

1           AN ACT relating to sports wagering.

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

3           ➔Section 1. KRS 230.210 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;

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

7       (28) "Simulcast facility" means any facility approved pursuant to KRS 230.380 to  
8       simulcast live racing and conduct pari-mutuel wagering on live racing;

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

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

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

19       (32) "Sports wagering" means the wagering conducted under this chapter on sporting  
20       events or portions of sporting events~~[, or on the individual performance statistics of  
21       athletes in a sporting event or combination of sporting events,]~~ in conformance with  
22       federal law and as authorized by the corporation pursuant to this chapter;

23       (33) "Sports wagering device":

24           (a) Means a mechanical, electrical, or computerized contrivance, terminal,  
25           device, apparatus, software, piece of equipment, or supply approved by the  
26           corporation for conducting sports wagering under this chapter; and

27           (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;

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

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

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

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

17 (a) For facilities in operation as of 2010, the location and physical plant described  
18 in the "Commonwealth of Kentucky Initial/Renewal Application for License  
19 to Conduct Live Horse Racing, Simulcasting, and Pari-Mutuel Wagering,"  
20 filed for racing to be conducted in 2010;

21 (b) Real property of an association, if the association received or receives  
22 approval from the corporation after 2010 for a location at which live racing is  
23 to be conducted; or

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

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

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

7           (a) Means the proof of wager that would require payment of winnings upon  
8           submission to the track, but has been presumed abandoned under KRS  
9           230.361; and

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

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

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

16           (b) Does not include:

17           1. Any proof of wagers or any other information related to specific wagers  
18           placed on live or historical horse racing; or  
19           2. Any vouchers that were voluntarily surrendered for donation to charity  
20           or similar purposes.

21           ➔Section 2. KRS 230.805 is amended to read as follows:

22 (1) The corporation shall institute a system of sports wagering in conformance with  
23           federal law, this chapter, and by administrative regulations promulgated under the  
24           authority of KRS 230.215.

25 (2) Sports wagering shall not be offered in this state except as authorized by this  
26           section and KRS 230.811. A track that holds a license to operate sports wagering  
27           may contract with sports wagering service providers to conduct or manage sports

1       wagering operations as authorized by this chapter. Sports wagering may be  
2       provided at a licensed facility for sports wagering or online through a website or  
3       mobile application. The licensed facility for sports wagering or a sports wagering  
4       service provider may provide sports wagering through a website or mobile interface  
5       as approved by the corporation. The corporation may provide temporary licenses to  
6       licensed facilities for sports wagering or sports wagering service providers, if the  
7       corporation deems that the information submitted by them is sufficient to determine  
8       the applicant's suitability. The corporation may promulgate administrative  
9       regulations to establish the suitability for temporary and ordinary license  
10      applications for licensed facilities for sports wagering, sports wagering service  
11      providers, and any related parties.

12     (3) Sports wagering licensees and service providers that accept wagers online via  
13      websites and mobile applications shall impose the following requirements:

14       (a) Prior to placing a wager online via websites or mobile applications operated  
15       by either a sports wagering licensee or a service provider, a patron shall  
16       register the patron's sports wagering account with the operating sports  
17       wagering licensee or service provider either in person at a licensed facility for  
18       sports wagering or remotely through the service provider's website or mobile  
19       application;

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

23       2. Prior to verification of a patron's identity, a sports wagering licensee or  
24       service provider shall not allow the patron to engage in sports wagering,  
25       make a deposit, or process a withdrawal via the patron's sports wagering  
26       account.

27       3. A sports wagering licensee or service provider shall implement

commercially and technologically reasonable procedures to prevent access to sports wagering by any person under the age of twenty-one (21)[eighteen (18)]:

a. At a licensed facility; and

b. Online via website or mobile application.

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

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

1. Verify the name and age of the patron;

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

3. Obtain the following information:

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

b. A phone number;

c. A unique user name; and

d. An email [e-mail] account;

(d) A sports wagering licensee or service provider shall use all commercially and technologically reasonable means to ensure that each patron is limited to one (1) account with that service provider in the Commonwealth, but nothing in this paragraph restricts a patron from holding other sports wagering accounts in other jurisdictions;

(e) A sports wagering licensee or service provider, in addition to complying with state and federal law pertaining to the protection of the private, personal

1                   information of patrons, shall use all other commercially and technologically  
2                   reasonable means to protect this information consistent with industry  
3                   standards;

4                   (f) A sports wagering licensee or service provider shall use all commercially and  
5                   technologically reasonable means to verify the identity of the patron making a  
6                   deposit or withdrawal;

7                   (g) A sports wagering licensee or service provider shall utilize geolocation or  
8                   geofencing technology to ensure that wagers are only accepted from patrons  
9                   who are physically located in the Commonwealth. A sports wagering licensee  
10                  or service provider shall maintain in this state its servers used to transmit  
11                  information for purposes of accepting or paying out wagers on a sporting  
12                  event placed by patrons in this state;

13                  (h) A patron may fund the patron's account using any acceptable form of payment  
14                  or advance deposit method, which shall include the use of cash, cash  
15                  equivalents, credit cards, debit cards, automated clearing house, other  
16                  electronic methods, and any other form of payment authorized by the  
17                  corporation; and

18                  (i) The corporation may enter into agreements with other jurisdictions or entities  
19                  to facilitate, administer, and regulate multijurisdictional sports betting by  
20                  sports betting operators to the extent that entering into the agreement is  
21                  consistent with state and federal laws and the sports betting agreement is  
22                  conducted only in the United States.

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

1           track, or both.

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

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

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

9   (7) A sports wagering licensee or service provider shall not offer or accept any  
10      proposition bets, including but not limited to individual performance statistics  
11      and other events not tied to the final outcome of the game.

12      ➔Section 3. KRS 2.015 is amended to read as follows:

13      Persons of the age of eighteen (18) years are of the age of majority for all purposes in this  
14      Commonwealth except for the purchase of alcoholic beverages, **sports wagering**, and for  
15      purposes of care and treatment of children with disabilities, for which twenty-one (21)  
16      years is the age of majority, all other statutes to the contrary notwithstanding.