

CORRECTIONS IMPACT STATEMENT

SESSION: 18RS

BILL #: SB 22 Prefiled

BR #: 155

DOC ID#: BR015500.100 - 155 - XXXX

BILL SPONSOR(S): Sen. J. Carroll **AMENDMENT SPONSOR(S):**

SUBJECT: AN ACT relating to sports wagering and making an appropriation therefor.

SUMMARY OF LEGISLATION: Create a new section of KRS Chapter 230 to require the Kentucky Horse Racing Commission to institute a sports wagering system; amend KRS 230.210 to define "exempt sports contest," "sports wagering," and "sports wagering facility"; amend KRS 230.215 to declare it the policy of the Commonwealth to encourage the conduct of wagering on sporting events, when allowed by federal law, and to vest forceful control over sports wagering in the racing commission; include consideration of members of professional and collegiate sports organizations in the Governor's appointments to the commission; amend KRS 230.240 to allow the director of the racing commission to take personnel action relating to sports wagering; amend KRS 230.260 to include promotion of fair sports wagering among the purposes of the racing commission; create a new section of KRS Chapter 230 to establish licensing requirements and establish a licensing fee of \$250,000; create a new section of KRS Chapter 230 to require the racing commission to promulgate administrative regulations prescribing the manner in which sports wagering shall be conducted; provide minimum criteria; prohibit participants from wagering on a sporting event; create a new section of KRS Chapter 230 to establish a 20 percent tax on the total amount wagered at sports wagering facilities; create a new section of KRS Chapter 230 to establish the sports wagering distribution trust fund and appropriate moneys from that fund; amend KRS 230.320 to include sports wagering among the activities that are regulated by the racing commission; amend KRS 230.360 to include sports wagering among the activities that are not subject to local control; amend KRS 230.990 to establish penalties for tampering with the outcome of a sporting event and participant wagering on a sporting event; **EFFECTIVE UPON CONTINGENCY:** Act takes effect only if the federal Professional and Amateur Sports Protection Act is repealed by Congress or is rendered void by the United States Supreme Court.

This bill amendment committee substitute is expected to:

Have the following Corrections impact Have no Corrections impact

- | | |
|--|--|
| <input checked="" type="checkbox"/> Creates new crime(s) | <input type="checkbox"/> Repeals existing crime(s) |
| <input type="checkbox"/> Increases penalty for existing crime(s) | <input type="checkbox"/> Decreases penalty for existing crime(s) |
| <input type="checkbox"/> Increases incarceration | <input type="checkbox"/> Decreases incarceration |
| <input type="checkbox"/> Reduces inmate/offender services | <input type="checkbox"/> Increases inmate/offender services |
| <input type="checkbox"/> Increases staff time or positions | <input type="checkbox"/> Reduces staff time or positions |
| <input type="checkbox"/> Changes elements of offense for existing crime(s) | |
| <input type="checkbox"/> Otherwise impacts incarceration (Explain) _____ | |

STATE IMPACT: Class A, B & C felonies are based on an average daily prison rate of \$70.12. Most Class D felons are housed in one of 76 full service jails for up to 5 years. DOC's cost to incarcerate a felony inmate in a jail is \$31.45 per day (includes jail per diem, medical & central office costs), not including substance abuse treatment. Projections are based on the daily rate x 365 x number of years.

Projected Impact: NONE MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

SB 22 establishes sports wagering in Kentucky. The proposed legislation creates a new felony offense of tampering with the outcome of a sporting event. Tampering occurs when a person interacts with a player, coach, referee, or participant with the intent to persuade the participant to act in a way that would bias the outcome of the sporting event.

Additionally, wagering on a sporting event in which he or she is a participant is prohibited and shall be subject to a Class C felony. A participant is defined as players, coaches, referees or other officials involved in enforcing the rules of the game, and owners or shareholders of professional sports teams who might have influence over players and coaches through the ability to hire or fire.

Tampering with the outcome of a sporting event would be a Class C felony, subject to possible incarceration in a Kentucky state prison at an average cost of \$70.12 per day.

AOC records do not reflect any offenders convicted in FY2015-FY2017 under KRS 518.040 Sports Bribery, KRS 518.050 Receiving Sports Bribe, or KRS 518.060 Tampering with or rigging Sports Contest.

It is not possible to estimate how many offenses of tampering with the outcome of a sporting event would occur in the Commonwealth. Overall, the impact to the Department of Corrections resulting from SB 22 is not expected to be significant due to limited convictions of this specific offense.

A Class C Felony sentence is 5 to 10 years.	10 Class C Felons cost KY \$1.3M to \$2.6M
1 Class C Felon costs KY \$127,972 to \$255,944	100 Class C Felons cost KY \$12.8M to \$25.6M


LOCAL IMPACT: Local governments are responsible for the cost of incarcerating individuals charged with Class A or B misdemeanors and felony defendants until disposition of the case. While the expense varies by jail, this estimated impact will be based on \$31.34 per day, which equals the per diem and medical that DOC pays jails to house felony offenders.

Projected Impact: NONE MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

The following offices contributed to this Corrections Impact Statement:

Dept. of Corrections Dept. of Kentucky State Police Administrative Office of the Courts Parole Board Other

NOTE: Consideration should be given to the cumulative impact of all bills that increase the felon population or that impose new obligations on state or local governments. The Department of Corrections and local jails continue to operate over capacity. Without steps to reduce the population, any legislation that increases population or lengthens the term of incarceration will have a significant impact on correctional operations.

APPROVED BY:  1/3/2017
Commissioner, Kentucky Department of Corrections Date