

MINUTES OF THE DECEMBER 11, 2023, KENTUCKY HORSE RACING COMMISSION SPECIAL MEETING

Date: December 11, 2023 at 10:00 a.m.

Place: Kentucky Horse Racing Commission Conference Room, 4047 Iron Works Parkway, Lexington, Kentucky 40511

Members Present: Commissioner Mike Berry, Commissioner Dr. Naveed Chowhan, Commissioner Dr. Tiffany Daniels, Commissioner William L.S. Landes, Commissioner Charles O’Connor, Commissioner Catherine Parke, Commissioner C. Frank Shoop, Commissioner James E. Worley; Commissioner Michael F. Dudgeon; Commissioner Lesley Howard

Ex-officio Members Present: Secretary Ray Perry; Sydney Montgomery, serving as proxy on behalf of Secretary Jeff Noel; Sarah Cronan, serving as proxy on behalf of Secretary Lindy Casebier

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
I. Call to Order and Roll Call	3 - 5	Executive Director Jamie Eads called the meeting of the Kentucky Horse Racing Commission (KHRC) to order. She explained that Chair Rabinowitz was involved in an auto accident and was unable to attend the meeting. Roll call was taken and a quorum was recognized.	No action taken.
II. New Business Tab 1: Approve minutes of the October 31, 2023 Kentucky Horse Racing Commission Meeting	5 - 42 5 - 6	Executive Director Jamie Eads requested a motion from the Commission to approve minutes of the October 31, 2023, Kentucky Horse Racing Commission Meeting. Motion by Commissioner Landes. Second by Commissioner O’Connor. Deputy Executive Director Waqas Ahmed was assigned the floor and explained that behind tab one were the minutes from the October 31, 2023 meeting. KHRC staff recommended approval.	Executive Director Jamie Eads called for a vote to approve minutes of the October 31, 2023, Kentucky Horse Racing Commission

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			Meeting. Motion carried with no objections or abstentions.
Tab 2: 2024 Meeting schedule and calendar	8 - 10	<p>Executive Director Jamie Eads requested a motion from the Commission for approval of the 2024 meeting schedule and calendar. Motion by Commissioner Berry, second by Commissioner Parke.</p> <p>Executive Administrative Secretary Mariah Dietz was assigned the floor and explained that the proposed schedule was for meetings to be bi-monthly on the third Tuesday of every other month, except for December, which was scheduled for the second Tuesday of that month. Approval was recommended by KHRC Staff.</p>	Executive Director Jamie Eads called for a vote to approve the 2024 meeting schedule and calendar. Motion carried with no objections or abstentions.
Tab 3: Renewal of Churchill Downs Racetrack’s license for a simulcast facility.	7 – 8	<p>Executive Director Jamie Eads requested a motion from the Commission for renewal of Churchill Downs Racetrack’s license for a simulcast facility. Motion by Commissioner Parke, second by Commissioner Daniels.</p> <p>Deputy Executive Director Waqas Ahmed explained that Churchill Downs Racetrack LLC submitted a request to continue its operations as a simulcast facility. KHRC staff recommended approval.</p>	Executive Director Jamie Eads called for a vote to approve the Renewal of Churchill Downs Racetrack’s license for a simulcast facility. Motion

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			carried with no objections or abstentions.
Tab 4: Approval of the totalizer service license for 2024.	10 - 12	<p>Executive Director Jamie Eads requested a motion from the Commission for approval of the totalizer service license for 2024. Motion by Commissioner Landes, second by Commissioner O'Connor.</p> <p>Director Pari-Mutuel Wagering and Compliance Andy Conway was assigned the floor and explained that three renewal applications were received for totalizer services in 2024. All applications were reviewed, and documents were provided pursuant to 810 KAR Chapter 3. KHRC Staff recommended approval of the applicants as listed under agenda item 4.</p>	Executive Director Jamie Eads called for a vote to approve the totalizer service license. Motion carried with no objections or abstentions.
Tab 5: Approval of advanced deposit account wagering licenses for 2024.	12 - 13	<p>Executive Director Jamie Eads requested a motion from the Commission for approval of advanced deposit account wagering licenses for 2024. Motion by Commissioner Shoop, second by Commissioner O'Connor.</p> <p>Director Pari-Mutuel Wagering and Compliance Andy Conway was assigned the floor and explained that eight applications were received for advanced deposit wagering licenses for 2024. All applications were filed before the deadline. Following review, the KHRC staff recommended approval of the</p>	Executive Director Jamie Eads called for a vote to approve of advanced deposit account wagering licenses for 2024. Motion carried with no

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		applications from the entities provided behind tab 5 of the agenda.	objections or abstentions.
Tab 6: Churchill Downs Racetrack LLC's application for monies from Backside Improvement fund.	13 - 16	<p>Executive Director Jamie Eads requested a motion from the Commission for approval of Churchill Downs Racetrack LLC's application for monies from Backside Improvement fund. Motion by Commissioner Worley, second by Commissioner Landes.</p> <p>Director of Incentives and Development Drew Connors was assigned the floor and explained that the KHRC received two Backside Improvement Fund requests from Churchill Downs Racetrack, LLC for the replacement of plywood and sub-roofs on multiple barns that will total \$233,548. The second request was for the Kentucky HBPA trailer renovation on the backside of Churchill Downs, with the cost to be split with HBPA for \$14,800. Approval was recommended by KHRC staff. Commissioner Landes inquired as to the account balance, which is \$287,748.27.</p>	<p>Executive Director Jamie Eads called for a vote to approve Churchill Downs Racetrack LLC's application for monies from Backside Improvement fund. Motion carried with no objections or abstentions.</p>
Tab 7: Approval of KTDF requests pertaining to Turfway Park's 2023 holiday and winter/spring race meet.	16 - 18	<p>Executive Director Jamie Eads requested a motion from the Commission to approve of KTDF requests pertaining to Turfway Park's 2023 holiday and winter/spring race meet. Motion by Commissioner Worley, second by Commissioner Shoop.</p> <p>Director of Incentives and Development Drew Connors was assigned the floor and explained at two meetings of the</p>	<p>Executive Director Jamie Eads called for a vote to approve of KTDF requests pertaining to</p>

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		<p>Kentucky Thoroughbred Development Fund Advisory Committee, they considered requests from Turfway Park. The requests were to help Turfway Park fund their KTDF purses while increasing the strength of the overall racing circuit. Kentucky Downs requested a transfer of \$1 million of KTDF earnings to Turfway Park at the conclusion of their race meet. Turfway Park requested the use of \$56,000 in KTDF earnings to promote, enhance, improve, and encourage the continued development of the Thoroughbred breeding industry in Kentucky.</p> <p>The KTDF Advisory Committee along with Kentucky HBPA and KTA-KTOB and KHRC staff recommended approval.</p>	<p>Turfway Park's 2023 holiday and winter/spring race meet. Motion carried with no objections or abstentions.</p>
<p>Tab 8: Approval of the Kentucky Sire Stakes Commonwealth, Goldenrod and Mini-Series of 2024</p>	<p>18 - 20</p>	<p>Executive Director Jamie Eads requested a motion from the Commission to approve the Kentucky Sire Stakes Commonwealth, Goldenrod, and Mini-Series during 2024. Motion by Commissioner Landes, second by Commissioner O'Connor.</p> <p>Director of Incentives and Development Drew Connors was assigned the floor and explained that the Kentucky Standardbred Development Fund and Kentucky Standardbred Breeders' Incentive Fund Advisory Panel recommended approval of the dates and conditions regarding the 2024 Sire Stakes. Oak Grove will increase purses by 1.1 million, Red Mile will increase their purses by \$1,020,000 and Cumberland Run will increase their purses by \$820,000.</p>	<p>Executive Director Jamie Eads called for a vote to approve the Kentucky Sire Stakes Commonwealth, Goldenrod, and Mini-Series of 2024. Motion carried with no objections or abstentions.</p>

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		<p>The Advisory Committee also decided to extend the stallion bonus for the program to cover all races for 2- and 3-year-olds in the Kentucky Sire Stakes and through the Kentucky Proud Series. The cap will be \$2 million for payout for the year, making the additional expenditures between \$3.5 and \$5 million for 2024.</p> <p>Approval is recommended by KHRC staff.</p>	
<p>Tab 9: Approval of the Kentucky Proud Series of 2024</p>	<p>20 - 22</p>	<p>Executive Director Jamie Eads requested a motion from the Commission to approve the Kentucky Proud Series for 2024. Motion by Commissioner Worley, second by Commissioner Shoop.</p> <p>Director of Incentives and Development Drew Connors was assigned the floor and explained that the Kentucky Standardbred Development Fund and Kentucky Standardbred Breeders' Incentive Fund Advisory Panel recommend continued support of the harness racing at Kentucky fairs through the Kentucky Proud Series. Approval is also recommended by KHRC staff. The Kentucky Proud Series will consist of seven events and a final with purses of \$1,500 per entry per division, with a minimum purse of \$6,000 per division for each event and a final purse of \$60,000. The proposed race dates and conditions for the 2024 Kentucky Proud Series is in the meeting materials and is recommended by KHRC Staff.</p>	<p>Executive Director Jamie Eads called for a vote to approve the Kentucky Proud Series of 2024.</p> <p>Motion carried with no objections or abstentions.</p>

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<p>Tab 10: Approval of the release of uncashed pari-mutuel tickets to the Kentucky Health and Welfare Fund.</p>	<p>22 – 27</p>	<p>Executive Director Jamie Eads requested a motion from the Commission to approve of the release of uncashed pari-mutuel tickets to the Kentucky Health and Welfare Fund. Motion by Commissioner Parke, second by Commissioner O’Connor.</p> <p>Director of Incentives and Development Drew Connors was assigned the floor and explained the annual request from the Executive Director of the Kentucky Racing Health and Welfare Fund for the release of uncashed pari-mutuel tickets. This is a non-profit charitable corporation in its 45th year of operation and it has provided millions in healthcare and retirement benefits to the backstretch workers. The total for unclaimed tickets as of July 1, 2023 is \$1,442,712.93. Staff have reviewed the materials submitted and recommend approval.</p>	<p>Executive Director Jamie Eads called for a vote to release of uncashed pari-mutuel tickets to the Kentucky Health and Welfare Fund. Motion carried with no objections or abstentions.</p>
<p>Tab 11: Approval of the release of the uncashed pari-mutuel tickets for the Kentucky Proud Series.</p>	<p>27 - 29</p>	<p>Executive Director Jamie Eads requested a motion from the Commission to approve of the release of the uncashed pari-mutuel tickets for the Kentucky Proud Series. Motion by Commissioner Shoop, second by Commissioner Berry.</p> <p>Director of Incentives and Development Drew Connors was assigned the floor and explained that KRS 230.398 states that any uncashed pari-mutuel tickets collected by a licensee conducting harness racing shall be used for harness racing events at county fairs, now called the Kentucky Proud Series. The uncashed tickets this year totaled \$40,955.52. Staff</p>	<p>Executive Director Jamie Eads called for a vote to approve of the release of the uncashed pari-mutuel tickets for the Kentucky Proud Series. Motion carried with no</p>

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		reviewed submitted materials and have approved the recommendation.	objections or abstentions.
Tab 12: Ratification of Executive Director Eads' approval of the amendments to the Kentucky Sports Wagering Catalog.	29 -32	<p>Executive Director Jamie Eads requested a motion from the Commission ratify Executive Director Eads' approval of the amendments to the Kentucky Sports Wagering Catalog. Motion by Commissioner Worley, second by Commissioner Parke.</p> <p>Director of Sports Wagering Hans Stokke was assigned the floor and explained that amendments to the Sports Wagering Catalog needed to be ratified. Additions to the catalog included Athletes Unlimited (basketball, lacrosse, softball, and volleyball); NCAA Volleyball; TGL (Tomorrow's Golf League); UFC Contender Series, MMA; and H2H Global Gaming League, (SIS NBA2k basketball). Executive Director Jamie Eads approved these amendments to the catalog and once ratified the catalog would be made available online.</p>	Executive Director Jamie Eads called for a vote to ratify her approval of the amendments to the Kentucky Sports Wagering Catalog. Motion carried with no objections or abstentions.
Tab 13: Approval of sports wagering service provider licenses for 2024.	32 - 35	<p>Executive Director Jamie Eads requested a motion from the Commission to approve sports wagering service provider licenses for 2024. Motion by Commissioner O'Connor, second by Commissioner Worley.</p> <p>Director of Sports Wagering Hans Stokke was assigned the floor and explained that the service providers require an initial fee of \$50,000 and a renewal fee of \$10,000. Applicants must submit relevant documentation that outlines their organizational</p>	Executive Director Jamie Eads called for a vote to approve sports wagering service provider licenses for 2024. Motion carried with no

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		structure, key personnel, technical requirements, and certification. Nine applicants were approved for temporary service provider license on August 22, 2023, and all nine have requested renewal of the licenses for 2024. KHRC Staff have reviewed these submissions and recommend approval of the service provider applications for 2024.	objections or abstentions.
<p>Tab 14: Voluntary Implementation Agreement with the Horseracing Integrity and Safety Authority and the Horseracing Integrity and Welfare Unit for 2024.</p>	35 - 42	<p>Executive Director Jamie Eads requested a motion from the Commission to approve the 2024 Voluntary Implementation Agreement with the Horseracing Integrity and Safety Authority and the Horseracing Integrity and Welfare Unit . Motion by Commissioner Landes, second by Commissioner Parke.</p> <p>General Counsel Jennifer Wolsing was assigned the floor and explained that the KHRC attorneys and the attorneys for HISA and HIWU have met and discussed the Voluntary Implementation Agreement. The Agreement and the any changes are included in the meeting materials. KHRC staff recommended approval of the agreement.</p>	<p>Executive Director Jamie Eads called for a vote to approve the 2024 Voluntary Implementation Agreement with the Horseracing Integrity and Safety Authority and the Horseracing Integrity and Welfare Unit . Motion carried with no objections or abstentions.</p>

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<p>Division Reports</p> <p>a. Thoroughbred Rulings</p> <p>b. Standardbred Rulings</p> <p>c. Veterinary Division</p>	<p>42 - 51</p> <p>42 - 43</p> <p>43 - 44</p> <p>44 - 48</p> <p>48 - 49</p>	<p>Chief State Steward Barbara Borden stated that the rulings were in the meeting materials and that the running total for the year was included.</p> <p>State Racing Judge & Steward Patricia Cooksey presented the report and explained that all fines and suspensions have been paid except one.</p> <p>Chief Racing Veterinarian Dr. Nick Smith was assigned the floor and stated that there were two reports and the first one was Keeneland Fall 2023 Meet. There were 1,474 total starts, 399 post-race samples, and 39 veterinary scratches. Of the scratches, 30 were pre-race and 9 were on-track. For the on-track scratches, 6 were soundness-related and 3 were due to gate or paddock injuries. 63 horses were placed on the vet's list. There were 12 ambulance runs and 1 racing fatality, which was musculoskeletal.</p> <p>The second report was for Churchill Downs' Fall 2023 Meet, which had 1,742 starts with 529 post-race samples collected. 44 veterinary scratches occurred, of which 29 were pre-race and 15 were on-track. 76 horses were placed on the vet's list. There were 7 ambulance runs and 2 fatalities, both of which were musculoskeletal injuries.</p> <p>The last document provided is the thoroughbred racing fatality chart total for 2007 to present.</p>	<p>No action taken.</p> <p>Informational purposes only.</p>

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<p>d. Pari-mutual Wagering & Compliance</p> <p>e. Sports Wagering</p>	<p>49 - 51</p>	<p>Pari-Mutuel Wagering Division Director Andy Conway presented the report for the fiscal year for October and stated that Keeneland had a 6% increase in on-track wagers compared to last year. Simulcast wagering had a decrease during that time. Oak Grove and the Mint Bowling Green had significant increases in volume; wagers on historical races had a grown through October with over \$20 million in additional wagers for the month of the Derby.</p> <p>Sports Wagering Director Hans Stokke presented the sports wagering market report that reflected data from September and October of the fiscal year. Highlights from the first report period include a total of handle of \$45,862,901 wagered in September 2023, generating \$321,965 in Kentucky sports wagering excise tax. October 2023 saw a total handle of \$294,950,219 and the Kentucky sports wagering excise tax collected was \$7,618,787.</p>	
<p>IV. Adjournment</p>	<p>52</p>	<p>With no other business, Executive Director Jamie Eads requested a motion to adjourn the December 11, 2023 meeting. Motion by Commissioner Berry, second by Commissioner Worley. Meeting adjourned.</p>	<p>Executive Director Jamie Eads called for a vote to adjourn. Motion carried with no objections or abstentions.</p>

NOTE: The meeting materials and any amendments and/or supplements thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.