

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2018 REGULAR SESSION**

**MEASURE**

2018 BR NUMBER **0155**

**SENATE** BILL NUMBER **22**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to sports wagering and making an appropriation therefor.**

**SPONSOR** **Senator J. Carroll**

**NOTE SUMMARY**

FISCAL ANALYSIS:  IMPACT     NO IMPACT     INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT:  STATE     LOCAL     FEDERAL

BUDGET UNIT(S) IMPACT: \_\_\_\_\_

FUND(S) IMPACT:  GENERAL  ROAD  FEDERAL  RESTRICTED AGENCY \_\_\_\_\_  OTHER

**FISCAL SUMMARY**

<b>FISCAL ESTIMATES</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>	\$0	\$0	\$0	\$0
<b>EXPENDITURES</b>				
<b>NET EFFECT</b>	\$0	\$0	\$0	\$0

( ) indicates a decrease/negative

**MEASURE'S PURPOSE:** The purpose of this bill is to authorize and tax sports wagering in Kentucky.

**PROVISIONS/MECHANICS:** Section 1 creates a new Section of KRS 230 to require the racing commission to create and implement a system of sports wagering.

Section 2 amends KRS 230.210 to define various terms relating to sports wagering.

Section 3 KRS 230.215 to amend a policy statement to add the intent of the Commonwealth to foster and promote sports wagering.

Section 4 amends KRS 230.225 to expand the jurisdiction of the racing commission to include sports wagering.

Sections 5 and 6 amends KRS 230.240 and 230.260 to conform statutes to the expanded jurisdiction in Section 4 of this bill.

Section 7 creates a new Section of KRS Chapter 230 to impose and describe licensing requirements for facilities seeking to conduct sports wagering.

Section 8 creates a new Section of KRS Chapter 230 to describe restrictions on sports wagering and mandate the promulgation of administrative regulations to describe the manner in which sports wagering may be conducted.

Section 9 creates a new Section of KRS 138 to impose a 20 percent tax on the total amount wagered for any sports wagering facility.

Section 10 creates a new Section of KRS 230 to establish the sports wagering distribution trust fund and describes what the money in the fund shall be used for.

Sections 11 and 12 amends KRS 230.320 and 230.360 to conform statutes to the expanded jurisdiction in Section 4 of this bill.

Section 13 amends KRS 230.990 to establish new crimes for tampering with the outcome of a sporting event and wagering on a sporting event in which that person is a participant.

Section 14 of this bill states that the bill takes effect only if a federal statute is repealed or rendered void and unenforceable by the Supreme Court.

**FISCAL EXPLANATION:** The estimated wagering tax revenue associated with this bill, where a 20 percent tax is applied to total sports wagering handle, is estimated to be \$0 in a full fiscal year. The proposed handle tax is sufficiently high so as to make the offering of sports wagering unprofitable for eligible facilities. It is assumed that these facilities would not apply for a sports wagering license and would not operate sports wagering facilities under a handle tax rate of 20 percent. As a result, \$0 in handle would be generated in a fiscal year and, consequently, \$0 in wagering tax would be generated.

**DATA SOURCE(S):** LRC Appropriations and Revenue Staff; LRC Economists  
**PREPARER:** Amit M. Shanker **NOTE NUMBER:** 7 **REVIEW:** JAB **DATE:** 3/16/2018