

FILED WITH LRC
TIME: 2pm
AUG 12 2011
Emily B Caudill
REGULATIONS COMPILER

**STATEMENT OF CONSIDERATION
RELATING TO 810 KAR 1:145;
811 KAR 1:285; and 811 KAR 2:185
PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
810 KAR 1:145– NOT AMENDED AFTER COMMENTS
811 KAR 1:285 – NOT AMENDED AFTER COMMENTS
811 KAR 2:185 – NOT AMENDED AFTER COMMENTS**

- (1) The public hearings on the new regulations 810 KAR 1:145, 811 KAR 1:285, and 811 KAR 2:185 (Advance deposit account wagering (“ADW”)) were not held; however, the Kentucky Horse Racing Commission (“KHRC”) received written comments.
- (2) Written comments on new regulations 810 KAR 1:145, 811 KAR 1:285, and 811 KAR 2:185 (Advance deposit account wagering) were received from the following:

Name	Association
Robert J. Duke	The Surety & Fidelity Association of America

The representative of the promulgating administrative body is:

Name	Title
Susan B. Speckert	General Counsel

Summary of Comments and Responses

Written comments received from the above-named individuals and groups are described below:

- (1) 810 KAR 1:145 Section 4(2)(b), 811 KAR 1:285 Section 4(2)(b) and 811 KAR 2:185 Section 4(2)(b).
 - (a) Comment: In his letter, Mr. Duke commented that the bond requirement should apply to all licensees and that the amount of the bond be in proportion to the financial exposure presented by the applicant. Mr. Duke also commented that

the KHRC should develop a standard bond form and indicated that The Surety & Fidelity Association of America could assist in drafting such a form.

- (b) Response: The above-referenced regulations establish a licensing process for entities that offer advance deposit account wagering to Kentucky residents. Section 4(2)(b) of the regulations provides that the KHRC may require a bond or irrevocable letter of credit in favor of the Commonwealth up to \$500,000 depending upon the financial stability of the applicant. This provision was agreed upon after multiple public meetings that included input from the various affected parties, including ADWs. The KHRC believes this provision is appropriate as written.

Action taken by Promulgating Administrative Body

The written comments submitted by Mr. Duke only cite to 811 KAR 1:285. However, 810 KAR 1:145 and 811 KAR 1:285 are identical to 811 KAR 1:285. Thus, the comment applies to all three regulations. No changes were made to 810 KAR 1:145, 811 KAR 1:285, and 811 KAR 2:185 as a result of the comments received during the public comment period.