

1 AN ACT relating to sports wagering.

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

3 ➔SECTION 1. A NEW SECTION OF KRS 230.805 TO 230.826 IS CREATED
4 TO READ AS FOLLOWS:

5 *(1) As used in this section, "suspicious wagering activity" means unusual wagering*
6 *activity that cannot be otherwise explained and is indicative of match fixing, the*
7 *manipulation of an event, misuse of inside information, or other prohibited*
8 *activity.*

9 *(2) Sports wagering licensees and service providers shall not limit the size or*
10 *frequency of deposits or wagers of any person engaging in sports wagering based*
11 *on:*

12 *(a) If a person obtains a financial benefit as a result of their wagering activity;*

13 *or*

14 *(b) Due to that person's wagering activity, unless the wagering activity:*

15 *1. Constitutes suspicious wagering activity; or*

16 *2. Indicates that a person is a problem or compulsive gambler.*

17 *(3) If a person is limited or banned, a sports wagering licensee or service provider*
18 *shall send that person an electronic notification within twenty-four (24) hours of*
19 *issuing the limit or ban to include:*

20 *(a) The manner in which a person is being restricted;*

21 *(b) An explanation of why the person is being limited or banned, including*
22 *specifying if the restriction is for suspicious wagering activity or problem*
23 *gambling;*

24 *(c) The duration of the limit or ban;*

25 *(d) Directions on how to appeal a limit or ban under subsection (4) of this*
26 *section; and*

27 *(e) A link to the Kentucky Cabinet for Health and Family Services problem*

1 *gambling program resources webpage if the limit or ban is due to problem*
2 *gambling.*

3 *(4) Sports wagering licensees and service providers shall:*

4 *(a) Establish an appeal process for a person that has been limited or banned*
5 *under this section; and*

6 *(b) Notify that person of the determination of an appeal within one (1) week of*
7 *the appeal being submitted.*

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

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

12 (2) Sports wagering shall not be offered in this state except as authorized by this
13 section and KRS 230.811. A track that holds a license to operate sports wagering
14 may contract with sports wagering service providers to conduct or manage sports
15 wagering operations as authorized by this chapter. Sports wagering may be
16 provided at a licensed facility for sports wagering or online through a website or
17 mobile application. The licensed facility for sports wagering or a sports wagering
18 service provider may provide sports wagering through a website or mobile interface
19 as approved by the corporation. The corporation may provide temporary licenses to
20 licensed facilities for sports wagering or sports wagering service providers, if the
21 corporation deems that the information submitted by them is sufficient to determine
22 the applicant's suitability. The corporation may promulgate administrative
23 regulations to establish the suitability for temporary and ordinary license
24 applications for licensed facilities for sports wagering, sports wagering service
25 providers, and any related parties.

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

- 1 (a) Prior to placing a wager online via websites or mobile applications operated
2 by either a sports wagering licensee or a service provider, a patron shall
3 register the patron's sports wagering account with the operating sports
4 wagering licensee or service provider either in person at a licensed facility for
5 sports wagering or remotely through the service provider's website or mobile
6 application;
- 7 (b) 1. The registration process shall include attestation that the patron meets
8 the requirements to place a wager with a sports wagering licensee or
9 service provider in this state.
- 10 2. Prior to verification of a patron's identity, a sports wagering licensee or
11 service provider shall not allow the patron to engage in sports wagering,
12 make a deposit, or process a withdrawal via the patron's sports wagering
13 account.
- 14 3. A sports wagering licensee or service provider shall implement
15 commercially and technologically reasonable procedures to prevent
16 access to sports wagering by any person under the age of twenty-one
17 ~~(21)~~~~eighteen (18)~~;
- 18 a. At a licensed facility; and
19 b. Online via website or mobile application.
- 20 4. A sports wagering licensee or service provider may use information
21 obtained from third parties to verify that a person is authorized to open
22 an account, place wagers, and make deposits and withdrawals;
- 23 (c) A sports wagering licensee or service provider shall adopt an account
24 registration policy to ensure that all patrons are authorized to place a wager
25 with a sports wagering licensee or service provider within the Commonwealth
26 of Kentucky. This policy shall include, without limitation, a mechanism by
27 which to:

- 1 1. Verify the name and age of the patron;
- 2 2. Verify that the patron is not prohibited from placing a wager; and
- 3 3. Obtain the following information:
 - 4 a. A physical address other than a post office box;
 - 5 b. A phone number;
 - 6 c. A unique user name; and
 - 7 d. An email~~[e-mail]~~ account;
- 8 (d) A sports wagering licensee or service provider shall use all commercially and
9 technologically reasonable means to ensure that each patron is limited to one
10 (1) account with that service provider in the Commonwealth, but nothing in
11 this paragraph restricts a patron from holding other sports wagering accounts
12 in other jurisdictions;
- 13 (e) A sports wagering licensee or service provider, in addition to complying with
14 state and federal law pertaining to the protection of the private, personal
15 information of patrons, shall use all other commercially and technologically
16 reasonable means to protect this information consistent with industry
17 standards;
- 18 (f) A sports wagering licensee or service provider shall use all commercially and
19 technologically reasonable means to verify the identity of the patron making a
20 deposit or withdrawal;
- 21 (g) A sports wagering licensee or service provider shall utilize geolocation or
22 geofencing technology to ensure that wagers are only accepted from patrons
23 who are physically located in the Commonwealth. A sports wagering licensee
24 or service provider shall maintain in this state its servers used to transmit
25 information for purposes of accepting or paying out wagers on a sporting
26 event placed by patrons in this state;
- 27 (h) A patron may fund the patron's account using any acceptable form of payment

1 or advance deposit method, which shall include the use of cash, cash
2 equivalents, credit cards, debit cards, automated clearing house, other
3 electronic methods, and any other form of payment authorized by the
4 corporation; and

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

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

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

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

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

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

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

1 ➔Section 4. This Act may be cited as the Kentucky Fair Play Act.