



## KENTUCKY RETIREMENT SYSTEMS

David L. Eager, Interim Executive Director

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March 3, 2017

Ms. Katie Carney  
Executive Assistant, Director's Office  
Legislative Research Commission  
Capitol Annex, Room 104  
Frankfort, KY 40601

**RE: House Bill 373 (2017 RS BR 1066)**  
**AA Statement Required by KRS 6.350**  
**AA Statement 1 of 2**

Dear Ms. Carney:

House Bill 373 (2017 RS BR 1066) would amend Section 226 of the Constitution of Kentucky to define and permit casino gaming. Prior to July 1, 2027 the bill would require that 100% of the proceeds generated from licensing fees and taxation of casinos and casino gaming go to the Kentucky Employees Retirement System (KERS) Nonhazardous pension fund and the Kentucky Teachers' Retirement System pension fund in equal amounts after administrative expenses to pay for the oversight of casino gaming are deducted. If the bill passes, Kentucky voters would decide to ratify or reject the amendment to the state Constitution.

Kentucky Retirement Systems staff members have examined House Bill 373 (2017 RS BR 1066) and have determined that the bill will not increase or decrease benefits or the participation in benefits in any of the retirement systems administered by Kentucky Retirement Systems. House Bill 373 (2017 RS BR 1066) could potentially decrease the actuarial liability of the KERS Nonhazardous pension plan while proceeds from casino gaming continue to be dedicated to the fund. The amount of the decrease would depend upon the amount of money allocated to the fund, which is likely to vary in amount every year.

We have not requested any further actuarial analysis of House Bill 373 (2017 RS BR 1066) by the Systems' independent actuary.

Please let me know if you have any questions regarding our analysis of House Bill 373 (2017 RS BR 1066).

Sincerely,

A handwritten signature in cursive script that reads "David Eager".

David L. Eager  
Interim Executive Director

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