

Commonwealth of Kentucky Public Protection Cabinet Kentucky Horse Racing Commission

Andy Beshear, Governor

Ray A. Perry, Secretary Jamie Eads, Executive Director

FOR IMMEDIATE RELEASE

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Sports Wagering Licenses Approved at Meeting of the KHRC

Final order issued in 2021 Kentucky Derby medication positive

LEXINGTON, Ky. (Aug. 22, 2023) - Today, Gov. Andy Beshear announced that the Kentucky Horse Racing Commission (KHRC) voted to approve temporary licenses for sports wagering operators and service providers. A temporary license grants up to one year of operation in the state while under continued review. With the approval of these licenses, Kentucky bettors now know the retail facilities where they can place a sports wager and which mobile applications will be licensed in the state.

"The countdown continues as we move closer to sports wagering with retail locations opening in just 16 days," said Gov. Andy Beshear. "Thank you to the KHRC commissioners for their dedication to getting this done right and getting it done in time for the opening of the NFL season."

"We are excited to open sports wagering on our target date as we continue working through this careful process dedicated to wagering integrity and protecting bettors in the state of Kentucky," said KHRC Chairman Jonathan Rabinowitz.

Operator Licenses Approved

The following Kentucky racetracks and their satellite facilities were approved to open a sportsbook with a planned retail opening on Sept. 7:

- Churchill Downs, Louisville
- Derby City Gaming, Louisville
- Ellis Park, Henderson
- The Mint Gaming Hall Cumberland Run, Corbin
- The Mint Gaming Hall Cumberland, Williamsburg
- Newport Racing and Gaming, Newport
- Oak Grove Gaming and Racing, Oak Grove
- The Red Mile, Lexington
- Turfway Park, Florence

The following were approved, with facilities coming soon:

- Derby City Gaming, coming soon to downtown Louisville
- Ellis Park, coming soon to Owensboro
- Sandy's Gaming and Racing, coming soon to Ashland

Service Provider Licenses Approved

The KHRC also voted to approve temporary licenses for nine service providers. Eight will operate mobile applications in Kentucky. Kambi was approved as a service provider for retail operations and will not have a mobile application. The service providers licensed to operate a mobile sports wagering application starting Sept. 28 are:

- Bet365
- BetMGM
- Caesars
- Circa
- DraftKings
- Fanatics
- FanDuel
- Penn Sports Interactive

To see details on the license applicants and their business partners, click here.

Sports wagering is expected to increase the state's revenue by an estimated \$23 million a year upon full implementation. The increase in revenue will support the oversight of sports wagering and then be dedicated to the Kentucky permanent pension fund. Additionally, 2.5% will support the problem gambling assistance account operated by the Cabinet for Health and Family Services.

<u>House Bill 551</u> established a new excise tax on sports wagering: 9.75% on the adjusted gross revenues on wagers made at a licensed facility and 14.25% on wagers placed online or on a smart phone.

Timeline for Implementation

Last week, Gov. Beshear <u>announced a timeline</u> for sports wagering to open in Kentucky. That timeline now moves closer to full implementation. Key dates for Kentuckians to remember include:

- Monday, Aug. 28, at 6 a.m. EDT: Kentuckians can pre-register an account with approved mobile applications. Allowing pre-registration eases strains on electronic systems that can sometimes happen when many people try to register at once.
- Thursday, Sept. 7, at 6 a.m. EDT: Wagerers can deposit money into their preregistered mobile accounts only with approved mobile applications.
- Thursday, Sept. 7, at 10 a.m. EDT: Wagerers can place an in-person bet at licensed retail facilities.
- Thursday, Sept. 28, at 6 a.m. EDT: Approved mobile applications can start taking wagers.

Kentucky chose a tiered implementation, which has been used in multiple states and which allows for the testing of policies and procedures before the full rollout that includes mobile applications.

Sports Wagering Advisory Council

On Aug. 15, Gov. Beshear signed an executive order appointing members of the Sports Wagering Advisory Council. The council will advise the full commission and provide additional voices who have direct knowledge of the sports betting industry. Appointed members include:

Public Protection Cabinet Secretary Ray Perry

- KHRC Deputy Executive Director Waqas Ahmed
- KHRC Commissioner William May
- KHRC Commissioner Tiffany Daniels
- KHRC Commissioner James Edwin Worley
- Jonathan Blue, At-large member
- Joyce Merritt, At-large member

Commissioner May will serve as council chairperson.

KHRC Issues Final Order in Baffert Case

The last agenda item before the KHRC for a vote was the <u>recommended order</u> issued by Hearing Officer Eden Stephens on May 26, 2023 in the case of Robert A. Baffert and Zedan Racing Stables, Inc. v. Kentucky Horse Racing Commission. The KHRC voted unanimously to approve the recommended order and issued a Final Order from the Commission. The <u>Final Order</u> affirmed <u>Stewards' Rulings No. 22-0009</u> and <u>No. 22-0010</u> in their entirety.

The Final Order may be appealed to Circuit Court. If no appeal is filed within 30 days and in accordance with the law, the case will end. See also KRS 13B.120 and KRS 13B.140 for relevant statutes regarding final orders.

For more information about sports wagering in Kentucky, visit https://khrc.ky.gov/.