administrative regulations promulgated by the corporation.

6 (2) A track or tracks or person may proceed with the establishment of a simulcast  
7 facility unless, within sixty (60) days of the date on which the corporation approved  
8 the facility, the governing body of the local government jurisdiction in which the  
9 facility is to be located votes, by simple majority of those voting, to disapprove the  
10 establishment of the simulcast facility. For the purposes of this section, "governing  
11 body" means, in an incorporated area, the board of aldermen, city council or board  
12 of commissioners; in a county, the fiscal court; in an urban-county government, the  
13 urban-county council, or in a charter county, the legislative body created in  
14 accordance with KRS 67.825 to 67.875.

15 (3) The corporation shall not approve the establishment of any simulcast facility within  
16 a radius of forty (40)~~fifty (50)~~ miles of a licensed track. The corporation may  
17 approve the establishment of one (1) simulcast facility within a radius of greater  
18 than forty (40)~~fifty (50)~~ miles but less than seventy-five (75) miles of a licensed  
19 track, but the facility shall not be approved to operate without the prior written  
20 consent of the licensed track within whose seventy-five (75) mile radius the facility  
21 is located.

22 (4) The corporation may promulgate administrative regulations as it deems appropriate  
23 to protect the integrity of pari-mutuel wagering at any simulcast facility.

24 (5) Licensed tracks conducting horse racing may enter into joint agreements to  
25 establish or operate one (1) or more simulcast facilities, on terms and conditions as  
26 the participating tracks may determine. Any agreements respecting these  
27 arrangements shall be filed with the corporation, and applications for simulcast

1       facilities shall be filed by and licenses may be issued to, these licensed tracks by the  
2       corporation.

3       (6) A simulcast facility may be established and operated on property that is owned or  
4       leased and which is not used solely for the operation of a simulcast facility;  
5       provided however, that a simulcast facility may not be established on the premises  
6       of a lottery vendor.

7       (7) A simulcast facility shall not be subject to and shall not pay any excise tax imposed  
8       pursuant to KRS 138.510, or any license tax imposed under KRS 137.170.

9       (8) One percent (1%) of all moneys wagered at a simulcast facility shall be dedicated  
10      for local economic development and shall be allocated as follows:

11       (a) If a simulcast facility is located in an incorporated area, seventy-five percent  
12       (75%) shall be allocated to the governing body of the city in which the facility  
13       is located, and twenty-five percent (25%) to the governing body of the county  
14       in which the facility is located.

15       (b) If a simulcast facility is located in an unincorporated area, all moneys shall be  
16       allocated to the governing body of the county or charter county in which the  
17       facility is located.

18       (9) (a) After the deduction of moneys under subsection (8) of this section, a  
19       simulcast facility shall deduct a commission allowed under KRS 230.3615  
20       with respect to all wagers made at the simulcast facility. The commission, less  
21       moneys allocated in subsection (8) of this section, shall be split as follows:

22       1. Thirty percent (30%) shall be allocated to the host track;

23       2. Forty-six and one-half percent (46.5%) to the purse program at the host  
24       track;

25       3. Thirteen and one-half percent (13.5%) to be retained by the track or  
26       tracks or person owning the simulcast facility for the purpose of  
27       application to expenses incurred in connection therewith;

1           4. Six percent (6%) to be allocated to the Kentucky Thoroughbred Owners  
2           and Breeders, Inc., to be expended as follows:  
3           a. Up to three percent (3%) for capital improvements and promotion  
4           of off-track betting; and  
5           b. The remainder for marketing and promoting the Kentucky  
6           Thoroughbred industry; and  
7           5. Four percent (4%) to be allocated to the corporation to be used for  
8           purses at county fairs in Kentucky licensed and approved by the  
9           corporation, and for the standardbred sires stakes program established  
10           under KRS 230.770.

11           (b) The commission of a simulcast facility derived from interstate wagering shall  
12           be reduced by any amounts required to be paid by contract to the host track or  
13           track conducting the live race before it is divided as set forth in this section.  
14           No simulcast facility may receive any interstate simulcast except with the  
15           approval of the live Kentucky host track.

16           (c) The Kentucky Thoroughbred Owners and Breeders, Inc., shall annually report  
17           to the corporation on all money expended in accordance with subsection  
18           (9)(a)4. of this section. The report shall be in the form required, and provide  
19           all information required by the corporation.

20           (10) Subsections (1) and (2) of this section shall also apply to the establishment by a  
21           track of a noncontiguous facility in a county in which pari-mutuel racing and  
22           wagering is not being conducted. Subsection (8) of this section shall also apply to a  
23           noncontiguous race track facility referenced in this subsection, unless there is a  
24           written agreement to the contrary between the track establishing the facility and the  
25           governing body of the local government jurisdiction in which the facility is to be  
26           established.