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<i>Emily B Caudill</i> REGULATIONS COMPILER

1 PUBLIC PROTECTION CABINET

2 Kentucky Horse Racing Commission

3 (New Administrative Regulation)

4 810 KAR 3:001. Definitions.

5 RELATES TO: 810 KAR Chapter 3

6 STATUTORY AUTHORITY: KRS 230.215, 230.260(8)

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215(2) grants the commission the
8 authority to regulate conditions under which thoroughbred racing shall be conducted in
9 Kentucky. KRS 230.260(8) grants the commission the authority to prescribe necessary and
10 reasonable administrative regulations and conditions under which horse racing at a horse race
11 meeting shall be conducted in this state. This administrative regulation defines the terms used
12 in 810 KAR Chapter 3.

13 Section 1. Definitions.

14 (1) "Age" means the number of years since a horse was foaled, reckoned as if the horse
15 was foaled on January 1 of the year in which the horse was foaled.

16 (2) "Allowance race" means a race in which contestants receive weight allowance based
17 on performance or winnings as stipulated in the conditions of the race.

18 (3) "ARCI" means the Association of Racing Commissioners International.

19 (4) "Association" is defined by KRS 230.210(1).

1 (5) "Authorized agent" means in flat racing any person currently licensed as an agent for a
2 licensed owner, jockey, or jockey apprentice by virtue of notarized appointment of agency filed
3 with the commission.

4 (6) "Claiming race" means a race in which ownership of a horse participating in the race
5 may be transferred in conformity with 811 KAR 4:050 and 810 KAR 5:030

6 (7) "Commission" means:

7 (a) The Kentucky Horse Racing Commission (formerly known as the Kentucky Horse Racing
8 Authority and defined in KRS 230.210(2)) if used in the context of the administrative agency
9 governing horse racing and pari-mutuel wagering; and

10 (b) the amount an association is authorized to withhold from a pari-mutuel wager
11 pursuant to KRS 230.3615, if used in the context of pari-mutuel wagering.

12 (8) "Conditions" means qualifications that determine a horse's eligibility to be entered in a
13 race.

14 (9) "Coupled entry" means two (2) or more horses in a race that are treated as a single
15 betting interest for pari-mutuel wagering purposes.

16 (10) "Day" means any twenty-four (24) hour period beginning at 12:01 a.m. and ending at
17 midnight.

18 (11) "Directive" means an official order issued by the commission or the executive
19 director.

20 (12) "Draw" means the process of determining post positions by lot.

21 (13) "Driver" means in standardbred racing a person who is licensed to drive a horse in a
22 race.

1 (14) "Early closing race" means in standardbred racing a race for a definite amount of
2 money in which entries close at least six (6) weeks prior to the race.

3 (15) "Electronic eligibility" means a computer-generated eligibility certificate that records
4 a horse's racing statistics.

5 (16) "Entry" means the act of nominating a horse for a race in conformance with Title 810
6 KAR.

7 (17) "Equipment" means in flat racing accoutrements other than ordinary saddle, girth,
8 pad, saddle cloth, and bridle carried by a horse, and includes whip, blinkers, tongue strap,
9 muzzle, hood, noseband, bit, shadow roll, martingale, breast plate, bandages, boots, and racing
10 plates or shoes.

11 (18) "Horse" means any equine irrespective of age or sex designation and registered for
12 racing with the applicable breed registry.

13 (19) "Ineligible" means a horse or person not qualified under Title 810 KAR or conditions
14 of a race to participate in a specified racing activity.

15 (20) "Jockey" means a rider currently licensed to ride in races as a jockey, apprentice
16 jockey, amateur jockey, or a provisional jockey permitted by the stewards to ride in three (3)
17 races prior to applying for a license.

18 (21) "Judge" means a duly appointed racing official with powers and duties specified in
19 810 KAR 2:050 serving at a current meeting in the Commonwealth.

20 (22) "Lessee" means a licensed owner whose interest in a horse is a leasehold.

1 (23) "Licensee" means an individual, firm, association, partnership, corporation, trustee,
2 or legal representative that has been duly issued a currently valid license to participate in racing
3 in the Commonwealth.

4 (24) "Meeting" means the entire period of consecutive days, exclusive of dark days,
5 granted by the commission to a licensed association for the conduct of live horse racing. A
6 meeting shall begin at 10 a.m. of the first racing day and extend through a period ending one
7 (1) hour after the last scheduled race of the last day.

8 (25) "Mutuel entry" means a single betting interest involving two (2) or more horses
9 entered in the same race and joined for pari-mutuel purposes because of common ties as to
10 ownership or training so that a wager on one (1) horse joined in a mutuel entry is a wager on all
11 horses joined in the same mutuel entry.

12 (26) "Nominal change in ownership" means the sale, pledge, encumbrance, execution of
13 an option agreement, or any other transfer of less than five (5) percent of the equity securities
14 or other ownership interest of a partnership, association, corporation, or other legal entity
15 holding a license issued by the commission.

16 (27) "Owner" means any person who holds, in whole or in part, any right, title, or interest
17 in a horse, or any lessee of a horse, who has been duly issued a currently valid owner's license
18 as a person responsible for the horse.

19 (28) "Pari-mutuel wagering," "mutuel wagering", or "pari-mutuel system of wagering"
20 each means a system or method of wagering approved by the commission in which patrons are
21 wagering among themselves and not against the association and amounts wagered are placed
22 in one or more designated wagering pools and the net pool is returned to the winning patrons.

1 (29) "Protest" means a written objection charging that a horse is ineligible to race, alleging
2 improper entry procedures, or citing any act of an owner, trainer, driver, or official prohibited
3 by rules which, if true, would exclude that horse or driver from racing.

4 (30) "Purse" means the gross cash portion of the prize for which a race is run.

5 (31) "Race" means a running contest between horses ridden by jockeys or driven by
6 drivers at a recognized meeting, during regular racing hours, for a prize.

7 (32) "Racing official" means a racing commission member, commission staff, as duties
8 require, and all association racing department employees, as duties require.

9 (33) "Result" means the part of the official order of finish in a race used to determine the
10 pari-mutuel payoff of pools.

11 (34) "Ruled off" means denial of entrance to premises of any association under
12 jurisdiction of the commission.

13 (35) "Rulings" means all determinations, decisions, or orders of the stewards or of the
14 commission duly issued in writing and posted.

15 (36) "Scratch" means the withdrawal of a horse entered for a race after the time of closing
16 of entries for the race.

17 (37) "Simulcasting" is defined by KRS 230.210(11).

18 (38) "Steward" means a duly appointed racing official with powers and duties specified in
19 810 KAR 2:040 serving at a current meeting in the Commonwealth.

20 (39) "Substantial change in ownership" means the sale, pledge, encumbrance, execution
21 of an option agreement, or any other transfer of five (5) percent or more of the equity

1 securities or other ownership interest of a partnership, association, corporation, limited liability
2 company, or other legal entity holding a license issued by the commission.

3 (40) "Suspended" means withdrawal of racing privileges by the stewards or commission.

4 (41) "Totalizator" means the system, including hardware, software, communications
5 equipment, and electronic devices, that accepts and processes the cashing of wagers, calculates
6 the odds and prices of the wagers, and records, displays, and stores pari-mutuel wagering
7 information.

8 (42) "USTA" means the United States Trotting Association.

9 (43) "Workout" means in flat racing the training exercise of a horse on the training track
10 or main track of an association during which the horse is timed for speed over a specified
11 distance.

12 (44) "Year" means twelve (12) consecutive months beginning with January and ending
13 with December.

810 KAR 3:001

READ AND APPROVED:

Franklin S. Kling, Jr.
Franklin S. Kling, Jr., Chairman
Kentucky Horse Racing Commission

11/12/18
Date

K. Gail Russell
K. Gail Russell, Acting Secretary
Public Protection Cabinet

11/13/18
Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on December 27, 2018 at 1:30 p.m., at the office of the Kentucky Horse Racing Commission, 4063 Iron Works Parkway, Building B, Lexington, Kentucky 40511. Individuals interested in being heard at this hearing shall notify the Kentucky Horse Racing Commission in writing by no later than five (5) working days prior to the hearing of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 11:59 p.m., December 31, 2018. Please send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.

CONTACT PERSON: John L. Forgy
General Counsel
Kentucky Horse Racing Commission
4063 Iron Works Parkway, Building B
Lexington, KY 40511
Phone: (859) 246-2040
Facsimile: (859) 246-2039
Email: John.Forgy@ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation No.: 810 KAR 3:001
Contact Person: John L. Forgy, General Counsel, Kentucky Horse Racing Commission;
Telephone: (859) 246-2040; Email: John.Forgy@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes definitions for terms used in 810 KAR Chapter 3.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to ensure that various terms used in 810 KAR Chapter 3 are defined properly and precisely.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 230.215(2) and 230.260(8) authorize the Commission to promulgate administrative regulations prescribing the conditions under which racing shall be conducted in Kentucky. This regulation sets forth defines terms that are used in the regulations in 810 KAR Chapter 3.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation fulfills the Commission's statutory mandate to prescribe the conditions under which horse racing is conducted in the Commonwealth by defining terms used in 810 KAR Chapter 3.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This is a new administrative regulation.

(b) The necessity of the amendment to this regulation: This is a new administrative regulation.

(c) How the amendment conforms to the content of the authorizing statute: This is a new administrative regulation.

(d) How the amendment will assist in the effective administration of the statutes: This is a new administrative regulation.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: Kentucky's licensed race tracks and all individual licensed participants in horse racing are potentially affected by this administrative

regulation's establishment of definitions pertaining to the conduct of racing. In the year 2017, the Commission licensed over 22,000 individuals to participate in horse racing. This number is consistent from year to year.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: Licensed racing associations and individual participants in horse racing will be required to adhere to the requirements and rules set forth in the regulations in Title 810 KAR pertaining to horse racing. This administrative regulation defines terms that appear in 810 KAR Chapter 3.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): No significant costs are associated with complying with this administrative regulation.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3)? Participants in racing will benefit from clearly defined rules that enhance the integrity of racing.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There is no initial administrative cost to implement this administrative regulation.

(b) On a continuing basis: There is no continuing cost to implement this administrative regulation.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No significant funding will be necessary to implement and enforce this administrative regulation. Any minimal costs will be funded from the budget of the Commission.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No additional fees or funding are necessary to implement this administrative regulation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any new fees or increase any current fees to participate.

(9) TIERING: Is tiering applied? (Explain why tiering was or was not used.) Tiering was not applied because this amended regulation will apply to all similarly situated entities in an equal manner.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation No.: 810 KAR 3:001

Contact Person: John L. Forgy, General Counsel, Kentucky Horse Racing Commission;
Telephone: (859) 246-2040; Email: John.Forgy@ky.gov

1. What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Kentucky Horse Racing Commission will be impacted by this administrative regulation.

2. Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 230.215, 230.260.

3. Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This administrative regulation will not generate revenue for state or local government for the first year.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This administrative regulation will not generate revenue for state or local government for subsequent years.

(c) How much will it cost to administer this program for the first year? No funds will be required to administer this regulation for the first year.

(d) How much will it cost to administer this program for subsequent years? No funds will be required to administer this regulation for subsequent years.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): Neutral

Expenditures (+/-): Neutral

Other Explanation: None