

# **Kentucky Horse Racing and Gaming**

Meeting Materials

February 10, 2026



**KENTUCKY HORSE RACING & GAMING**

Kentucky's Safe Bet

**MINUTES OF THE OCTOBER 28, 2025, KENTUCKY HORSE RACING AND GAMING CORPORATION MEETING**

Date: October 28, 2025, at 1:30 p.m.

Place: KHRG Conference Room and via Video Teleconference

Board Members Present: Chair Jonathan Rabinowitz, Mike Berry, Tiffany Daniels, Terry Finley, Greg Harbut, Kerry Harvey, William L.S. Landes, Catherine Parke, C. Frank Shoop, James E. Worley, Dale Romans, Gregory Mason, Jason Chinn and William Redwine

Ex-officio Members Present: Secretary Lindy Casebier, Chad Thompson for Secretary Ray Perry, Jansen Hammock for Secretary Jeff Noel

<b>AGENDA ITEM</b>	<b>TRANSCRIPT PAGE NUMBER(S)</b>	<b>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</b>	<b>ACTION TAKEN</b>
<b>I. Call to Order and Roll Call</b>	4 - 5	Chair Rabinowitz called the meeting of the Kentucky Horse Racing and Gaming Corporation (KHRGC) to order and performed the roll call. A quorum was recognized.  Chair Rabinowitz began by welcoming the three new board members: Bernie Mason, Jason Chinn and Bill Redwine.	No action taken.
<b>II. New Business</b> <b>Tab 1: Approve the Minutes of the August 19, 2025, Meeting</b>	6	Chair Rabinowitz requested a motion from the Board to approve the minutes of the August 19, 2025, meeting. Motion by Mr. Landes and second by Mr. Berry.  Chief Legal Officer Ashleigh Bailey was assigned the floor and stated the minutes were located behind the first tab of the meeting materials.	Chair Rabinowitz called for a vote to approve minutes of the August 19, 2025, meeting. Motion carried with no objections or abstentions.
<b>Tab 2: Proposed Conditions on Licenses to Conduct Live Horse</b>	7 - 8	Chair Rabinowitz requested a motion from the Board to approve the proposed conditions on licenses to conduct live horse	Chair Rabinowitz called for a vote to approve the proposed

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<p><b>Racing, Simulcasting, and Pari-Mutuel Wagering for 2026</b></p>		<p>racing, simulcasting and pari-mutuel wagering for 2026. Motion by Mr. Harbut and second by Ms. Parke.</p> <p>Chief Legal Officer Ashleigh Bailey was assigned the floor and explained that it was recommended that each racing association certify that they will comply with the conditions proposed in the meeting materials.</p>	<p>conditions on licenses to conduct live horse racing, simulcasting and pari-mutuel wagering for 2026. Motion carried with no objections or abstentions.</p>
<p><b>Tab 3: Licenses to Conduct Live Horse Racing, Simulcasting, Pari-Mutuel Wagering, and Sports Wagering for 2026</b></p>	<p>9 - 21</p>	<p>Chair Rabinowitz requested a motion from the Board to approve Licenses to Conduct Live Horse Racing, Simulcasting, Pari-Mutuel Wagering, and Sports Wagering for 2026. Motion by Mr. Berry and second by Dr. Daniels.</p> <p>Senior Vice President of Gaming and Media Relations, Travers Manley, was assigned the floor and shared that all nine licensed racetracks submitted applications to renew for 2026. The eight racetracks that hold sports wagering operator licenses submitted renewal applications for 2026 as well. KHRGC Staff thoroughly reviewed each application and sent letters asking for clarification and supplemental documents which were provided.</p> <p>Travers provided an overview of each application which is fully incorporated in these minutes and can be found in its entirety in the meeting transcript on pages 10 through 21.</p>	<p>Chair Rabinowitz called for a vote to approve the Licenses to Conduct Live Horse Racing, Simulcasting, Pari-Mutuel Wagering, and Sports Wagering for 2026. Motion carried with no objections or abstentions.</p>

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<p><b>Tab 4: Turfway Park, LLC's Backside Improvement Fund Request</b></p>	<p>22 - 23</p>	<p>Chair Rabinowitz requested a motion from the Board to approve Turfway Park, LLC's Backside Improvement Fund Request. Motion by Mr. Shoop and second by Ms. Parke.</p> <p>Incentives and Development Director, Drew Conners, was assigned the floor and explained that Turfway Park sent a letter on September 3 seeking permission to use backside improvement funds for a replacement muck bin. KHRG confirmed that it met with statutory and regulatory requirements of KRS 230.3615 and 810 KAR 7:010. Approval was recommended by KTA, KTOB, Kentucky HBPA and the KHRG Staff.</p>	<p>Chair Rabinowitz called for a vote to approve Turfway Park, LLC's Backside Improvement Fund Request. Motion carried with no objections or abstentions.</p>
<p><b>Tab 5: Churchill Downs Racetrack, LLC's Backside Improvement Fund Request</b></p>	<p>23 - 27</p>	<p>Chair Rabinowitz requested a motion from the Board to approve Churchill Downs Racetrack, LLC's Backside Improvement Fund Request. Motion by Mr. Shoop and second by Mr. Berry.</p> <p>Incentives and Development Director, Drew Conners, was assigned the floor and explained that Churchill Downs Racetrack LLC requested use of backside improvement funds to replace stairs and decking on 32 barns, to conduct 15 bathroom remodels, and to construct an outrider shelter. These projects meet the statutory and regulatory requirements. Approval was recommended by KTA, KTOB, Kentucky HBPA and the KHRG Staff.</p>	<p>Chair Rabinowitz called for a vote to approve Churchill Downs Racetrack, LLC's Backside Improvement Fund Request. Motion carried with no objections and no abstentions. One member withheld his vote pending receipt of the contractor's information.</p>

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<p><b>Tab 6: Amended KTDF Allotment Requests as Submitted and Approved by the KTDF Advisory Committee on 10-1-2025</b></p>	<p>27 - 29</p>	<p>Chair Rabinowitz requested a motion from the Board to approve Amended KTDF Allotment Requests as Submitted and Approved by the KTDF Advisory Committee on 10-1-2025. Motion by Mr. Berry and second by Mr. Harbut.</p> <p>Incentives and Development Director, Drew Conners, was assigned the floor and explained that at the October 1 KTDF advisory committee meeting, the allotment request from Turfway Park was approved.</p> <p>Kentucky Downs requested a transfer of \$1 Million in KTDF funds to Turfway Park which would increase the overall KTDF allotment for purses to range from \$13 to \$14 Million for their 2025/2026 Holiday/Winter/Spring Meet. KTDF Advisory Committee Members did not have any concerns with this request, nor did members of the Kentucky HBPA or the KTA/KTOB. KHRGC Staff also recommended approval.</p>	<p>Chair Rabinowitz called for a vote to approve Amended KTDF Allotment Requests as Submitted and Approved by the KTDF Advisory Committee on 10-1-2025. Motion carried with no objections or abstentions.</p>
<p><b>Tab 7: Kentucky Thoroughbred Owners and Breeders, Inc. (KTOB) – Request to Increase KTDF Registration Fees</b></p>	<p>29 - 32</p>	<p>Chair Rabinowitz requested a motion from the Board to approve the Kentucky Thoroughbred Owners and Breeders, Inc. (KTOB) Request to Increase KTDF Registration Fees. Motion by Ms. Parke and second by Mr. Berry.</p> <p>KHRGC Incentives and Development Director, Drew Conners, was assigned the floor. Mr. Conners shared that at the previously mentioned October 1 KTDF advisory committee meeting, a request to increase the KTDF registration fees on foals, yearlings and horses of racing age was received from</p>	<p>Chair Rabinowitz called for a vote to approve the Kentucky Thoroughbred Owners and Breeders, Inc. (KTOB) Request to Increase KTDF Registration Fees.</p>

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		Kentucky Thoroughbred Owners and Breeders, Inc. The increases will be directed towards the administrative budget that has remained the same since 2004. Fees for registering a foal will increase from \$75 to \$95; for yearlings it will increase from \$100 to \$140; and horses of racing age will increase from \$350 to \$700. Stallion nomination fees will remain unchanged. The KTDf Advisory Committee recommended approval.	Motion carried with no objections and one abstention.
<b>Tab 8: Turfway Park, LLC's Proposed 2025 Holiday Race Meet &amp; 2026 Winter/Spring Race Meet Officials and Date Preference System</b>	32 - 33	<p>Chair Rabinowitz requested a motion from the Board to approve Turfway Park, LLC's Proposed 2025 Holiday Race Meet &amp; 2026 Winter/Spring Race Meet Officials and Date Preference System. Motion by Mr. Harvey and second by Mr. Shoop.</p> <p>Senior Vice President of Racing and Chief State Steward, Barbara Borden, was assigned the floor and shared the roster of racing officials that was received from Turfway Park. All of the officials are currently licensed or will be by the beginning of the meet. They have all performed the duties that they are assigned at Turfway Park. The date preference system is the same as years past with no change. Staff recommended approval.</p>	Chair Rabinowitz called for a vote to approve Turfway Park, LLC's Proposed 2025 Holiday Race Meet & 2026 Winter/Spring Race Meet Officials and Date Preference System. Motion carried with no objections or abstentions.
<b>Tab 9: Request for Approval of Sports Wagering Catalog Recommendations</b>	33 - 35	Chair Rabinowitz requested a motion from the Board to approve a Request for Approval of Sports Wagering Catalog Recommendations. Motion by Mr. Berry and second by Ms. Parke.	Chair Rabinowitz called for a vote to approve a Request for Approval of Sports Wagering Catalog Recommendations.

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		Sports Wagering Director, Hannah Simms, was assigned the floor and explained that this request is for consideration of new sporting events and governing bodies as well as some clarifications of existing offerings and awards. Staff recommended approval.	Motion carried with no objections or abstentions.
<b>Division Reports</b> <b>a. President's Report</b>  <b>b. Transition Update</b>  <b>c. Financial Update</b>  <b>d. Thoroughbred Rulings</b>  <b>e. Standardbred Report</b>	35  36  36  37 - 38  38	President and CEO Jamie Eads was assigned the floor and shared that her report was in the meeting materials.  COO Susan Speckert was assigned the floor and shared that her report was in the meeting materials.  CFO Katie Smith was assigned the floor and explained that her report provides the purchase requests that have been approved by the board, president or finance committee.  Senior Vice President of Racing and Chief State Steward, Barbara Borden, was assigned the floor and shared that her reports consist of the running total of rulings by category, a running total of types of rulings and fine amounts since January 2025. There is also a report of thoroughbred rulings since the last meeting and of HISA rulings.  Incentives & Development Assistant Director and KBIF Horse Inspector Patricia Cooksey was assigned the floor and shared	No action taken. Informational purposes only.

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f. Safety Report	39 - 40	<p>that all fines had been paid except for some that that were full suspensions and some that are being appealed.</p> <p>Safety Steward, Beth Bungert, explained that there are 2 regulatory veterinarians for the mortality review board, that the risk management committee is going to be jurisdictional and that the mortality review is going to be smaller track to track.</p>	
g. Veterinary Division	40 - 47	<p>Chief Racing Veterinarian, Dr. Nick Smith, was assigned the floor and shared his first report from Churchill Downs September 2025 meet with 1,115 starts. There were 340 post race samples; 29 veterinary scratches, of which 21 were pre-race and 8 were on track. The on-track scratches were for soundness and gate or paddock injuries. 60 total horses were placed on the vet's list, there were 142 claimed horses and 8 ambulance runs. There was 1 racing fatality and no training fatalities.</p> <p>Dr. Smith's next report was from Ellis Park's 2025 meet with 1,867 starts, 524 post race samples and 52 veterinary scratches. 35 of the scratches were pre-race and 17 were on-track. 96 total horses were placed on the Vet's List and of those 32 were post-race. There were a total of 142 claims in the meet, 8 ambulance runs and 1 racing fatality. No training fatalities.</p> <p>Dr. Smith's next report was from Kentucky Downs 2025 with 856 total starts and 176 post race samples collected. There were 19 veterinary scratches for the meet of which 12 were pre-race and 7 were on track. A total of 24 horses were placed on the Vet's</p>	

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<p><b>h. Pari-Mutuel Wagering Division</b></p>	<p>47 - 49</p>	<p>List, 2 claims for the meet, one ambulance run, one racing fatality and no training fatalities.</p> <p>Dr. Smith's last report was from Red Mile's 2025 meet with 4,534 starts and 923 post-race samples collected. There were 21 horses placed on the Vet's List, 1 claimed horse, 2 ambulance runs and no training or racing fatalities.</p> <p>The last page of the report is the total thoroughbred fatalities chart from 2007 to present. Dr. Smith verified that fatality reports do not reflect training fatalities at all thoroughbred tracks.</p> <p>The Director of Pari-mutuel Wagering, Melissa Combs-Wright, was assigned the floor and shared her reports that included a line graph showing the current fiscal year and the previous 3 fiscal years. For September 2025 the live on-track handle was approximately \$4.4 million with a return to player of a little more than 3 million; that total was down 5% compared to September 2024. Total handle for fiscal year 2026 from July 1 through the end of September was 8.5 million. All sources handle at Ellis Park's summer meet was \$77 Million, which was a 6% increase over last year's records. Kentucky Downs' all sources handle for 2025 was roughly \$107.3 Million, a 19% increase from last year's previous record.</p> <p>The total simulcast handle for September was approximately \$5.6 Million, which is down 21% from last September. The fiscal</p>	

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		<p>year 2026 simulcast handle was \$20.8 Million which is down 10% compared to the previous year.</p> <p>The total ADW handle for Kentucky residents for September was approximately \$22 Million, which is down 6% from the previous year. The fiscal year 2026 ADW handle total was \$80.8 Million, which is a 1% decrease compared to last year.</p> <p>Total HHR handle for September was \$899 million with a return to player of approx. \$815 million. Handle was up 11% compared to September 2024. The total HHR handle for fiscal year 2026 was \$2.86 Billion, which is a 14% increase compared to last year.</p>	
i. Sports Wagering	50 - 51	The director of Sports Wagering, Hannah Simms, was assigned the floor and shared that for August, \$193 Million was wagered across retail and online sports wagering with around \$170.5 Million returned to players in the form of winnings. The total excise tax for August 2025 was \$81.3 Million.	
j. Charitable Gaming Division	51	Senior Vice President of Gaming and Media Relations, Travers Manley, was assigned the floor and shared that the reports for the second quarter for Charitable Gaming were being finalized and would be presented at the next meeting. Charitable Gaming recently hosted training sessions in the office with 43 attendees.	
k. Litigation Report	52	Informational purposes only.	

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<p><b>Executive Session</b></p> <p><b>During the meeting on October 28, 2025, the Board convened under closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation (CONFIDENTIAL)</b></p>	52	<p>Chair Rabinowitz requested a motion from the Board to convene in closed session to discuss proposed or pending litigation against or on behalf of the Corporation, as permitted by KRS Chapter 61.810(1)(c). Motion by Mr. Harvey, second by Mr. Chinn.</p> <p style="text-align: center;">EXECUTIVE SESSION</p> <p>Chair Rabinowitz requested a motion from the Board to reconvene in open session. Motion by Mr. Harbut, second by Mr. Finley.</p> <p style="text-align: center;">RECONVENED TO OPEN SESSION</p>	<p>Chair Rabinowitz called for a vote for the Board to convene in closed session. Motion carried with no objections or abstentions.</p> <p>Chair Rabinowitz called for a vote for the Board to reconvene in open session. Motion carried with no objections or abstentions.</p>
<p><b>III. Other Business</b></p> <p>1. Bates vs. KHRGC, Administrative Action No. KHRGC-25-SB-001</p>	53 - 54	<p>Chair Rabinowitz requested a motion from the Board to adopt the Hearing Officer’s recommendation to dismiss Brandon Bates v. KHRGC Administrative Action Number KHRGC-25-SB-001. Motion by Mr. Harvey and second by Dr. Daniels.</p>	<p>Chair Rabinowitz called for the Board to adopt the hearing officer’s recommendation to dismiss Brandon Bates v. KHRGC, Administrative Action Number KHRGC-SB-001. Motion carried</p>

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			with no objections or abstentions.
2. White vs. KHRGC, Administration Action No. KHRGC-25-SB-002	54	Chair Rabinowitz requested a motion from the Board to adopt the Hearing Officer's recommendation to dismiss Stephen White v. KHRGC Administrative Action Number KHRGC-25-SB-002. Motion by Mr. Berry and second by Ms. Parke.	Chair Rabinowitz called for the Board to adopt the hearing officer's recommendation to dismiss Stephen White v. KHRGC, Administrative Action Number KHRGC-25-SB-002. Motion carried with no objections or abstentions.
3. Red TR Racing LLC, et al. vs. KHRC, Administrative Action No. 22-TB-008	55	Chair Rabinowitz requested a motion from the Board to adopt the Hearing Officer's recommendation to dismiss Red TR Racing LLC, et al. vs. KHRC, Administrative Action No. 22-TB-008. Motion by Mr. Harbut and second by Mr. Berry.	Chair Rabinowitz called for the Board to adopt the hearing officer's recommendation to dismiss Red TR Racing LLC, et al. vs. KHRC, Administrative Action No. 22-TB-008. Motion carried with no objections or abstentions.

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<b>IV. Adjournment</b>	55 - 56	With no other business, Chair Rabinowitz requested a motion from the Board to adjourn the October 28, 2025, Meeting. Motion by Mr. Finley and second by Mr. Berry. Meeting adjourned.	Chair Rabinowitz called for a vote to adjourn. Motion carried with no objections or abstentions.

**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.

**MINUTES OF THE DECEMBER 16, 2025, KENTUCKY HORSE RACING AND GAMING CORPORATION SPECIAL MEETING**

Date: December 16, 2025, at 1:30 p.m.

Place: KHRG Conference Room and via Video Teleconference

Board Members Present: Chair Jonathan Rabinowitz, Vice Chair Charles O'Connor, Mike Berry, Dr. Tiffany Daniels, Terry Finley, Greg Harbut, Kerry Harvey, Catherine Parke, C. Frank Shoop, Lesley Berglar, James E. Worley, Dale Romans, Gregory Mason, Jason Chinn, and William Redwine

Ex-officio Members Present: Mona Juett for Secretary Lindy Casebier, Chad Thompson for Secretary Ray Perry, Jansen Hammock for Secretary Jeff Noel

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<b>I. Call to Order and Roll Call</b>	4	Chair Rabinowitz called the meeting of the Kentucky Horse Racing and Gaming Corporation (KHRGC) to order and performed the roll call. A quorum was recognized.	No action taken.
<b>II. New Business</b> <b>Tab 1: Proposed 2026 KHRG Board Meeting Calendar &amp; Deadlines</b>	4 - 7	Chair Rabinowitz requested a motion from the Board to approve Proposed 2026 KHRG Board Meeting Calendar & Deadlines. Motion by Mr. Harvey and second by Dr. Daniels.  Administrative Assistant, Victoria Edwards, was assigned the floor and explained that due to increased regulatory insight, monthly meetings are proposed. If a meeting is not necessary, it will be cancelled. The meetings for the year will be January 13, February 10, March 10, April 14, May 12, June 9, July 14, August 11,	Chair Rabinowitz called for a vote to approve Proposed 2026 KHRG Board Meeting Calendar & Deadlines. Motion carried with no objections or abstentions.

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		September 29, October 27, November 24 and December 15.	
<b>Tab 2: Request for Approval of Sports Wagering Catalog Recommendations</b>	7 - 9	<p>Chair Rabinowitz requested a motion from the Board to approve a Request for Approval of Sports Wagering Catalog Recommendations. Motion by Mr. Berry and second by Ms. Berglar.</p> <p>Director of Sports Wagering, Hannah Simms, was assigned the floor and presented proposed updates to the sports wagering catalog that include renaming entries, introducing new sports events, adding new governing bodies and clarifications to some already existing offerings. These requests were submitted by sports wagering licensees and all of them have been reviewed by staff to ensure compliance. Staff recommended approval.</p>	Chair Rabinowitz called for a vote to approve a Request for Approval of Sports Wagering Catalog Recommendations. Motion carried with no objections or abstentions.
<b>Tab 3: Request for Approval of Independent Test Laboratories for 2026</b>	9 - 11	<p>Chair Rabinowitz requested a motion from the Board to approve a Request for Approval of Independent Test Laboratories for 2026. Motion by Mr. O'Connor and second by Dr. Daniels.</p> <p>Director of Sports Wagering, Hannah Simms, was assigned the floor and shared that the KHRG is responsible for approving laboratories that independently evaluate compliance, integrity and</p>	Chair Rabinowitz called for a vote to approve a Request for Approval of Independent Test Laboratories for 2026. Motion carried with no objections or abstentions.

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		<p>technical performance of wagering systems used in the Commonwealth. The memo in the meeting materials provides a summary of the review of the 2 independent test laboratory applications received. The KHRG board adopted the ITL approval criteria in 2023 and the KHRG opened the first formal application window this fall. Staff conducted thorough reviews of both applicants' qualifications including accreditation, formal accreditation, technical capabilities, independence and experience in other related jurisdictions. Representatives from BMM and GLI were present for any questions and staff recommend approval of both GLI and BMM as independent test labs.</p>	
<p><b>Tab 4: Request for Approval of Sports Wagering Service Provider License Renewals for 2026</b></p>	<p>11 - 14</p>	<p>Chair Rabinowitz requested a motion from the Board to approve the Request for Approval of Sports Wagering Service Provider License Renewals for 2026. Motion by Mr. Shoop and second by Mr. Harvey.</p> <p>Director of Sports Wagering, Hannah Simms, was assigned the floor and presented 9 sports wagering service provider renewal licenses. Those discussed were 1. American Wagering d/b/a Caesars which conducts retail and mobile wagering with Lexington Trots Breeders Association, the Red Mile; 2. Betfair Interactive d/b/a FanDuel conducting mobile wagering with Turfway; 3. BetMGM conducting mobile and retail wagering in conjunction with Sandy's Racing &amp; Gaming; 4. Circa Sports Kentucky, conducting retail and mobile</p>	<p>Chair Rabinowitz called for a vote to approve the Request for Approval of Sports Wagering Service Provider License Renewals for 2026. Motion carried with no objections and no abstentions.</p>

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		<p>wagering with Kentucky Downs and The Mint Gaming Hall; 5. Crown Kentucky d/b/a DraftKings, conducting mobile and retail wagering with ECL Corbin and ECL Entertainment; 6. FBG or Fanatics conducting mobile wagering with WKY Development, Oak Grove; 7. Hillside Kentucky d/b/a Bet365 conducting mobile wagering with Sandy's; 8. Penn Sports Interactive, formerly known as ESPN BET, currently d/b/a TheScore and conducting mobile wagering with Ellis Entertainment or Ellis Park (Penn has ended its ESPN BET branding agreement and has re-branded with TheScore Bet with no changes in ownership, control or operations); and 9. Sports Information Services d/b/a Kamb, conducting retail wagering only with Churchill Downs, Ellis Park, Turfway Park and Oak Grove. Each provider has submitted a timely renewal application. The review confirmed compliance and staff recommend approval.</p>	
<p><b>Tab 5: Renewal and Proposed Conditions for the 2026 Sports Wagering Service Provider License of Out the Gate, LLC D/B/A Prime Sports</b></p>	<p>14 - 17</p>	<p>Chair Rabinowitz requested a motion from the Board to approve the Renewal and Proposed Conditions for the 2026 Sports Wagering Service Provider License of Out the Gate, LLC D/B/A Prime Sports Motion by Mr. Harvey and second by Mr. Berry.</p> <p>Director of Sports Wagering, Hannah Simms, was assigned the floor and presented the 2026 sports wagering service provider license for Out the Gate</p>	<p>Chair Rabinowitz called for a vote to approve Renewal and Proposed Conditions for the 2026 Sports Wagering Service Provider License of Out the Gate, LLC D/B/A Prime Sports. Motion carried with no objections or abstentions.</p>

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		d/b/a Prime Sports. This recommendation is driven by a focus to protect Kentucky players and the interests of the Commonwealth during a period of business transition for this licensee. Staff reviewed the application for compliance and recommended approval subject to the conditions set forth in the meeting memorandum.	
<b>Executive Session</b>  <b>During the meeting on December 16, 2025, the Board convened under closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation and proposed litigation pursuant to KRS 61.878(1)(o). (CONFIDENTIAL)</b>	18 - 19	<p>Chair Rabinowitz requested a motion from the Board to convene in closed session to discuss proposed or pending litigation against or on behalf of the Corporation, as permitted by KRS Chapter 61.810(1)(c) and proposed litigation, pursuant to KRS 61.878(1)(o). Motion by Mr. Chinn and second by Mr. Berry.</p> <p style="text-align: center;">EXECUTIVE SESSION</p> <p>Chair Rabinowitz requested a motion from the Board to reconvene in open session. Motion by Mr. Harvey and second by Ms. Parke.</p> <p style="text-align: center;">RECONVENED TO OPEN SESSION</p>	<p>Chair Rabinowitz called for a vote for the Board to convene in closed session. Motion carried with no objections or abstentions.</p> <p>Chair Rabinowitz called for a vote for the Board to reconvene in open session. Motion carried with no objections or abstentions.</p>
<b>IV. New Business:</b> <b>Tab 6: Ratification of Purchase Request for Litigation Services</b>	19 – 20	Chair Rabinowitz requested a motion from the Board to approve the Proposed Ratification of a Purchase Request for Litigation Services. Motion by Mr. Chinn and second by Ms. Berglar.	Chair Rabinowitz called for a vote to approve the Ratification of a Purchase Request for Litigation Services.

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		<p>Chief Legal Officer, Ashleigh Bailey, was assigned the floor and explained that on November 25<sup>th</sup> the Corporation was served with a lawsuit regarding an order that had been previously issued. Due to the timing of the litigation, the Finance Committee could not be scheduled before the need to retain emergency legal services. The corporation followed emergency procurement procedures; this was communicated to the members of the Finance Committee as well as the Board Chairman. President Eads proceeded with retaining services from Frost Brown Todd on November 26<sup>th</sup> with a contract not to exceed \$100,000. KHRG Staff recommend ratification by the board of the purchase request for litigation services.</p>	<p>Motion carried with no objections or abstentions.</p>
<p><b>Tab 7: Purchase Requests for Litigation Services</b></p>	<p>20 - 22</p>	<p>Chair Rabinowitz requested a motion from the Board to approve the Purchase Requests for Litigation Services. Motion by Mr. Shoop and second by Mr. Harvey.</p> <p>Chief Legal Officer, Ashleigh Bailey, was assigned the floor and explained that the corporation issued a request for proposals or RFP seeking representation in litigation matters in Kentucky and federally. The RFP was released on November 3 with responses due on November 24<sup>th</sup>. Utilization of any contract that would be awarded under this RFP would be determined on an as-needed basis. The vendor was not guaranteed</p>	<p>Chair Rabinowitz called for a vote to approve the Purchase Requests for Litigation Services. Motion carried with no objections or abstentions.</p>

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		<p>compensation pursuant to a contract. Any work performed would be following a request from the corporation.</p> <p>The evaluation committee for the RFP search reviewed and scored the responses and are requesting to proceed with awarding 4 contracts to the following firms:</p> <p>1) Dentons Bingham Greenbaum, LLP; 2) Embry Merrick Womack Nance, PLLC; 3) Frost Brown Todd; and 4) Sturgill Turner Barker &amp; Maloney, PLLC, with each contract not to exceed \$400,000.</p> <p>KHRG Staff recommend approval.</p>	
<p><b>Tab 8: Purchase Requests for General Legal Services</b></p>	<p>22 - 24</p>	<p>Chair Rabinowitz requested a motion from the Board to approve the Purchase Requests for General Legal Services. Motion by Mr. Chinn and second by Dr. Daniels.</p> <p>Chief Legal Officer, Ashleigh Bailey, was assigned the floor and explained that the corporation also released an RFP for general legal services on November 3, with responses due November 24<sup>th</sup> and noted that one or more contracts may be awarded. These services would include but not be limited to employment law issues, preparation and review of contracts, MOAs and other agreements, procurement law, tax law, finance law, corporate governance and advising counsel in connection with miscellaneous matters.</p>	<p>Chair Rabinowitz called for a vote to approve the Purchase Requests for General Legal Services.</p> <p>Motion carried with no objections or abstentions.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		<p>These contracts would also be on an as needed basis with the vendor not guaranteed to receive any compensation pursuant to the contract. The corporation reviewed and scored the responses and is requesting approval of the purchase requests from four firms, each with a contract not to exceed \$200,000: 1) Dentons Bingham Greenbaum, LLP; 2) Embry Merrick Womack Nance, PLLC; 3) Frost Brown Todd; and 4) Sturgill Turner Barker &amp; Maloney, PLLC. KHRG Staff recommended approval.</p>	
<b>VI. Adjournment</b>	24	<p>With no other business, Chair Rabinowitz requested a motion from the Board to adjourn the November 25, 2025, Meeting. Motion by Ms. Parke and second by Mr. O'Connor. Meeting adjourned.</p>	<p>Chair Rabinowitz 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.

**Andy Beshear**  
GOVERNOR

**Jacqueline Coleman**  
LIEUTENANT GOVERNOR



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**Jamie Eads**  
PRESIDENT & CEO

**Jonathan Rabinowitz**  
CHAIRMAN

TO: Kentucky Horse Racing & Gaming Board of Directors  
FROM: Travers Manley, SVP, Gaming & Media Relations  
DATE: February 10, 2026  
RE: **PROPOSED AMENDMENTS TO 820 KAR 1:001**

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Kentucky Horse Racing & Gaming staff, including the Office of Charitable Gaming, thoroughly reviewed 820 KAR 1:001 and recommended the enclosed amendments to the Charitable Gaming Regulation Review Committee. The Committee unanimously voted to recommend passage of the proposed amendments at its February 3, 2026, meeting.

Notable changes include:

- Deleting definitions for “bet block” and “PROM” that are not otherwise used in the regulations.
- Revising the definition of “player tracking software” to include the correct terminology of an electronic pulltab device.

KHRG staff recommends approval.

BOARD ACTION

\_\_\_\_\_ Approve  
\_\_\_\_\_ Defer  
\_\_\_\_\_ Deny

1 KENTUCKY HORSE RACING AND GAMING CORPORATION

2 (Amendment)

3 820 KAR 1:001. Definitions.

4 RELATES TO: KRS 238.500 et. seq.

5 STATUTORY AUTHORITY: KRS 230.215, KRS 230.260, 238.515(9)

6 CERTIFICATION STATEMENT: This certifies that this administration regulation complies with  
7 the requirements of 2025 RS HB6, Section 8.

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215 and KRS 230.260 vest in the  
9 Kentucky Horse Racing and Gaming Corporation exclusive jurisdiction over charitable gaming in  
10 the Commonwealth and the power to promulgate administrative regulations prescribing conditions  
11 under which all charitable gaming is to be conducted. KRS 238.515 authorizes the Kentucky Horse  
12 Racing and Gaming Corporation [~~Department of Charitable Gaming~~] to promulgate administrative  
13 regulations to carry out the purposes and intent of the chapter. This administrative regulation  
14 establishes definitions of terms used throughout 820 KAR Chapter 1.

15 Section 1. Definitions.

16 (1) "Account number" means the unique identification number, if any, assigned by a card-  
17 minding device system or electronic pulltab system to a customer that uses a card-minding device  
18 to play bingo or an electronic pulltab device to purchase and play a pulltab.

19 [~~(2) "Bet block" means an area that indicates the dollar amount of the wager.~~]

20 (2) [~~(3)~~] "Cash over" means the total amount of money actually received from the sale of gaming  
21 supplies at a charitable gaming session is more than the amount of money due from the sale of  
22 that quantity of gaming supplies.

1 (3) ~~[(4)]~~ "Cash short" means the total amount of money actually received from the sale of gaming  
2 supplies at a charitable gaming session is less than the amount of money due from the sale of that  
3 quantity of gaming supplies.

4 (4) ~~[(5)]~~ "Charitable gaming session" means a single gathering, event, or occurrence, at a specific  
5 location, during a specific time period, at which games of chance as defined by KRS Chapter 238  
6 are conducted by a charitable organization.

7 (5) ~~[(6)]~~ "Charitable gaming session program" means a written list of all games to be played and  
8 prize amounts to be paid for each game during a charitable gaming session, including, if the  
9 prizes are based on attendance, the amount of the prize and the attendance required.

10 (6) ~~[(7)]~~ "Chief executive officer" means the director of the organization or the person who has  
11 legal authority to direct the management of the organization, distributor, manufacturer, or  
12 charitable gaming facility with respect to the conduct of charitable gaming.

13 (7) ~~[(8)]~~ "Chief financial officer" means the person who is:

14 (a) Responsible for overseeing the financial activities of the organization, distributor,  
15 manufacturer, or charitable gaming facility;

16 (b) The custodian of the charitable gaming session records; and

17 (c) Responsible for ensuring that all records are accurate, complete, and maintained;

18 (8) ~~[(9)]~~ "Digital signature" means a method by which data, as in a software application, is  
19 expressed in a calculated number that is used to verify the accuracy of the data or a copy of the  
20 data.

21 (9) ~~[(10)]~~ "Draw ticket" means a blank ticket upon which the numbers are marked as they are  
22 randomly selected.

23 (10) ~~[(11)]~~ "EPROM" means Erasable Programmable read-only memory.

- 1 (11) ~~[(12)]~~ "Gambling" is defined by KRS 528.010(4).
- 2 (12) ~~[(13)]~~ "Merchandise prize" means a noncash prize given away at a charitable gaming session  
3 either as a game prize or a door prize.
- 4 (13) ~~[(14)]~~ "Player tracking software" means computer software installed on a card-minding  
5 device system, electronic pulltab device ~~[system]~~, or other point of sale system that is used to  
6 identify or track certain characteristics of bingo or pulltab players, including personal data and  
7 purchasing habits.
- 8 (14) ~~[(15)]~~ "Primary office location" means:
- 9 (a) The land and building in and upon which a charitable organization conducts the majority of  
10 its charitable business; and
- 11 (b) Does not include any physical space a charitable organization shares with a bar, restaurant,  
12 convenience store, or other commercial retail business.
- 13 ~~[(16) "PROM" means programmable read-only memory.]~~
- 14 (15) ~~[(17)]~~ "Promotional" means any item available at no charge to all participants at a charitable  
15 gaming session.
- 16 (16) ~~[(18)]~~ "Proprietary software" means custom computer software developed by the  
17 manufacturer that is a primary component of a card-minding device system or electronic pulltab  
18 system and is required for a card-minding device to be used in a game of bingo or for an electronic  
19 pulltab device to be used to play an electronic pulltab.
- 20 (17) ~~[(19)]~~ "Purchased prize" means any merchandise prize that was purchased and not donated.
- 21 (18) ~~[(20)]~~ "RAM" or "random access memory" means the electronic memory that a computer  
22 uses to store information.
- 23 (19) ~~[(21)]~~ "Random number generator" means a device:

1 (a) For generating number values that exhibit characteristics of randomness; and

2 (b) Composed of:

3 1. Computer hardware;

4 2. Computer software; or

5 3. A combination of computer hardware and software.

6 (20) [~~(22)~~] "Secondary component" means an additional software or hardware component that:

7 (a) Is part of or is connected to a card-minding device system or electronic pulltab system;

8 (b) Does not affect the conduct of the game of bingo or an electronic pulltab;

9 (c) Is provided by the manufacturer; and

10 (d) May include computer screen backgrounds, battery charge-up software routines, monitors,  
11 keyboards, pointer devices, mice, printers, printer software drivers, or charging racks.

12 (21) [~~(23)~~] "Serial number" means a number assigned by the manufacturer to track the individual  
13 product.

14 (22) [~~(24)~~] "Site system" means computer hardware, software, and peripheral equipment leased  
15 or purchased from a licensed distributor and used by a licensed organization to conduct, manage,  
16 and record bingo games played on card-minding devices and electronic pulltab games played on  
17 electronic pulltab devices.

18 (23) [~~(25)~~] "Terminal number" means the unique identification number, if any, assigned by a  
19 manufacturer to a specific standard card-minding device or a specific electronic pulltab device.

20 (24) [~~(26)~~] "Transaction log" means a record of the same information printed on each outside  
21 ticket that is:

22 (a) Retained in the computer's memory; or

23 (b) Printed out by the computer.

1 (25) [(27)] "Version number" means a unique number designated by the manufacturer to identify  
2 a specific version of software used on or by the card-minding device system or the electronic  
3 pulltab system.  
4 (22 Ky.R. 146; eff. 9-7-1995; 23 Ky.R. 1000; eff. 11-8-1996; 24 Ky.R. 151; 871; eff. 9-12-1997;  
5 Recodified from 500 KAR 11:010, 2-23-1999; 26 Ky.R. 222; 757; eff. 10-15-1999; 28 Ky.R. 1499;  
6 2030; eff. 3-13-2002; 30 Ky.R. 1606; 2154; eff. 4-12-2004; 32 Ky.R. 760; 1266; 1628; eff. 3-31-  
7 2006; 33 Ky.R. 3508; 34 Ky.R. 253; eff. 8-31-2007; 42 Ky.R. 138; 1508; eff. 12-4-2015; 44 Ky.R.  
8 .2646; 45 Ky.R. 1573; eff. 1-4-2019; 49 Ky.R. 108, 1083; eff. 1-31-2023.)

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**Jamie Eads**  
PRESIDENT & CEO

**Jonathan Rabinowitz**  
CHAIRMAN

TO: Kentucky Horse Racing & Gaming Board of Directors  
FROM: Travers Manley, SVP, Gaming & Media Relations  
DATE: February 10, 2026  
RE: **PROPOSED AMENDMENTS TO 820 KAR 1:042**

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Kentucky Horse Racing & Gaming staff, including the Office of Charitable Gaming, thoroughly reviewed 820 KAR 1:042 and recommended the enclosed amendments to the Charitable Gaming Regulation Review Committee. The Committee unanimously voted to recommend passage of the proposed amendments at its February 3, 2026, meeting.

Notable changes include:

- Section 6 – Distributor Invoice Requirements
  - Removal of the seven-day time limit for a charitable organization to challenge an invoice from a distributor.
  
- Section 8 – Card-Minding Devices
  - Changing “independent testing facility” to “independent testing laboratory” to match language in other KHRG regulations.
  - Removal of time limits on KHRG staff to approve card-minding devices and software.
  
- Section 13 – Bingo Rules of Play: General Provisions
  - Requiring a minimum of fifteen (15) persons playing bingo, and individuals actively playing an electronic pulltab device do not count toward the minimum.
  
- Section 14 – Playing
  - Limiting the time a licensed charitable organization may commence selling paper or electronic pulltabs prior to the start of a bingo session to no more than five (5) hours.

KHRG staff recommends approval.

BOARD ACTION

\_\_\_\_\_ Approve

\_\_\_\_\_ Defer

\_\_\_\_\_ Deny

1 KENTUCKY HORSE RACING AND GAMING CORPORATION

2 (Amendment)

3 820 KAR 1:042. Bingo.

4 RELATES TO: KRS 238.515, 238.530, 238.545

5 STATUTORY AUTHORITY: KRS 230.215, 230.260, 238.515, 238.545

6 CERTIFICATION STATEMENT: This certifies that this administration regulation complies with  
7 the requirements of 2025 RS HB6, Section 8.

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215 and KRS 230.260 vest in the  
9 Kentucky Horse Racing and Gaming Corporation exclusive jurisdiction over charitable gaming in  
10 the Commonwealth and the power to promulgate administrative regulations prescribing conditions  
11 under which all charitable gaming is to be conducted. KRS 238.515 authorizes the Kentucky Horse  
12 Racing and Gaming Corporation [~~Department of Charitable Gaming~~] to establish and enforce  
13 reasonable standards for the conduct of charitable gaming and to promulgate administrative  
14 regulations necessary to carry out the purposes and intent of KRS Chapters 230 and 238. This  
15 administrative regulation establishes standards for the construction and distribution of bingo paper,  
16 the construction and distribution of bingo equipment including card-minding devices, and the  
17 conduct of bingo play.

18 Section 1. Definitions.

19 (1) "Bingo ball" means a ball imprinted with numbers and letters that is used in the selection  
20 process of a bingo game.

21 (2) "Bingo machine" means:

22 (a) A type of selection device with:

23 1. A receptacle for unselected bingo balls;

- 1           2. A blower for selecting; and
- 2           3. A ball tray that contains seventy-five (75) holes in which to place the ball once it is called;
- 3           or
- 4           (b) A generator that randomly selects the balls and displays them on the face of the device.
- 5           (3) "Bingo paper pack" means a group of bingo paper sheets that are manufactured, collated, and
- 6           sold by the manufacturer as a unit.
- 7           (4) "Bingo paper package" means a group of bingo paper sheets or packs that are assembled
- 8           together by a charitable organization for sale at a charitable gaming session that becomes a unique
- 9           item for sale with a specific price.
- 10          (5) "Bingo paper sheet" means a single piece of paper on which one (1) or multiple bingo faces
- 11          are printed.
- 12          (6) "Break open bingo" means a bingo game in which the numbers on the face are hidden until
- 13          after purchase.
- 14          (7) "Bundle" means to price a certain amount of bingo paper faces for a certain price with the
- 15          patron choosing the type of packs that make up the total faces.
- 16          (8) "Called" means that a number located on a bingo ball has been:
- 17           (a) Selected by the selection device;
- 18           (b) Verbally announced by the caller;
- 19           (c) Displayed on the flashboard or other device; and
- 20           (d) Placed in a ball tray or otherwise continuously displayed until completion of the bingo game.
- 21          (9) "Continuation game" means a multipart bingo game in which more than one (1) game with
- 22          more than one (1) pattern may be played on one (1) bingo paper sheet.

- 1 (10) "Covered" means daubed or smeared with indelible ink if using a disposable paper bingo  
2 face, or marked electronically if using a card-minding device.
- 3 (11) "Disposable paper bingo face" means a non-reusable bingo face assembled in a single sheet,  
4 multiple face sheet, pad, or pack form.
- 5 (12) "Face" means a paper or an electronic representation containing:
- 6 (a) Five (5) rows of five (5) squares with numbers or symbols;
- 7 (b) A free center space;
- 8 (c) The letters "B", "I", "N", "G", "O" printed in order over the five (5) columns; and
- 9 (d) A unique perm number identifying each face.
- 10 (13) "Fixed-base card-minding device" means a computer system, not necessarily manufactured  
11 by a licensed manufacturer, that has been loaded with proprietary software by a licensed  
12 manufacturer to enable it to function as a card-minding device.
- 13 (14) "Flashboard" or "display board" means a board that displays the bingo numbers called.
- 14 (15) "Hand-held card-minding device" means a hand-held computer that is either manufactured  
15 or customized by the manufacturer to operate as a card-minding device.
- 16 (16) "Hard card" means a reusable card bearing a bingo face or faces.
- 17 (17) "Perm number" means the number located on a bingo face that identifies the unique pattern  
18 of numbers appearing on that face.
- 19 (18) "Pickle jar, bonanza ball, or hot ball" means games played in conjunction with other bingo  
20 games in which:
- 21 (a) A bingo ball is selected by the selection device prior to the start of certain bingo games or  
22 all bingo games; and

1 (b) A patron is awarded the amount of money associated with the pickle jar, bonanza ball, or  
2 hot ball, if the selected bingo ball is called, and because of that selected ball being called, a  
3 patron wins the bingo game being played.

4 (19) "Player pick bingo" means that the patron picks the numbers that constitute a bingo on his  
5 face or faces and a machine prints those numbers on the bingo face at the charitable gaming  
6 session before the game is played.

7 (20) "Progressive bingo" means a bingo game in which the value of the prize is carried forward  
8 to the next bingo session if no player wins at that session.

9 (21) "Selected" means a bingo number that has been obtained by the selection device and is ready  
10 to be called next by the bingo caller.

11 (22) "Selection device" means a device that:

12 (a) May be operated manually or automatically; and

13 (b) Is used to randomly select bingo numbers.

14 (23) "Selection pool" means the bingo numbers in a selection device that have not been selected.

15 (24) "Series number" means the number of unique faces contained in a series.

16 (25) "Set" means a case or cases of paper that contain one (1) of each face in a series.

17 (26) "Verification system" means a book of bingo faces compiled by the manufacturer or an  
18 electronic device created by the manufacturer that:

19 (a) Lists the unique patterns of numbers on each face by perm number; and

20 (b) Is used to verify the authenticity of a winning face.

21 Section 2. Bingo Paper Standards.

22 (1) A licensed distributor of charitable gaming supplies and equipment shall only distribute, in  
23 Kentucky, bingo paper conforming to the requirements of this administrative regulation.

1 (2) A charitable organization shall sell to the public only bingo paper conforming to the  
2 requirements of this administrative regulation.

3 (3) Reusable bingo hard cards shall be used only at charity fundraising events.

4 Section 3. Bingo Paper Construction Standards.

5 (1) The paper used to construct paper bingo cards or faces shall be of sufficient weight and quality  
6 to allow for clearly readable numbers and to prevent ink from spreading or bleeding through a  
7 pack thereby obscuring other numbers or cards.

8 (2) Perm numbers shall be displayed on the face.

9 (3) Numbers displayed on the face shall be randomly assigned.

10 (4) Each set of bingo paper shall be comprised of faces bearing the same serial number on the  
11 top sheet of the pack. A serial number shall not be repeated by the same manufacturer within one  
12 (1) year.

13 (5) Bingo paper assembled in packs shall be glued. Staples shall not be used.

14 (6) A label shall be placed on, or be visible from, the exterior of each bingo paper carton. The  
15 label shall list the following information:

16 (a) Type of product;

17 (b) Number of packs, pads, or loose sheets;

18 (c) Series numbers;

19 (d) Serial number of the top sheet;

20 (e) Number of cases;

21 (f) Cut of paper; and

22 (g) Color of paper.

1 Section 4. Tracking by Manufacturer. Every manufacturer of bingo paper shall maintain records  
2 sufficient to track the bingo paper, by the serial number on the top sheet, from the point of  
3 manufacture to the next point of sale for thirty-six (36) months. The records shall be subject to  
4 inspection by the corporation [~~department staff~~].

5 Section 5. Tracking by Distributor.

6 (1) Every distributor of bingo paper shall maintain records sufficient to track the bingo paper, by  
7 the serial number on the top sheet, from the point of purchase by the distributor to the next point  
8 of sale for thirty-six (36) months. The records shall be subject to inspection by the corporation  
9 [~~department staff~~].

10 (2) The records required under this section shall be deemed sufficient if the distributor:

11 (a) Records the name and charitable gaming license or exemption number of the purchaser at  
12 the next point of sale; or

13 (b) Makes and retains a copy of a valid state identification card that contains the name, address,  
14 date of birth, and state identification number of the purchaser at the next point of sale.

15 Section 6. Distributor Invoice Requirements.

16 (1) Distributors selling bingo paper to charitable organizations or other distributors shall provide  
17 the charitable organization or other distributor with an invoice that contains, at a minimum, the  
18 following information:

19 (a) The purchaser's name, address, and license number;

20 (b) The address to which the shipment was delivered;

21 (c) The date of sale or credit;

22 (d) The conditions of the sale or credit;

23 (e) The quantity of bingo paper sold including the number of sheets or packs in a set;

- 1 (f) The serial number of the bingo sets sold;
- 2 (g) The series number of the bingo sets sold;
- 3 (h) The cut of bingo paper sold;
- 4 (i) The color of bingo paper sold;
- 5 (j) The total invoice amount;
- 6 (k) The name of the person who ordered the supplies;
- 7 (l) The name of the person making the delivery;
- 8 (m) The date of delivery or date item was picked up for sale or credit; and
- 9 (n) The place or manner of delivery, including the name and signature of the person taking
- 10 delivery, if any.

11 (2) A distributor may deliver bingo paper to an agreed place or to an identified person. Any  
12 challenge of an invoice [~~not challenged within seven (7) days of delivery shall be deemed~~  
13 ~~accurate. Any challenge~~] shall be made in writing to the distributor and a copy shall be sent to  
14 the corporation [~~department~~].

15 Section 7. Bingo Selection and Display Devices.

16 (1) Bingo ball machines and other selection devices, flashboards and other display devices, and  
17 other bingo equipment used in the selection and display of game numbers shall be approved by  
18 the corporation and made available for inspection or testing by the corporation [~~department~~] at  
19 any reasonable time.

20 (2) Equipment shall be designed to produce randomness and be free of any defects when used in  
21 a bingo game.

22 (3) A charitable organization shall not use a selection or display device with a defect that was  
23 apparent at the beginning of the session. All bingo balls used in the machine or other device shall:

- 1 (a) Be of the same size, shape, weight, and balance;
- 2 (b) Have all other characteristics that control their selection the same; and
- 3 (c) Be clean and free of defects.
- 4 (4) A manufacturer may conduct routine maintenance activities and replace secondary
- 5 components of equipment without prior approval of the corporation [~~department~~] or additional
- 6 testing if this activity does not affect the operation of any equipment or the manner in which a
- 7 bingo game is played. A record of all routine maintenance activities shall be maintained for one
- 8 (1) year and provided to the corporation [~~department~~] upon request.

9 Section 8. Card-Minding Devices.

- 10 (1) A card-minding device site system shall:
- 11 (a) Be located at the gaming premises;
- 12 (b) Be operated by the charitable organization;
- 13 (c) Interface with, connect with, control, or define the operational parameters of the card-
- 14 minding devices;
- 15 (d) Report and transmit the game results as directed by the corporation [~~pursuant to 820 KAR~~
- 16 ~~1-057~~];
- 17 (e) Provide security and access levels sufficient so that the internal control objectives are met
- 18 pursuant to Section 9 of this administrative regulation; and
- 19 (f) Contain a point of sale station.
- 20 (2) The card-minding device site system may include the following components:
- 21 (a) A caller verification system;
- 22 (b) Required printers;
- 23 (c) Modem;

- 1 (d) Proprietary executable software;
- 2 (e) Report generation software; and
- 3 (f) An accounting system or database.

4 (3)

5 (a) A card-minding device and associated site system shall not be sold, leased, or otherwise  
6 furnished to any person for use in the conduct of bingo until it has first been tested and certified  
7 by an independent testing laboratory [~~facility~~] approved by the corporation [~~department~~],  
8 demonstrated to the corporation [~~department~~] by the manufacturer if requested, and approved  
9 by the corporation [~~department~~].

10 (b) For a hand-held card-minding device, a device and software that is identical to the device  
11 and software intended to be sold, leased, or otherwise furnished to any person for use in the  
12 conduct of bingo shall be tested by an independent testing laboratory and approved by the  
13 corporation.

14 (c) For a fixed-base card-minding device, a device that contains identical software to the fixed-  
15 based card-minding device intended to be sold, leased, or otherwise furnished shall be tested  
16 by an independent testing laboratory and approved by the corporation.

17 (4) The cost of testing and certification shall be the responsibility of the manufacturer.

18 (5) The independent testing laboratory [~~facility~~] shall certify in writing that the device and  
19 proprietary software conform to the restrictions and conditions established in these [~~this~~]  
20 administrative regulations and KRS Chapters 230 and 238.

21 (6) Any modifications to a hand-held card-minding device, a fixed base card-minding device, or  
22 software, except as provided in subsection (8) of this section, shall be tested and certified by an  
23 independent testing laboratory [~~facility~~], demonstrated to the corporation [~~department~~] by the

1 manufacturer if requested, and approved by the corporation [~~department~~] in the same manner as  
2 a new device or new software. Testing and certification shall be at the manufacturer's expense.

3 (7)

4 (a) The corporation [~~department~~], in consultation with the independent testing laboratory  
5 [~~facility~~], shall determine if all proprietary software and card-minding devices required to be  
6 tested by this administrative regulation, as well as other components of card-minding device  
7 systems, conform to the requirements and restrictions established in this administrative  
8 regulation and shall notify the manufacturer of its decision in writing.

9 (b) Upon receipt of the test results from the independent testing laboratory [~~facility~~], the  
10 corporation [~~department~~] may request a demonstration of the product [~~within thirty (30) days~~  
11 ~~thereof~~].

12 (c) The corporation [~~department~~] shall either approve or disapprove the card-minding device  
13 and software and inform the manufacturer of its decision. [~~The department shall inform the~~  
14 ~~manufacturer of its decision within thirty (30) days of the demonstration, or no later than sixty~~  
15 ~~(60) days after the department receives the test results from the independent testing facility.~~]

16 Approval shall be granted in accordance with paragraph (a) of this subsection.

17 (8) A manufacturer may conduct routine maintenance activities and replace secondary  
18 components of a card-minding device system without prior corporation [~~department~~] approval or  
19 additional testing if this activity does not affect the operation of any proprietary software or the  
20 manner in which a bingo game is played, the integrity of any critical or controlled software, or  
21 the outcome of a bingo game. A record of all routine maintenance activities shall be maintained  
22 for one (1) year and made available to the corporation [~~department~~] upon request.

23 (9)

1 (a) If a licensee has knowledge of any defect, malfunction, or problem with a card-minding  
2 device system, card-minding device or software that affects the security or the integrity of the  
3 bingo game or the card-minding device or system, the licensee shall immediately notify the  
4 corporation [~~department~~]. The charitable organization shall also immediately notify the  
5 distributor of the defect, malfunction, or problem. The distributor shall immediately notify the  
6 manufacturer of the defect, malfunction, or problem.

7 (b) If the corporation [~~department~~] has knowledge of any problem with a card-minding device  
8 system, card-minding device, or software that affects the security or the integrity of the bingo  
9 game or the card-minding device or system, the corporation [~~department~~] shall direct the  
10 manufacturer, distributor, and charitable organization to immediately cease the sale, lease, or  
11 use of the affected card-minding device system, card-minding device, or software until the  
12 problem can be assessed by the corporation [~~department~~] in consultation with the manufacturer  
13 or distributor.

14 (c) If the corporation [~~department~~] determines that a defect actually exists, and the defect affects  
15 game security or otherwise threatens public confidence in the game, the corporation  
16 [~~department~~] shall require the manufacturer to issue a total recall of all affected card-minding  
17 device systems, card-minding devices, or software, as necessary and as directed by the  
18 corporation.

19 (d) In choosing and directing a particular recall in accordance with paragraph (c) of this  
20 subsection, the corporation [~~department~~] shall be guided in each circumstance by any  
21 combination of the following factors:

- 22 1. The nature of the defect;
- 23 2. Whether the defect affected game security;

- 1 3. Whether the defect affected game playability;
- 2 4. Whether the defect was limited to a specific number of bingo faces;
- 3 5. Whether the defect was easily detectable by a charitable organization;
- 4 6. Whether the defect was easily detectable by members of the general public;
- 5 7. Whether the defect threatens public confidence in the game; or
- 6 8. Whether the defect is capable of being used to adversely affect the fair play of the game.

7 (e) The manufacturer or distributor may correct the defect, if possible, without the issuance of  
8 a total recall if the affected card-minding devices and software are not offered for sale, lease, or  
9 use until the corporation [~~department~~] allows. The manufacturer or distributor shall make all  
10 corrections within a reasonable time as directed by the corporation, [~~not to exceed thirty (30)~~  
11 ~~days,~~] and the manufacturer or distributor shall demonstrate the correction to the corporation  
12 [~~department~~]. If the corporation [~~department~~] believes the defect has been corrected and that  
13 the defect no longer affects game security or otherwise threatens public confidence in the game,  
14 the corporation [~~department~~] may issue written notification that the affected card-minding  
15 device system, devices, or software may again be offered for sale, lease, or use.

16 (f) If a recall is necessary, the corporation [~~department~~] shall determine a specific date for the  
17 recall of any affected card-minding device system, card-minding device, or software to be  
18 completed.

19 (g) The corporation [~~department~~] shall also determine whether the manufacturer is required to  
20 reimburse the charitable organization or distributor.

21 (10)

1 (a) A distributor or charitable organization shall not add or remove any software programs to  
2 an approved card-minding device system without the permission of the manufacturer and the  
3 corporation [~~department~~].

4 (b) If the corporation [~~department~~] detects or discovers a card-minding device system at a  
5 playing location that is using components or software that were required to have been approved  
6 by the corporation [~~manufacturer and the department~~] but have not been approved, the card-  
7 minding device system shall be determined to have an unauthorized modification and the use  
8 of the system shall cease immediately.

9 Section 9. Card-Minding Device Systems Manufacturer Requirements.

10 (1) A manufacturer of a card-minding device system shall manufacture each site system to  
11 include a point of sale station and an internal accounting system that is capable of recording the  
12 charitable organization's sale of all charitable gaming supplies.

13 (2)

14 (a) A manufacturer of a card-minding device system shall ensure that the site system has internet  
15 capability so that the corporation [~~department~~] has the ability to remotely verify the operation,  
16 compliance, and internal accounting systems of the site system at any time. The corporation  
17 [~~department~~] shall have real time and complete read-only access to all data for all systems and  
18 devices.

19 (b) The manufacturer shall provide to the corporation [~~department~~] all current protocols,  
20 passwords, and any other required information needed to access the system prior to the  
21 operation of the system in Kentucky.

1 (c) The corporation [~~department~~] shall be notified of any changes in the protocols, passwords,  
2 and any other required information needed to access the system at least three (3) days prior to  
3 the change, unless otherwise approved by the corporation.

4 (d) Any reports maintained or generated by the card-minding device system shall be capable of  
5 being downloaded or otherwise accessed via the internet by the corporation [~~department~~].

6 (3) A manufacturer of a card-minding device system shall manufacture each site system to ensure  
7 that an internal accounting system is capable of recording and retaining for a period of not less  
8 than twelve (12) months the following information:

9 (a) The serial number of each bingo face sold for card-minding device use;

10 (b) The price of each face or package sold;

11 (c) The total amount of the card-minding device sales for each session;

12 (d) The total number of faces sold for use with card-minding devices for each session;

13 (e) The serial number of each hand-held card-minding device sold; and

14 (f) The terminal number or account number associated with each fixed base card-minding  
15 device sold.

16 (4)

17 (a) The information established in subsection (3) of this section shall be secure and shall not be  
18 accessible for alteration during the session.

19 (b) The site system shall have report generation software with the capability to print all  
20 information required to be maintained on the site system's active or archived databases. The  
21 total sales activity report shall be completed in the format of Form CG-CMD.

1 (5) A manufacturer of a card-minding device system shall manufacture each site system to ensure  
2 that the applicable point of sale station is capable of printing a receipt for each sale or voided sale  
3 of a card-minding device. The receipt shall include the following information:

- 4 (a) The date and time of the transaction;
- 5 (b) The dollar value of the transaction and quantity of associated products;
- 6 (c) The sequential and consecutive transaction number;
- 7 (d) The session in which the product was sold;
- 8 (e) The serial number of each hand-held card-minding device sold; and
- 9 (f) The terminal number or account number for each fixed base card-minding device sold.

10 (6) A card-minding device system may include player tracking software. Player tracking records  
11 shall at all times be the property of the charitable organization and neither the manufacturer nor  
12 the distributor shall utilize or make available to any person, other than the corporation  
13 [~~department~~] or as otherwise authorized by law, the information contained within the player  
14 tracking software without the express permission of the charitable organization.

15 (7) A manufacturer of a card-minding device system shall manufacture each associated site  
16 system to include a caller station verifier that is able to verify winning cards and to print the cards  
17 for posting. The caller station verifier shall be capable of posting all balls called for verification  
18 purposes and printing an ordered list of the called balls.

19 (8)

- 20 (a) Each card-minding device system shall employ safeguards to verify that proprietary  
21 software components are authentic copies of approved software components and all  
22 components of the card-minding device system are operating with identical copies of approved  
23 software programs.

1 (b) The system shall have sufficient security safeguards to ensure that any restrictions or  
2 requirements of the corporation [~~department~~] or any approved proprietary software are  
3 protected from alteration by unauthorized personnel.

4 (c) Examples of security measures that may be employed to comply with these provisions  
5 include the use of dongles, digital signature comparison hardware and software, secure boot  
6 loaders, encryption, and key and callback password systems.

7 (9) A manufacturer of a card-minding device system shall ensure that a card-minding device shall  
8 not allow any bingo cards or faces other than those verifiably purchased by the patron to be  
9 available for play.

10 (10) A manufacturer shall not display, use, or otherwise furnish a card-minding device that has  
11 in any manner been marked, defaced, or tampered with, or that is otherwise intended to deceive  
12 the public or affect a person's chances of winning.

13 (11) If the card-minding device system is capable of using radio frequency, it shall not be dual  
14 frequency.

15 (12) The card-minding device system shall provide password protection for each charitable  
16 organization.

17 (13) The card-minding device system shall erase, deactivate, or render unplayable the electronic  
18 faces on each card-minding device prior to the next scheduled charitable gaming session:

19 (a) Upon turning off the device after the last bingo game of the charitable gaming session has  
20 been played or upon placing the device into a charging unit; and

21 (b) By a secondary timing method established by the manufacturer.

22 (14) The card-minding device system shall ensure that patrons purchase additional electronic  
23 bingo faces at the site system only.

1 Section 10. Tracking by Manufacturer of Card-minding Device Systems.

2 (1) Each licensed manufacturer selling, leasing, or otherwise furnishing card-minding device  
3 systems in Kentucky shall maintain a single log or other record showing the following:

4 (a) The date of the transaction with the distributor;

5 (b) The model, version, and serial number of each hand-held card-minding device;

6 (c) The account number or terminal number of each fixed base card-minding device;

7 (d) The model and version number of the site system software; and

8 (e) The name and license number of the distributor to whom the card-minding device system  
9 was sold, leased, or otherwise furnished.

10 (2) A licensed manufacturer selling, leasing, or otherwise providing a card-minding device  
11 system to a distributor for use in Kentucky shall provide the distributor with an invoice or other  
12 documentation that contains, at a minimum, the following information:

13 (a) The date of sale and the time period covered by the invoice;

14 (b) The quantity sold or leased; and

15 (c) The total invoice amount.

16 (3) The licensed manufacturer shall maintain physical or electronic copies of the documentation  
17 required by this section for a period of thirty-six (36) months.

18 Section 11. Distributor Requirements for Card-Minding Device Systems.

19 (1) Before initial use by a charitable organization, the distributor shall ascertain that the particular  
20 device and associated software version have been approved by the corporation [~~department~~]  
21 according to this administrative regulation.

22 (2) If the card-minding devices are used at multiple locations, each location shall have its own  
23 separate site system.

1 (3) Before the complete removal of any card-minding device system, the distributor shall supply  
2 a copy of the data files to each charitable organization that used the card-minding device system  
3 and to the corporation [~~department~~].

4 (4) A distributor shall not display, use, or otherwise furnish a card-minding device that has in any  
5 manner been marked, defaced, tampered with, or that is otherwise intended to deceive the public  
6 or affect a person's chances of winning.

7 (5) Each distributor selling, leasing, or otherwise furnishing card-minding device systems shall  
8 maintain a single log or other record showing the following information, to be submitted to the  
9 corporation [~~department~~] upon request:

10 (a) The playing location name, physical address, telephone number, and facility license number,  
11 if applicable, where the card-minding device system is located;

12 (b) The modem number and quantity of card-minding devices at each playing location;

13 (c) The date the card-minding device system was installed or removed;

14 (d) The model, version, and serial numbers or terminal numbers of the card-minding devices  
15 and site system equipment;

16 (e) The name and license number of the charitable organization or distributor to whom the card-  
17 minding device system was sold, leased, or otherwise furnished;

18 (f) The name and license number of the manufacturer or distributor from whom the card-  
19 minding device system was purchased, leased, or otherwise obtained;

20 (g) Each contract, lease, or purchase agreement between a distributor of a card-minding device  
21 and the charitable organization or other distributor to which a device is furnished; and

1 (h) The total dollar amount of card-minding device sales or lease transactions regarding each  
2 charitable organization to which any card-minding device was furnished during each calendar  
3 quarter.

4 (6) A distributor selling, leasing, or otherwise providing a card-minding device system to a  
5 charitable organization or distributor shall provide the charitable organization or distributor with  
6 an invoice or other documentation that contains, at a minimum, the following information:

7 (a) The date of sale and the time period covered by the invoice;

8 (b) The quantity sold or leased; and

9 (c) The total invoice amount.

10 (7) The distributor shall maintain physical or electronic copies of the documentation required by  
11 this section for a period of thirty-six (36) months.

12 Section 12. Requirements for Use of Card-Minding Device Systems.

13 (1) Before initial use of a card-minding device system, the charitable organization shall ascertain  
14 that the particular device and associated software version have been approved by the corporation  
15 [~~department~~] for use in Kentucky.

16 (2) A charitable organization shall not display, use, or otherwise furnish a card-minding device  
17 that has in any manner been marked, defaced, tampered with, or that otherwise may deceive the  
18 public or affect a player's chances of winning.

19 (3) If a player's card-minding device malfunctions during a bingo game, it may be repaired or the  
20 faces transferred to another card-minding device if it will not interrupt the game.

21 (4) Each card-minding device shall be limited to offering for play a maximum of seventy-two  
22 (72) card faces during any one (1) game of a session.

1 (5) The charitable organization shall ensure that the card-minding device system does not allow  
2 a card-minding device to be used to obtain a bingo prize for any bingo game other than for a  
3 game within the bingo session for which the card-minding device was sold.

4 (6) The corporation [~~department~~] may examine and inspect any card-minding device and site  
5 system. The corporation [~~department~~] shall be granted reasonable access to the card-minding  
6 devices and unlimited inspection of all parts of the site system.

7 (7) The charitable organization shall provide the player with a receipt printed on a receipt printer  
8 for each sale detailing the transaction. The receipt shall contain, at a minimum, the following  
9 information:

10 (a) A unique transaction number that is printed in continuous, consecutive order and that cannot  
11 be reset or altered;

12 (b) The serial number of the card-minding device issued;

13 (c) The date and time the receipt was issued;

14 (d) The name of the charitable organization and license number; and

15 (e) A description, quantity, purchase price, and total dollar amount of each item purchased.

16 (8) The charitable organization shall void the original transaction and issue a new receipt if a  
17 player requests a partial or full refund. Additional purchases shall not require voiding of the  
18 original transaction.

19 (9) A voided transaction shall be treated in the manner established by this section.

20 (a) A voided transaction shall be processed immediately.

21 (b) If a voided transaction involves a card-minding device, the card-minding device shall be  
22 connected to the site system to ensure all electronic bingo cards are erased or deactivated.

1 (c) The player shall possess the receipt issued at the time of the purchase of the card minding  
2 device before the purchase is voided.

3 (d) The word "void" shall be clearly printed on the receipt.

4 (e) The player shall write his or her name, address, telephone number, signature, and amount of  
5 refund on the back of the receipt before a partial or full refund may be issued.

6 (f) All voided receipts shall be attached to the Total Sales Activity Report printed at the end of  
7 each charitable gaming session and maintained with the gaming records.

8 (10) If the charitable organization loads the card-minding devices prior to selling them, all unsold  
9 card-minding devices shall be voided by the start of the second game.

10 (11) If the receipt printer malfunctions or printed receipts are not legible, manual receipts shall  
11 be issued that contain the same information required by subsection (7) of this section.

12 (12) If the corporation [~~department~~] or any player requests verification of a winning card face  
13 played on a card-minding device, the session chairperson shall print the winning card face and  
14 post it in a conspicuous location where it may be viewed in detail. Winning card faces requested  
15 for posting shall remain posted for at least thirty (30) minutes after the completion of the last  
16 bingo game at that particular charitable gaming session.

17 (13) The charitable organization shall reasonably ensure that the internet connection to the site  
18 system is operational at all times.

19 (14) If the charitable organization sells card-minding devices for a discounted price, or gives  
20 them away as a promotion, the site system shall be programmed to account for the discounted  
21 item and shall be priced separately from those sold at the regular price. A generic discount key  
22 shall not be allowed.

1 (15) The charitable organization shall print a Total Sales Activity Report reflecting activity from  
2 the time of the initial sale to the end of each bingo session. These records shall be maintained  
3 with the charitable gaming session records.

4 (16) A manufacturer's representative or distributor's representative may be present during a bingo  
5 session only to consult, demonstrate, or train charitable organizations on the operation of the  
6 card-minding device system.

7 Section 13. Bingo Rules of Play: General Provisions.

8 (1) All individuals involved in the conduct of a bingo session shall be trained in the proper  
9 conduct of the game and the control of funds.

10 (2) The chairperson of the licensed charitable gaming session shall be in full charge of the  
11 licensed charitable gaming session, supervise and direct all volunteers, and be responsible for  
12 assuring the proper receipt and recording of gaming funds.

13 (3) Except for braille cards intended for use by blind players, bingo paper or card minding devices  
14 shall not be reserved by the charitable organization for any player. Legally-blind players may use  
15 their own cards if the charitable organization does not make braille cards available. In accordance  
16 with KRS 238.505(15), braille cards shall not be considered gaming supplies and equipment and  
17 may be purchased from ordinary sources of supply.

18 (4) More than one (1) charitable organization shall not conduct gaming at the same time and  
19 location as another charitable organization except for a licensed charity fundraising event.

20 (5) If a bingo session is cancelled once it is commenced, a charitable organization may refund a  
21 portion of the purchase price of the bingo paper or card-minding device. A charitable organization  
22 shall not continue the session or award the prizes at a later date.

- 1 (6) Each charitable organization's gaming supplies shall be maintained in a location separate from  
2 another charitable organization's gaming supplies. This location shall be locked and access shall  
3 be limited. An extra set of bingo balls shall not be stored at the caller's stand but shall be stored  
4 with the other charitable gaming supplies.
- 5 (7) A volunteer at a charitable gaming session at which bingo cards or faces are sold shall not  
6 purchase or play bingo cards or faces at that session unless the volunteer's duties are complete  
7 for the session. Once a volunteer starts playing bingo, that person shall not work as a volunteer  
8 for the remainder of that charitable gaming session.
- 9 (8) If the charitable organization has house rules concerning its bingo session, the house rules  
10 shall:
- 11 (a) Be posted in at least two (2) conspicuous locations at the charitable gaming session and  
12 announced prior to the commencement of the charitable gaming session, or be listed on the  
13 program;
  - 14 (b) Not be in conflict with KRS Chapters 230 and 238 or 820 KAR Chapter 1;
  - 15 (c) Be followed; and
  - 16 (d) Include the charitable organization's name and license number.
- 17 (9) Every ball in the bingo machine or other selection device shall be displayed for verification  
18 at the commencement and at the completion of each bingo session.
- 19 (10) Individual bingo paper sheets in a pack shall not be sold as individual bingo paper sheets.
- 20 (11) The charitable organization shall buy a complete set of paper and use that paper before  
21 starting another set.
- 22 (12) A charitable organization shall not separate faces on one (1) paper sheet or any paper sheets  
23 in a pack prior to play.

1 (13) The price for each type of bingo sheet, pack, or package shall be listed on the bingo program.

2 (14) Bingo paper sheets, bingo paper packs, and bingo paper packages shall be used during the  
3 bingo session for which they were purchased. A charitable organization shall not allow a player  
4 to carry over purchased, but unused, bingo paper sheets, bingo paper sheet packs, or bingo paper  
5 packages to a subsequent bingo session.

6 (15) A charitable organization shall not allow a player to play bingo paper that was not purchased  
7 at that session, except for braille cards pursuant to subsection 3 of this section.

8 (16) The charitable organization shall not duplicate or otherwise make copies of bingo paper.

9 (17) If a charitable organization sells the same paper packs or paper sheets for different prices,  
10 the packs or sheets shall be distinguishable by serial number.

11 (18) A charitable organization shall not sell bingo paper in a bundle.

12 (19) If a charitable organization sells bingo paper as a package, the package shall become a  
13 unique item with a certain price and the items in the package shall not be sold individually unless  
14 a separate serial number is used.

15 (20) If a charitable organization games in back-to-back sessions, it may pre-sell paper for the  
16 second session if a different set of paper is used with a different color or border and a different  
17 serial number. The money from the preselling of paper shall be deposited with the second session  
18 receipts and the sales recorded on the second session charitable gaming session records. If the  
19 price for the presold paper is discounted, the charitable organization shall list this discount on the  
20 charitable gaming session program and use a third set of paper with a different serial number.

21 (21) All bingo sessions must have a minimum of fifteen (15) persons actively playing bingo at all  
22 times. A person actively playing an electronic pulltab device does not count toward the minimum  
23 number of persons playing bingo. Conducting bingo without the minimum number of required

1 persons constitutes a violation of this regulation and may result in a fine or the suspension or  
2 revocation of the charitable organization's license.

3 Section 14. Playing.

4 (1) All players shall be physically present at the location where the bingo game is held in order  
5 to play the game or claim a prize.

6 (2) The bingo session shall start when the balls are verified. The balls shall be verified before the  
7 pickle jar, bonanza ball, or hot ball is selected and called. If a licensed charitable organization is  
8 authorized to sell paper or electronic pulltabs during its bingo session, the licensed charitable  
9 organization may commence selling paper or electronic pulltabs no more than five (5) hours prior  
10 to the start of the bingo session with prior approval of the corporation [~~department~~]. All paper or  
11 electronic pulltabs sold in this manner shall be reported on the licensed charitable organization's  
12 bingo session records.

13 (3) The caller shall turn off all personal electronic devices and shall not use any personal  
14 electronic devices while engaged in the calling of a bingo game.

15 (4) Before selecting or calling the first number in a game, the bingo caller shall call out the  
16 amount of the game prize to be awarded.

17 (5) Before selecting and calling the first number in a game, the bingo caller shall announce the  
18 pattern or arrangement of squares to be covered to win the game, which shall also be listed in the  
19 bingo program.

20 (6) After selecting each number, the bingo caller shall:

21 (a) Clearly announce the number;

22 (b) With the exception of a speed game, display the ball or other device used in a manner  
23 allowing the players to see the number;

1 (c) Cause the ball or other device to be placed in a ball tray or other device so as to prevent it  
2 from being placed back into the selection pool; and

3 (d) Enter each letter and number called on a flashboard or similar device for player viewing.

4 (7) A winner shall be determined when the preannounced pattern of squares is covered by a player  
5 on a card.

6 (8) It shall be the player's responsibility to notify a volunteer including the chairperson or caller  
7 that the player has a winning bingo combination.

8 Section 15. Pickle Jar, Bonanza Ball, or Hot Ball. ~~{(4)}~~ When an additional prize is to be awarded  
9 if a patron wins on a certain number, the rules of play, the maximum payout, and cost to enter shall  
10 be listed on the bingo program. These numbers may be selected and posted before the first game  
11 is called.

12 Section 16. Break-open Bingo.

13 (1) A break-open bingo game shall begin when, in the presence of players attending the bingo  
14 session, the charitable organization calls and posts, either manually or by use of a flashboard, a  
15 predetermined quantity of randomly selected bingo numbers from a selection device or a separate  
16 bingo number container. If a flashboard is used, these numbers shall be posted on a board separate  
17 from the regular bingo board unless the regular board is capable of keeping track of these  
18 numbers separately. The balls shall then be placed back into the selection pool until the game is  
19 played on the program.

20 (2) Sealed bingo paper sheets for a break-openbreak open game may be sold throughout the bingo  
21 session. Additional bingo paper sheets for a break-open game shall not be sold after the charitable  
22 organization resumes calling letters and numbers when the game is played on the program.

23 (3) A charitable organization may allow players to trade break-open bingo faces for new faces.

1 (4) If the charitable organization allows players to trade break-open bingo faces for new faces,  
2 two (2) sets of the game faces shall be maintained. One (1) set shall be known as the "original  
3 set" and shall be of a different serial number than the second set, known as the "trade in" set.

4 (5) A charitable organization shall list on the bingo program the price of the original set and the  
5 trade-in set.

#### 6 Section 17. Player Pick.

7 (1) If the charitable organization offers a Player Pick game, the requirements established in this  
8 section shall apply.

9 (2) A player shall select numbers between one (1) and seventy-five (75). A player shall not select  
10 more than five (5) numbers for each column. The player may allow the machine to select the  
11 numbers.

12 (3) Duplicate numbers shall not be played on a purchased face. If duplicate numbers appear on a  
13 face, the card shall be void.

14 (4) Once selected, the machine shall print a face with the selected numbers.

15 (5) The faces shall conform to the construction and randomization standards established in this  
16 administrative regulation.

17 (6) The price of each face and the amount of numbers that will be chosen shall be listed on the  
18 bingo program.

19 (7) The numbers shall be daubed as the balls are called when the game is played as listed on the  
20 bingo program.

21 (8) A player shall win if he or she is the first person to cover the numbers.

#### 22 Section 18. Continuation Games.

1 (1) Multiple patterns may be played on one (1) bingo face. Each portion of the continuation game  
2 shall be considered a single bingo game, even though the bingo balls shall not be returned to the  
3 selection pool after a winner has been determined and verified.

4 (2) Each winning pattern shall be verified independently.

5 Section 19. Progressive Bingo Games.

6 (1)

7 (a) Progressive games or prizes connected to a bingo game or conditioned on winning a bingo  
8 game shall be permitted only if prizes awarded on progressive games are included in the prize  
9 limit established in KRS 238.545(1), regardless of the method by which a player is eligible to  
10 participate.

11 (b) The charitable organization shall be responsible for ensuring that the value of any  
12 progressive bingo game prize, when added to the values of the other prizes of the same date or  
13 session, does not exceed the statutory prize limit.

14 (c) All receipts on progressive bingo games shall be reported to the corporation [~~department~~] as  
15 gross receipts for the date collected pursuant to KRS 238.550.

16 (2) Once a progressive bingo game has been started, the game shall be played in the same manner  
17 at every session until the prize is awarded. The jackpot prize shall be offered at each successive  
18 bingo session for that charitable organization until the jackpot prize has been won.

19 Section 20. Lucky Ball.

20 (1) If the charitable organization offers Lucky Ball play, the requirements in this Section shall  
21 apply.

1 (2) Players may purchase one (1) Lucky Ball ticket prior to the beginning of a bingo session, and  
2 before purchasing any other bingo paper. Each player shall be limited to one (1) Lucky Ball ticket  
3 per bingo session.

4 (a) Lucky Ball tickets shall consist of a pre-printed form with space provided for the player's  
5 Lucky Ball number, name, date, and the name of the ticket seller to be written in. The Lucky  
6 Ball tickets shall also have pre-printed sequential ticket numbers for tracking and verification  
7 purposes.

8 (b) The cost of a Lucky Ball ticket shall not exceed five (5) dollars. Money from Lucky Ball  
9 ticket sales shall be retained by the charitable organization as part of the gaming proceeds from  
10 the gaming session.

11 (c) Each player may choose his or her own Lucky Ball number at the time of purchase of the  
12 ticket, and shall immediately write that number, in ink, on the Lucky Ball ticket, along with the  
13 player's name, the date, and the name of the ticket seller.

14 (d) Once the information is written on the Lucky Ball ticket, the carbon copy or electronic  
15 duplicate copy of the ticket shall be retained by the charitable organization, and all ticket copies  
16 shall be placed in numerical order as soon as possible after the start of a gaming session. The  
17 charitable organization shall verify that the player has written a correct name on the ticket by  
18 checking photo ID at the time of sale, and shall keep a log of tickets sold and Lucky Ball  
19 numbers to verify that any tickets are used only by the ticket buyer and are not traded or sold  
20 during the session.

21 (e) Once the player purchases bingo paper for play in that session, the player shall write their  
22 Lucky Ball number on the back of each piece of bingo paper to be put into play.

1 (3) During bingo play, any player who purchased a Lucky Ball number may mark that number  
2 as a free space, or "wildcard" number to mark their bingo paper to form bingos, regardless of  
3 whether that number is selected by the caller in regular play.

4 (4) No selling, trading, or exchange of any kind of Lucky Ball tickets or bingo paper may take  
5 place during a bingo session between players of their chosen Lucky Ball numbers. All monitors,  
6 sellers, and volunteers shall observe whether a player's Lucky Ball number matches the number  
7 written on the back of the bingo paper to prevent selling, trading, or exchange of Lucky Ball  
8 tickets or bingo paper.

9 (5) Verifying a bingo.

10 (a) Once a player announces a bingo, a volunteer or monitor reads the perm number from the  
11 bingo paper to the caller. The caller then enters the perm number into the console.

12 (b) If the console does not verify a bingo, and if the Lucky Ball tickets cannot be verified  
13 electronically by the perm numbers, the caller must ask if there is a Lucky Ball.

14 (c) If there is a Lucky Ball, the volunteer calls out only the receipt number on the Lucky Ball  
15 ticket to the caller, in the presence of a neutral player.

16 (d) The caller then communicates the receipt number to the office or to the person holding the  
17 carbon copies of the Lucky Ball tickets in numerical order. The charitable organization shall  
18 verify that the Lucky Ball ticket had not been sold, traded, or exchanged by the players, by  
19 checking the photo ID of the winning player and checking to ensure the Lucky Ball number  
20 was written on the back of the bingo paper.

21 (e) After the receipt is located and the receipt numbers verified, the Caller shall announce the  
22 Lucky Ball number to the Monitor and the audience. The neutral player shall still be viewing

1 the ticket to verify the bingo. The Lucky Ball number of the winning player may or may not be  
2 the last number called.

3 (f) Once a bingo is verified, the caller shall announce the last number called and the number of  
4 valid bingos for that game. The same verification procedure shall be followed in the case of  
5 multiple bingos until all are verified.

6 Section 21. Winner Verification and Registration.

7 (1) A manufacturer of bingo paper shall make available for purchase a verification book or other  
8 verification system for all paper manufactured.

9 (2) The charitable organization conducting a bingo game shall use a reliable verification system  
10 that corresponds with the set of paper in play.

11 (3) When a player declares a winning bingo, the steps established in this subsection shall be  
12 followed for winner verification.

13 (a) The game shall be stopped before the next number is called. If the next number has been  
14 selected, it shall be secured to ensure that if the declared "bingo" is invalid, the game will  
15 continue.

16 (b) If an electronic verifier or verifier book is used, a volunteer for the charitable organization  
17 shall:

- 18 1. Show the winning face to a neutral player, who shall be a player other than the winner; and
- 19 2. Call back the perm number while in front of the neutral player.

20 (c) If any other verification system is used, a volunteer for the charitable organization shall:

- 21 1. Show the winning face to a neutral player, who shall be a player other than the winner; and
- 22 2. Call back the winning combination while in front of the neutral player.

1 (4) The caller shall ask at least twice if there are any other winners before announcing the close  
2 of the game. If playing a continuation game, the caller shall ask at least twice if there are any  
3 other winners before the close of that part of the game.

4 (5) If more than one (1) winner is declared in a bingo game, prizes shall be awarded as established  
5 in this subsection.

6 (a) Cash prizes shall be divided equally among the verified winners.

7 (b) If the prize is something other than cash and cannot be divided among winners, prizes of  
8 equal proportionate value shall be awarded.

9 Section 22. Prizes.

10 (1) If a merchandise prize or discount is available to everyone, it shall be considered a  
11 promotional item and counted as an expense.

12 (2) If a merchandise prize or discount is not available to everyone, it shall be included in the prize  
13 limit established in KRS 238.545(1) at its fair market value. It shall be included in expenses for  
14 purchased prizes at actual cost. If the merchandise prize is a gaming supply, it shall be included  
15 in supplies expense at actual cost.

16 (3) The fair market value of bingo paper, a card-minding device, electronic pulltab device, or  
17 paper pulltabs awarded as a merchandise prize shall be the price that a patron would have paid  
18 for the same bingo paper, card-minding device, electronic pulltab device, or paper pulltab at that  
19 charitable gaming session.

20 (4)

21 (a) If bingo paper is awarded as a door prize or a bingo game prize, the patron shall be given a  
22 voucher.

23 (b) The voucher shall be completed with:

- 1 1. The name, address, and phone number of the patron redeeming the voucher;
  - 2 2. The date on which it was awarded;
  - 3 3. The date on which it was redeemed;
  - 4 4. The amount of paper given in exchange for the voucher; and
  - 5 5. The serial number of the bingo paper.
- 6 (c) Once the voucher is completed, it shall be redeemed for the bingo paper.
- 7 (d) The charitable organization shall retain the voucher with its session records.
- 8 (5) If bingo paper is awarded as a promotional item, the description of the paper shall be listed
- 9 on the program with "free" or "promotional" listed as the price. If the charitable organization also
- 10 sells that type of paper, a separate set of paper with a separate serial number shall be used.
- 11 (6)
- 12 (a) If a card-minding device or electronic pulltab device is awarded as a door prize or a bingo
- 13 game prize, the patron shall be given a voucher.
- 14 (b) The voucher shall be completed with:
- 15 1. The name, address, and phone number of the patron redeeming the voucher;
  - 16 2. The date on which it was awarded;
  - 17 3. The date on which it was redeemed; and
  - 18 4. The number of card-minding devices and the number of faces loaded on each device, or the
  - 19 number of electronic pulltab devices and credits loaded on each device, if any, given in
  - 20 exchange for the voucher.
- 21 (c) Once the voucher is completed, it shall be redeemed for the card-minding device or
- 22 electronic pulltab device. No more than one (1) card-minding device or one (1) electronic
- 23 pulltab device may be redeemed per player per session.

1 (d) The charitable organization shall retain the voucher with its session records.

2 (e) There shall be a specific button on the point of sale programmed for each type of voucher  
3 and package involving a card-minding device or electronic pulltab device.

4 (7) If a card-minding device is awarded as a promotional item, the description of the promotional  
5 package shall be listed on the program with "free" or "promotional" listed as the price. The point  
6 of sale shall have a specifically described discount button for this promotion.

7 (8) If a charitable organization offers coupons for bingo paper or a card-minding device, a  
8 voucher shall be completed when the coupon is redeemed, and the coupon and the voucher shall  
9 be retained with the charitable gaming session records.

10 (9) If the charitable organization sells gift certificates for bingo paper or a card-minding device,  
11 the receipts for the sale shall be counted as gaming receipts on the day they are received. When  
12 the gift certificate is redeemed, a voucher shall be completed and the gift certificate and the  
13 voucher shall be retained with the charitable gaming session records.

14 (10) If a paper pulltab or electronic pulltab device credit is awarded as a bingo prize, the person  
15 in charge of bingo payouts shall purchase the pulltabs or electronic pulltab device credits and any  
16 credits loaded to the device from the pulltab manager by transfer of cash from bingo payout to  
17 pulltab sales and it shall be recorded as a sale on the session records.

18 (11) Each bingo winner shall be determined and every prize shall be awarded and delivered on  
19 the same day on which the bingo was conducted.

20 (12) A voucher shall be redeemed on the same day as awarded.

21 Section 23. Incorporation by Reference.

22 (1) Form CG-CMD, "Total Sales Activity Report (2018)" is incorporated by reference.

1 (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at  
2 the Kentucky Horse Racing and Gaming Corporation, 4047 Iron Works Parkway, Lexington,  
3 Kentucky 40511 [~~Department of Charitable Gaming, Public Protection Cabinet, 500 Mero Street~~  
4 ~~2NW24, Frankfort, Kentucky 40601~~], Monday through Friday, 8 a.m. to 4:30 p.m.  
5 (32 Ky.R. 809; 1284; 1647; eff. 3-31-2006; 44 Ky.R. 2670; 45 Ky.R. 1592; eff. 1-4-2019; TAm  
6 eff. 11-22-2019.)

**Andy Beshear**  
GOVERNOR

**Jacqueline Coleman**  
LIEUTENANT GOVERNOR



4047 Iron Works Parkway  
Lexington, KY 40511  
Phone: (859) 246-2040  
Fax: (859) 246-2039

**Jamie Eads**  
PRESIDENT & CEO

**Jonathan Rabinowitz**  
CHAIRMAN

TO: Kentucky Horse Racing & Gaming Board of Directors  
FROM: Travers Manley, SVP, Gaming & Media Relations  
DATE: February 10, 2026  
RE: **PROPOSED AMENDMENTS TO 820 KAR 1:060**

---

Kentucky Horse Racing & Gaming staff, including the Office of Charitable Gaming, thoroughly reviewed 820 KAR 1:060 and recommended the enclosed amendments to the Charitable Gaming Regulation Review Committee. The Committee unanimously voted to recommend passage of the proposed amendments at its February 3, 2026, meeting.

Notable changes include:

- Section 2 – Rebuttable Presumption of Compensation
  - Increasing volunteer sessions from four to six in accordance with KRS 238.540.
- Section 4 – Officers, Agents, or Employees of Manufacturers and Distributors
  - Including language to state that servicing electronic pulltab devices shall not be considered conducting or participating in charitable gaming.

KHRG staff recommends approval.

**BOARD ACTION**

\_\_\_\_\_ Approve

\_\_\_\_\_ Defer

\_\_\_\_\_ Deny

1 KENTUCKY HORSE RACING AND GAMING CORPORATION

2 (Amendment)

3 820 KAR 1:060. Volunteer ~~[Prohibited]~~ conduct; Persons Prohibited from Playing Charitable  
4 Games.

5 RELATES TO: KRS 238.510, 238.540, 238.550

6 STATUTORY AUTHORITY: KRS 230.215, KRS 230.260, KRS 238.515

7 CERTIFICATION STATEMENT: This certifies that this administration regulation complies with  
8 the requirements of 2025 RS HB6, Section 8.

9 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215 and KRS 230.260 vest in the  
10 Kentucky Horse Racing and Gaming Corporation exclusive jurisdiction over charitable gaming in  
11 the Commonwealth and the power to promulgate administrative regulations prescribing conditions  
12 under which all charitable gaming is to be conducted. The Kentucky Horse Racing and Gaming  
13 Corporation ~~[Department of Charitable Gaming]~~ is authorized by KRS 238.515 to establish and  
14 enforce reasonable standards for the conduct of charitable gaming. This administrative regulation  
15 prohibits tips or other gratuities for volunteers working at charitable gaming events and prohibits  
16 employees of the Kentucky Horse Racing and Gaming Corporation ~~[Department of Charitable~~  
17 ~~Gaming]~~ from playing any charitable games, removing any potential conflict of interest or  
18 appearance of impropriety.

19 Section 1. Tipping Prohibited.

20 (1) The charitable organization conducting gaming shall take one (1) or more of the following  
21 measures to inform the public that, pursuant to KRS 238.540(4), its volunteers are unable to  
22 accept tips or other forms of gratuities:

23 (a) Post signs in a conspicuous location that volunteers are not permitted to accept tips;

1 (b) State prominently on the charitable gaming session program that volunteers are not  
2 permitted to accept tips; or

3 (c) Announce during the charitable gaming session that volunteers are not permitted to accept  
4 tips.

5 (2) Except as provided in subsection (3) of this section, a charitable organization shall not pay  
6 remuneration or expenses other than those authorized in KRS 238.550(4), award, or otherwise  
7 provide any sort of benefits, to, for, or on behalf of any person engaged as a volunteer in the  
8 conduct of charitable gaming.

9 (3) A charitable organization may provide volunteer workers the following:

10 (a) Food or drink of incidental value not to exceed fifteen (15) dollars per day to be consumed  
11 on the premises where charitable gaming occurs;

12 (b) Any article of clothing worn by the volunteers on the premises where charitable gaming  
13 occurs that identifies the volunteer worker as a volunteer; and

14 (c) Any noncash item not to exceed twenty-five (25) dollars in fair market value given to  
15 volunteers upon achievement of predetermined goals in the conduct of a raffle.

16 (4) All allowable expenditures made by charitable organizations for volunteers shall be reported  
17 on the charitable organization's financial reports.

18 Section 2. Rebuttable Presumption of Compensation.

19 (1) There is a rebuttable presumption of compensation if a person volunteers at more than six (6)  
20 [~~four (4)~~] charitable gaming sessions a week excluding charity fundraising events as defined in  
21 820 KAR 1:055.

22 (2) There is a rebuttable presumption of compensation if a person volunteers at more than six (6)  
23 [~~four (4)~~] special limited charitable fundraising events per year.

1 Section 3. Corporation [~~Department~~] Employees Prohibited From Playing Charitable Games. (1)  
2 No Kentucky Horse Racing and Gaming Corporation [~~Department of Charitable Gaming~~]  
3 employee, during his or her term of employment, shall play any charitable game authorized in  
4 KRS Chapter 238 unless the employee's participation in the game is authorized in advance by the  
5 corporation's president [~~Commissioner~~] as a necessary function of the employee's job duties.

6 Section 4. Officers, Agents, or Employees of Manufacturers and Distributors.

7 (1) No distributor, distributor's agent, or distributor's employee may play or participate in any  
8 charitable gaming in the Commonwealth of Kentucky involving products sold or leased by the  
9 distributor while such person is employed by a licensed distributor.

10 (2) No manufacturer, manufacturer's agent, or manufacturer's employee may play or participate  
11 in any charitable gaming in the Commonwealth of Kentucky involving products made, sold, or  
12 leased by the manufacturer while such person is employed by a licensed manufacturer.

13 (3) Servicing of electronic gaming devices or electronic pulltab devices shall not be considered  
14 conduct or participation in charitable gaming.

15 (22 Ky.R. 442; eff. 10-13-1995; 1412; eff. 11-8-1996; Recodified from 500 KAR 11:060, 2-23-  
16 1999; 32 Ky.R. 772; 1661; eff. 3-31-2006; 45 Ky.R. 2690; 45 Ky.R. 724, 1607; eff. 1-4-2019.)

**Andy Beshear**  
GOVERNOR

**Jacqueline Coleman**  
LIEUTENANT GOVERNOR



4047 Iron Works Parkway  
Lexington, KY 40511  
Phone: (859) 246-2040  
Fax: (859) 246-2039

**Jamie Eads**  
PRESIDENT & CEO

**Jonathan Rabinowitz**  
CHAIRMAN

TO: Kentucky Horse Racing & Gaming Board  
FROM: Katie Smith, Chief Financial Officer  
DATE: January 30, 2026  
RE: **PURCHASE REQUEST FOR FINANCIAL STATEMENT AUDIT FY26 CONTRACT**

---

KHRG is required by KRS 230.225 to have an annual audit of the corporation every fiscal year (July 1 – June 30). If the Auditor of Public Accounts (APA) is not able to perform the audit of KHRG, then a different auditing entity that is qualified to evaluate municipal corporations shall conduct the audit. KHRG desires to establish a Personal Service Contract for auditing services of the financial statements for fiscal year ending June 30, 2026, as the APA is unable to perform the audit. Notice from the APA indicates KRS 45.149 authorizes KHRG to enter into a contract with a certified public accountant (CPA) for the audit. KHRG will submit the audited financial statements to the Controller’s Office and the APA for inclusion in the Comprehensive Annual Financial Report of the Commonwealth of Kentucky as KHRG is a discretely presented component unit of the Commonwealth.

RFP 2025-003 was released for financial statement audit services on December 2, 2025, with responses due by noon on December 23, 2025. The evaluation committee reviewed and scored the responses and are requesting to proceed with a contract to be awarded to the vendor with the highest score – Cherry Bekaert – for an amount not to exceed \$39,375.

KHRG staff recommends approval to enter into the contract with Cherry Bekaert.

**BOARD ACTION**

- \_\_\_\_\_ Approve
- \_\_\_\_\_ Defer
- \_\_\_\_\_ Deny

# Kentucky Horse Racing and Gaming Corporation Purchase Request Form

**Short Description** Financial Statement Audit FY2026 RFP 2025-003

Date

Requestor Katie Smith

Phone # 502-782-4018

Procurement Type Service Procurement Method Competitive Negotiation

Fund 67% 374R - Administration 33% 381A Charitable Gaming

Expense Type E142 - Audit Services

**Suggested Vendor / Supplier Information:**

**Contact Information:**

Name Cherry Bekaert LLP  
 Street Address 1000 Vine Center, 333 West Vine Street  
 City, State Zip Lexington, KY 40507  
 Phone 859-514-7773 Website

Name Debbie Smith  
 Email [debbie.smith@cbh.com](mailto:debbie.smith@cbh.com)  
 Phone 859-514-7773

Amount of Purchase \$39,375.00

Anticipated Start Date 5/1/26

Estimate or Actual? Estimated

Anticipated End Date 6/30/27

Is there a Master Agreement or other state agreement? No

Agreement Number

**Please provide copy of the agreement**

**Purpose and Justification:** (Explain how this is critical to delivery of services and the impact if not approved)

KHRG is required by KRS 230.225 to have an annual audit of the corporation every fiscal year (July 1 – June 30). If the Auditor of Public Accounts (APA) is not able to perform the audit of KHRG, then a different auditing entity that is qualified to evaluate municipal corporations shall conduct the audit. KHRG desires to establish a Personal Service Contract for auditing services of the financial statements for fiscal year ending June 30, 2026, as the APA is unable to perform the audit. Notice from the APA indicates KRS 45.149 authorizes KHRG to enter into a contract with a certified public accountant (CPA) for the audit. KHRG will submit the audited financial statements to the Controller's Office and the APA for inclusion in the Comprehensive Annual Financial Report of the Commonwealth of Kentucky as KHRG is a discretely presented component unit of the Commonwealth.

KHRG released RFP 2025-003 for the financial statement audit on December 2, 2025 with responses due by noon on December 23, 2025. The evaluation committee reviewed and scored the responses and are recommending the contract be awarded to the vendor with the highest score - Cherry Bekaert.

Attach a Word document with additional justification if additional space is needed for any of the above.

Department Level Approval:  1/30/2026

CEO Approval:  01.30.2026

Finance Committee Approval (if required):  Meeting Date

KHRGC Board Approval (if required):  Meeting Date

Do any of the following apply to this request?

No  Not Practicable or Feasible

If Yes, present justification in the space below explaining why the suggested vendor is the only vendor that offers an item or services that will satisfy the agency requirements. Explain why alternatives are unacceptable. Be specific with regard to specifications, features, characteristics, requirements, capabilities and approach.

No  Sole Source

If Yes, present justification in the space below clearly substantiating the fact that the item or service is the only item or service that will meet the agency requirements. Provide written justification from the vendor demonstrating they are the sole manufacturer, sole distributor or sole authorized agent. While a vendor may be the sole manufacturer, distributor or authorized agent of a particular item or service, if there are competing products or services available, the item or service is not considered a sole source.

No  Emergency

If Yes, present explanation in the space below of the emergency condition. An emergency condition exists when there is an immediate need for supplies, equipment, or services which cannot be met through normal procurement methods and the absence of which would seriously threaten the proper functioning of KHRGC, the preservation or protection of its property, facility, or IT hardware or equipment, or the health and safety of any person.

*If all of the above answers are "No", then STOP - form is complete and only the first page is required.*

Justification for the above items:

FUTURE PURCHASES: Explain how this purchase will obligate KHRGC to a particular vendor for future purchases, if applicable. For example, will future maintenance require contracts with this vendor or can contracts for maintenance be competitively awarded? Will "like" or "proprietary" items be required to be purchased from only this vendor? Explain in detail.

IMPACT TO KHRGC: Explain the impact to KHRGC if this request is not approved.

Attach a Word document with additional justification if additional space is needed for any of the above.

**Andy Beshear**  
GOVERNOR

**Jacqueline Coleman**  
LIEUTENANT GOVERNOR



4047 Iron Works Parkway  
Lexington, KY 40511  
Phone: (859) 246-2040  
Fax: (859) 246-2039

**Jamie Eads**  
PRESIDENT & CEO

**Jonathan Rabinowitz**  
CHAIRMAN

TO: Kentucky Horse Racing & Gaming  
FROM: Katie Smith, Chief Financial Officer  
DATE February 5, 2026  
RE: **PURCHASE REQUEST FOR ONE 2026 SUV WITH GARY YEOMANS FRANKFORT FORD**

---

The Veterinarian Division of KHRG is seeking authorization to purchase one new 2026 Ford Explorer as a replacement for the 2017 Ford Escape with over 194,000 miles. An SUV with a trailer hitch is being requested to allow the team to pack the vehicle with supplies in a temperature-controlled space and can attach the existing trailer to the vehicle for easier hauling of equipment and supplies required to be transported to each of the racetracks.

The Commonwealth of Kentucky’s master agreements with awarded dealers requires agencies to obtain quotes from a minimum of three awarded dealers. Three Ford dealerships with master agreements were contacted to request quotes, and responses were received from two of the dealerships. Additionally, KHRG requested the quotes to include trade-in value for the 2017 Ford Escape.

Staff’s recommendation is to proceed with the quote of \$40,418.67 with Gary Yeomans Frankfort Ford. The FY26 budget included up to \$150,000 for KHRG vehicle purchases, and approximately \$28,500 has previously been approved.

KHRG staff recommends approval pending approval by the Finance Committee at its next meeting on February 10th.

**BOARD ACTION**

\_\_\_\_\_ Approve

\_\_\_\_\_ Defer

\_\_\_\_\_ Deny

# Kentucky Horse Racing and Gaming Corporation Purchase Request Form

<b>Short Description</b>		KHRG- Div. of Veterinary Services purchase of 2026 Ford Explorer	
Date	2/5/2026		
Requestor	Dr. Nick Smith	Phone #	859 475-6806
Procurement Type	Equipment	Procurement Method	Cooperative Purchasing
Fund	374R - Administration		
Expense Type	E605 - Motor Vehicles		
<b>Suggested Vendor / Supplier Information:</b>		<b>Contact Information:</b>	
Name	Gary Yeomans Ford	Name	Derek Napier
Street Address	1070 Versailles Rd.	Email	<a href="mailto:dnapier@anewford.com">dnapier@anewford.com</a>
City, State Zip	Frankfort, KY 40601	Phone	502 319-3251
Phone	502 783-7813	Website	
Amount of Purchase	\$40,418.67	Anticipated Start Date	Upon approval
Estimate or Actual?	Actual	Anticipated End Date	
Is there a Master Agreement or other state agreement?	Yes	Agreement Number	MA 758 2300000804

**Please provide copy of the agreement**

**Purpose and Justification:** (Explain how this is critical to delivery of services and the impact if not approved)

The Veterinary Division of KHRG respectfully requests permission to buy a 2026 Ford Explorer 4x4. As outlined in the Master Agreement, "it will be the responsibility of the agencies utilizing the Master Agreement to obtain quotes from a minimum of three awarded dealers." Quotes were requested from Paul Miller Ford, Don Franklin Ford and Frankfort Ford for a 2026 Ford Explorer Active 4x4. Responses were only received from Paul Miller Ford and Frankfort Ford.

The Vet Division is trading in a 2017 Ford Escape with over 194,000 miles towards the purchase of a new vehicle. Quotes from both dealers are attached, and the Actual amount of purchase in this request reflects the trade in amount allowed. This purchase was included in the KHRG FY26 budget. The recommendation is to go with the lower quote (Frankfort Ford) and higher trade in value.

Attach a Word document with additional justification if additional space is needed for any of the above.

Department Level Approval:		2/5/2026
	Signature	Date
CEO Approval:		02.05.2026
	Signature	Date

Finance Committee Approval (if required): \_\_\_\_\_ Meeting Date

KHRGC Board Approval (if required): \_\_\_\_\_ Meeting Date

Do any of the following apply to this request?

No  Not Practicable or Feasible

If Yes, present justification in the space below explaining why the suggested vendor is the only vendor that offers an item or services that will satisfy the agency requirements. Explain why alternatives are unacceptable. Be specific with regard to specifications, features, characteristics, requirements, capabilities and approach.

No  Sole Source

If Yes, present justification in the space below clearly substantiating the fact that the item or service is the only item or service that will meet the agency requirements. Provide written justification from the vendor demonstrating they are the sole manufacturer, sole distributor or sole authorized agent. While a vendor may be the sole manufacturer, distributor or authorized agent of a particular item or service, if there are competing products or services available, the item or service is not considered a sole source.

No  Emergency

If Yes, present explanation in the space below of the emergency condition. An emergency condition exists when there is an immediate need for supplies, equipment, or services which cannot be met through normal procurement methods and the absence of which would seriously threaten the proper functioning of KHRGC, the preservation or protection of its property, facility, or IT hardware or equipment, or the health and safety of any person.

*If all of the above answers are "No", then STOP - form is complete and only the first page is required.*

Justification for the above items:

**FUTURE PURCHASES:** Explain how this purchase will obligate KHRGC to a particular vendor for future purchases, if applicable. For example, will future maintenance require contracts with this vendor or can contracts for maintenance be competitively awarded? Will "like" or "proprietary" items be required to be purchased from only this vendor? Explain in detail.

IMPACT TO KHRGC: Explain the impact to KHRGC if this request is not approved.

Attach a Word document with additional justification if additional space is needed for any of the above.



**Nesselrode, Brian L (KHRGC)**

---

**From:** Derrick Napier <dnapier@anewford.com>  
**Sent:** Tuesday, February 3, 2026 6:48 AM  
**To:** Nesselrode, Brian L (KHRGC)  
**Subject:** Re: Quotes  
**Attachments:** F150windowsticker.pdf; 2025 Ford F150 STX 4x4 KD35640.xlsx

**\*\*CAUTION\*\* PDF attachments may contain links to malicious sites. Please contact the COT Service Desk [ServiceCorrespondence@ky.gov](mailto:ServiceCorrespondence@ky.gov) for any assistance.**

**This Message Originated from Outside the Organization**

This Message Is From an External Sender.

[Report Suspicious](#)

Brian,

[REDACTED]

Also, the trade value on the Escape was \$1,500 if it runs and doesn't have a check engine light on.

Thanks again,  
Derrick

---

**From:** Nesselrode, Brian L (KHRGC) <Brian.Nesselrode@ky.gov>  
**Sent:** Monday, February 2, 2026 9:17 AM  
**To:** Derrick Napier <dnapier@anewford.com>  
**Subject:** [EXTERNAL] RE: Quotes

[REDACTED]

Thanks Derrick



**Brian L. Nesselrode**  
Office Manager  
**Kentucky Horse Racing  
& Gaming**  
4047 Iron Works Pkwy.  
Lexington, Kentucky 40511  
E: [Brian.Nesselrode@ky.gov](mailto:Brian.Nesselrode@ky.gov)  
Office: 502 782-8534  
Cell: 502 226-0148

# paul miller



COMMERCIAL  
VEHICLE CENTER

975 East New Circle Road  
Lexington, KY 40505  
859.317.3114  
sullivan@paulmillergroup.com

DATE February 2, 2026  
CUSTOMER ID  
STATE CONTRACT # MA 758 2300000801

TO COK- KY HORSE RACING AND GAMING CORP.  
ATTN: BRIAN NESSELRODE  
4047 IRON WORKS PARKWAY  
LEXINGTON, KY 40511  
502-226-0148

## QUOTE

STOCK

SHIP TO COK- KY HORSE RACING AND GAMING CORP.  
ATTN: BRIAN NESSELRODE  
4047 IRON WORKS PARKWAY  
LEXINGTON, KY 40511  
502-226-0148

Brian.Nesselrode@ky.gov

SALESPERSON	JOB	DEAL#	PO#	Delivery Date	Payment Terms
SIMPSON	2026 FORD EXPLORER ST-LINE 4WD	TBD	TBD	TBD	UPON RECEIPT

QUANTITY	DESCRIPTION	ITEM #	UNIT PRICE	LINE TOTAL
1.00	2026 FORD EXPLORER ST-LINE 4WD	K8K	\$ 49,250.00	\$ 49,250.00
	2.3L ECOBOOST I-4 ENGINE	99H		
	10-SPEED AUTOMATIC TRANSMISSION	44T		
	EQUIPMENT GROUP	300A		
	ST-LINE TRIM			
	20" MACH ALUM WHEELS W/ PAINTED PKT			
	P255/55R20 A/S BSW TIRES			
	2ND ROW CAPTAIN'S CHAIRS	17H		
	18" SPARE WHEEL AND JACK KIT	76U		
	FORD CONNECTIVITY - 1 YEAR TRIAL	91M		
	FRONT LICENSE PLATE BRACKET	153		
	3RD KEY (PROGRAMMABLE)	KEY		
	EXTERIOR - CARBONIZED GRAY METALLIC	M7		
	INTERIOR - ONYX UNIQUE CLOTH INSERTS	EW		
	VIN#	ORDER#		
	1FMUK8H2TGA11263	STOCK		
1.00	RETAIL CUSTOMER CASH	11664	EXP: 3-31-26 (2,500.00)	\$ (2,500.00)
1.00	PAUL MILLER RETAIL DOC FEE		699.00	\$ 699.00
<b>LINE TOTALS</b>			47,449.00	47,449.00
			<b>SUBTOTAL</b>	\$ 47,449.00
			<b>SALES TAX</b>	
			<b>TOTAL</b>	\$ 47,449.00

YOUR SIGNATURE & PURCHASE ORDER CONFIRMS ORDER.

Signature: \_\_\_\_\_  
 Print Name: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 Purchase Order #: \_\_\_\_\_ Date: \_\_\_\_\_

Make all checks payable to Paul Miller Ford Inc.  
THANK YOU FOR YOUR BUSINESS!

**Nesselrode, Brian L (KHRGC)**

---

**From:** Sullivan Simpson <sullivan@paulmillergroup.com>  
**Sent:** Friday, January 30, 2026 2:18 PM  
**To:** Nesselrode, Brian L (KHRGC)  
**Subject:** Re: Quotes

**This Message Originated from Outside the Organization**

This Message Is From an External Sender.

[Report Suspicious](#)

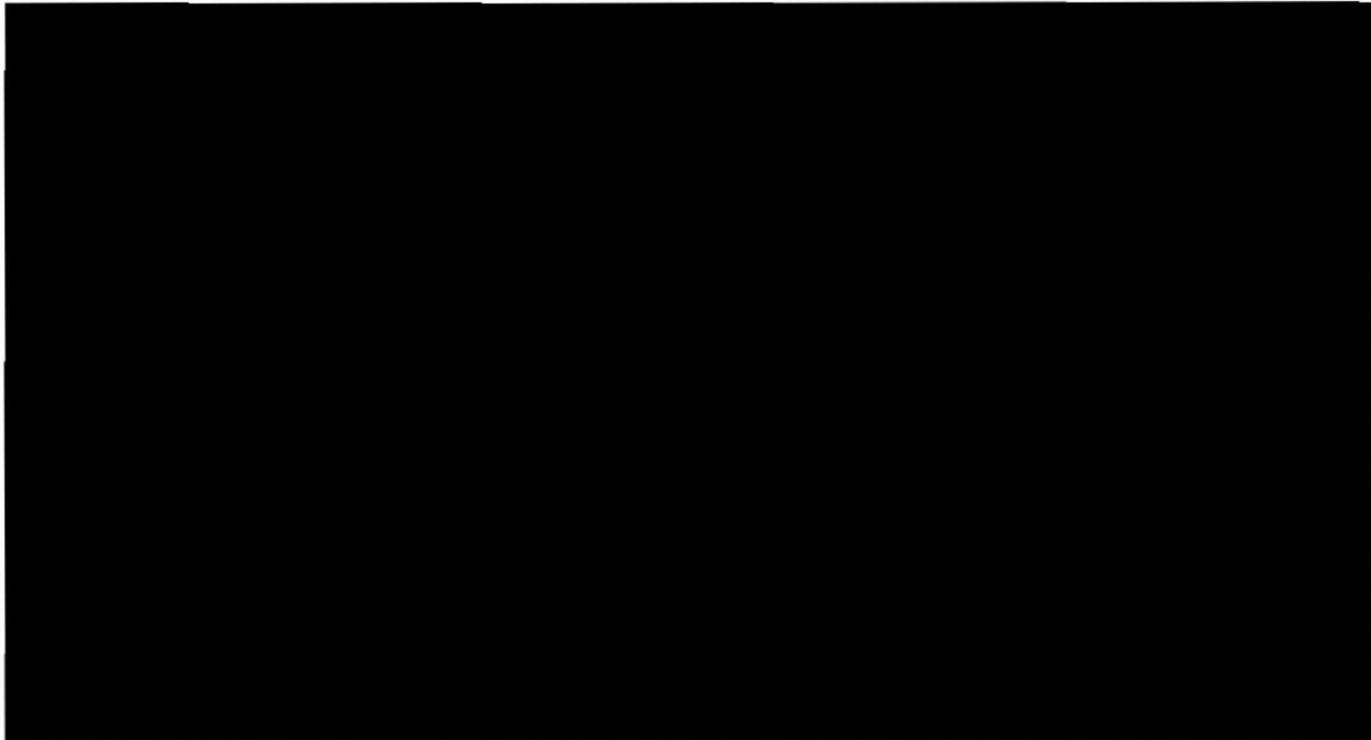
Brian,

I spoke with our appraiser and he has your trade estimated at \$500 sight unseen. This could go up or down once the in person inspection takes place at the time of purchase.

Thanks,

**Sully Simpson, MBA**  
**Commercial Account Manager**  
**Paul Miller Motor Company**

<https://www.paulmillerauto.com/>  
[sullivan@paulmillergroup.com](mailto:sullivan@paulmillergroup.com)



**Andy Beshear**  
GOVERNOR

**Jacqueline Coleman**  
LIEUTENANT GOVERNOR



4047 Iron Works Parkway  
Lexington, KY 40511  
Phone: (859) 246-2040  
Fax: (859) 246-2039

**Jamie Eads**  
PRESIDENT & CEO

**Jonathan Rabinowitz**  
CHAIRMAN

TO: Kentucky Horse Racing and Gaming  
FROM: Drew Conners, Director, Incentives & Development  
DATE February 6 2026  
RE: **BACKSIDE IMPROVEMENT REQUEST – CHURCHILL DOWNS RACETRACK, LLC.**

---

The Corporation received the enclosed letter from Churchill Downs on February 5, 2026, to repair pavement throughout the stable area at the track.

Total requested for the project is \$31,375.00.

All details pertaining to the scope of work of the project can be found following this memorandum.

The KHRG confirms the project meets the statutory and regulatory requirements of KRS 230.3615 & 810 KAR 7:010. Funding is available. KHRG staff will inspect the installation once the project is complete. All invoices, photographs and communication will remain on file at the KHRG Offices for Corporation review.

The Kentucky Thoroughbred Association (“KTA”) / Kentucky Thoroughbred Owners and Breeders (“KTOB”), and the Kentucky Horsemen’s Benevolent and Protective Association (“KYHBPA”) recommend approval of this request.

KHRG Staff Recommends Approval.

BOARD ACTION

\_\_\_\_\_ Approve  
\_\_\_\_\_ Defer  
\_\_\_\_\_ Deny



February 5, 2026

Ms. Jamie Eads  
Chief Executive Officer  
Kentucky Horse Racing and Gaming Corporation  
4047 Ironworks Parkway, Building B  
Lexington, KY 40511  
[jamie.eads@ky.gov](mailto:jamie.eads@ky.gov)  
(859) 246-2040

Re: **Application for Approval of Backside Improvement Fund Projects**

Dear Ms. Eads,

Churchill Downs Racetrack (CDRT) is requesting to use Backside Improvement Funds to repair potholes in the pavement throughout the stable area. The estimated cost of repairs is \$31,375. An estimate for total cost is attached.

If approved, CDRT will submit the invoices to the Kentucky Horse Racing and Gaming Corporation for reimbursement after the work has been completed.

Regards,

Mike Ziegler  
General Manager & Senior Vice President  
Churchill Downs Racetrack  
700 Central Ave.  
Louisville, KY 40208  
Office: (502) 394-1137

Enclosure: Project Estimate



6931 Atkins Road, Floyds Knobs, Indiana  
Office: 812-944-8942

2/4/2026

Jamie Richardson  
5024680805  
Churchill Downs  
600 N. Hurstbourne Pkwy #400  
Louisville KY 40222  
United States

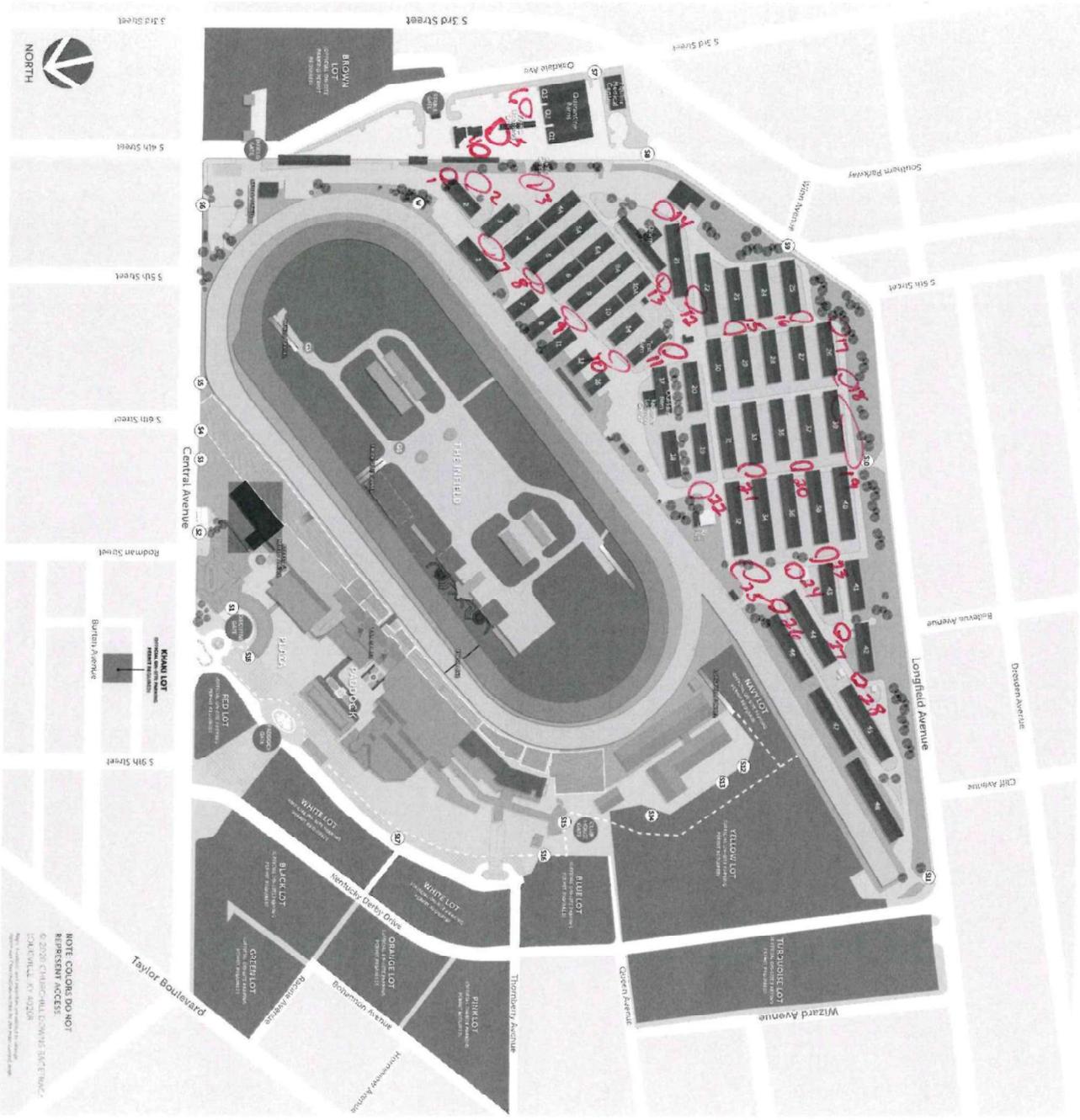
QT-19172

**Project Info:**  
CHURCHILL  
Stable Repairs 2026  
CHURCHILL  
700 Central Ave  
Louisville KY 40208  
United States  
Rep: Griffin Libs

***We are happy to present to you the following proposal for work to be performed.  
If you have any questions, please do not hesitate to contact us. Thank you!***

Asphalt Milling Repairs
<ol style="list-style-type: none"> <li>1. The area(s) under consideration comprises approx. <b>11,600</b> square feet located in <b>28</b> area(s).</li> <li>2. Please review attached map.</li> <li>3. Our firm will mill / edge key your pavement to the approx. depth of <b>2</b> inches.</li> <li>4. All repairs will be shaped symmetrically where possible.</li> <li>5. Millings and debris will be removed from job site and hauled to proper recycling facility. Work area will then be swept and cleaned.</li> <li>6. Then we will install <b>2</b> inches of compacted thickness surface asphalt.</li> </ol> <p>Total price for this service: \$31,375.00</p>

# CHURCHILL DOWNS FACILITY MAP





## Contract Payment Terms and Conditions

1. **Warranty:** We guarantee all work against defects in materials and workmanship for a period of (1) year from date of installation. We do not guarantee against puddling where existing slope is less than 2%. We do not guarantee against reflective cracking and dry weather cracking.
2. **Exclusions:** Survey layout, traffic loops, permits, fees, testing, underground locates of utilities on private property, adjustment or relocation of existing utilities, scale or predetermined wage.
3. **\*Price based on current price of liquid asphalt. If price of liquid asphalt changes, we reserve the right to change our price accordingly.**
4. The following terms and conditions are between Libs Paving Company, Inc. (aka the contractor) and the person, company, or agent who executes the proposal (aka the customer).
5. The customer agrees to pay the contractor within the specified time period designated in the proposal. Any amounts past due, after 30 days from the invoice date, are subject to a 1.5% per month late charge. By signing this contract, the customer acknowledges this charge may be incurred. If full payment, including late charge, have not been received within 60 days, the account will be turned over to a collection agency. At this point, the customer agrees to pay for all collection fees (attorney costs, court costs, any other collection cost incurred by the contractor).
6. The contractor will provide price protection, for this proposal, for 30 days from the date on the proposal.
7. The contractor will typically arrive to the project site no later than 7:00 am, unless otherwise discussed with customer. It is the responsibility of the customer to notify tenants, postal service, garbage service, landscapers, etc. of the proposed work dates and times. The contractor recommends that a towing service be on-site, or on stand-by, to relocate any vehicles in the work area at start time. Should the contractor be delayed more than 1 hour, additional fees may be incurred for down time. The customer is required to contact all service providers in the event that the work is re-scheduled.
8. **Sprinklers** should be off 24 hours prior and 24 hours after service. Avoid lawn cutting during this same period of time.
9. While performing the contracted work, if the contractor encounters "soft" sub base material, the contractor will notify the customer of the issue encountered and provide an estimated cost of repairs. If the customer declines the corrective work and directs the contractor to proceed with original scope of work, the contractor shall not be held responsible for the structural integrity of that area and the warranty will be voided.
10. If unsuitable or hazardous materials are encountered and deemed by contractor undeliverable to contracted waste facility, the materials will be transported to the proper waste facility. The customer agrees to pay for any additional dump fee and trucking costs.
11. When paving handicap parking areas and ramps, the contractor will pave per existing elevations and conditions, unless otherwise specified in the proposal.
12. The contractor will not be responsible for any standing water in areas with fixed structures, or where the existing slope is less than 2%.
13. Libs Paving will only replace existing speed bumps, or install new speed bumps if specified in the proposal.
14. The contractor will not be responsible for any damages to new asphalt, concrete, or sealcoating which may be caused by footprints, graffiti, tire tracks, or loads in excess of design capacity.
15. The contractor will not be responsible for any delays in construction due to weather, natural disasters, delays in transportation, fuel or raw material shortage, plant failures, or any other circumstance that is out of our control.
16. Work specified in the proposal requires the use of heavy trucks and equipment. The contractor will not be held responsible for repair or replacement of existing structures or utilities damaged by heavy equipment necessary to complete the job.
17. When driving on your newly paved or sealed surface, the contractor encourages the customer to keep their vehicle(s) in motion when turning their wheels. "Scuffing" and "turn marks" are not considered warranty work. These marks will blend in time with the rest of the surface.
18. When re-painting existing parking bumpers or concrete curbing, we recommend hydro / sand blasting prior to re-painting. This is the only way to ensure proper bonding and to prevent "flaking".
19. The contractor will re-stripe parking lots per existing layout unless specified in the proposal.
20. Where applicable - "Alligator" or "spider web" areas or areas of failed asphalt will not receive crack filler.

**Price Breakdown: CHURCHILL**



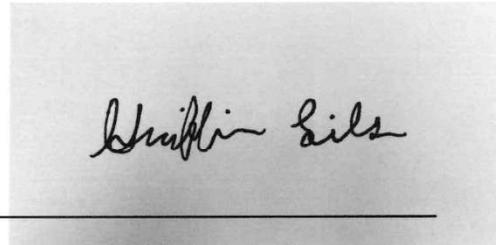
Please find the following breakdown of all services we have provided in this proposal. This proposal originated on 2/4/2026. **Quote Number: QT-19172**

<b>Item</b>	<b>Description</b>	
1	Asphalt Milling Repairs	\$31,375.00
	<b>Total:</b>	<b>\$31,375.00</b>

**Authorization to Proceed & Contract**

1. By Signing I agree to all contract terms & conditions and scope of work outlined in this proposal.
2. I understand that if any additional work is required different than stated in this proposal/contract there will be additional charges.

Date: \_\_\_\_\_



\_\_\_\_\_  
Jamie Richardson  
CHURCHILL  
Churchill Downs 600 N. Hurstbourne  
Pkwy #400 Louisville KY 40222 United  
States  
james.richardson@kyderby.com  
C: 5024680805

\_\_\_\_\_  
Griffin Libs  
griffin@libspaving.com  
C: 8127866464  
Libs Paving Company, Inc.  
6931 Atkins Road  
Floyds Knobs, IN 47119  
P: 812-944-8942  
F: 812-949-2806  
<http://www.libspaving.com>

**Andy Beshear**  
GOVERNOR

**Jacqueline Coleman**  
LIEUTENANT GOVERNOR



4047 Iron Works Parkway  
Lexington, KY 40511  
Phone: (859) 246-2040  
Fax: (859) 246-2039

**Jamie Eads**  
PRESIDENT & CEO

**Jonathan Rabinowitz**  
CHAIRMAN

TO: Kentucky Horse Racing and Gaming  
FROM: Drew Conners, Director, Incentives & Development  
DATE February 3, 2026  
RE: **KTDF ALLOTMENT REQUESTS BASED UPON THE ORIGINAL SUBMISSION AND APPROVAL OF THE KTDF ADVISORY COMMITTEE ON 2/3/2026**

---

The KTDF Advisory Committee met on Tuesday, February 3, 2026, and approved the following KTDF Allotment Requests:

- Keeneland Association Inc.’s 2026 Spring KTDF Allotment Request in the range of \$6M to \$6.25M, including a request to use \$250,000 for advertising; and
- Churchill Downs Racetrack, LLC’s 2026 Spring KTDF Allotment Request in the range of \$10M to \$11M, including a request to use \$205,575 for advertising in 2026.

A summary of all details pertaining to these requests follow this memorandum.

The KTDF Advisory Committee along with the Kentucky HBPA and KTA-KTOB recommend KHRG Board approval.

KHRG staff recommends approval.

**BOARD ACTION**

\_\_\_\_\_ Approve  
\_\_\_\_\_ Defer  
\_\_\_\_\_ Deny

## **Summary of KTDF Allotment Requests at the February 3, 2026, KTDF Advisory Committee Meeting**

### **2026 Keeneland's Spring KTDF Allotment Request**

The KTDF purse structure for Keeneland's 2026 spring race meet will consist of 15 racing days beginning Friday, April 3, 2026, and ending Friday, April 24, 2026. For their race meet Keeneland plans to card KTDF purses in the range of \$6 million to \$6.25 million. Their projections are based on a KTDF earned balance of \$3,069,690.61 dollars at the conclusion of their 2025 fall race meet. They are also projecting additional earnings in the range of \$2.1 million to \$2.4 million at Keeneland-Red Mile (KRM) per their contract. Additionally, they expect earnings in the range of \$1.7 million to \$2 million from Oak Grove per their contract. To encourage participation during the meet, Keeneland will pay out KTDF purses through last place to all KTDF eligible horses.

In accordance with KRS.230.400, Keeneland is requesting the use of \$250,000 in KTDF to promote, enhance, improve and encourage the further and continued development of the Kentucky Thoroughbred breeding and racing industry in Kentucky.

### **2026 Churchill Downs' Spring KTDF Allotment Request**

The KTDF purse structure for Churchill Downs' 2026 spring race meet will consist of 43 racing days beginning Saturday, April 25, 2026, and ending Sunday, June 28, 2026. For their race meet Churchill Downs plans to card KTDF purses in the range of \$10 million to \$11 million. Their projections are based on a KTDF earned balance of \$6.5 million by the end of April 2026. They are also projecting additional earnings totaling \$3.2 million from both Derby City Gaming, LLC ("Derby City" & "Derby City Downtown"). To encourage participation during the meet, Churchill Downs will pay out KTDF purses through last place to all KTDF eligible horses.

### **2026 Churchill Downs' KTDF Advertising Request**

In accordance with KRS.230.400, Churchill Downs is requesting the use of \$205,575 in KTDF to promote, enhance, improve and encourage the further and continued development of the Kentucky Thoroughbred breeding and racing industry in Kentucky. These funds will be used and shared during the course of the year at their 3 race meets (Spring, September and Fall/November)



Keeneland Association, Inc.  
4201 Versailles Road  
P.O. Box 1690  
Lexington, KY 40588-1690  
859 254-3412 Tel  
800 456-3412  
859 288-4348 Fax  
www.keeneland.com

February 2, 2026

KTDF Committee of the  
Kentucky Horse Racing Commission  
4047 Iron Works Parkway  
Paddock Office Building  
Lexington, KY 40511

Dear Committee Members:

Keeneland has reviewed our KTDF data and would like to offer approximately \$6,000,000-\$6,250,000 in KTDF money for our upcoming Spring meet.

1. We currently have a surplus of \$3,069,690.61 following the Fall 2025 race meeting;
2. We will conduct 15 days of live racing from April 3rd through 24th on Wednesdays through Sundays (excluding Easter Sunday);
3. We anticipate KTDF funds to constitute 28.8% of total purses. Breakdown by race type below:
  - a. MSW, ALW, AOC: \$2,887,500 (47.3% of the KTDF allotment)
  - b. CL, MCL, MA, SA: \$966,600 (15.8% of the KTDF allotment)
  - c. Stakes: \$2,250,000 (36.9% of the KTDF allotment)
4. We anticipate a payout percentage of 85.0% of the KTDF carded (\$5,100,000-\$5,300,000 paid);
5. We intend to utilize \$250,000 of KTDF for advertising. Detailed materials regarding the advertising allotment are included;
6. We are projecting Keeneland-Red Mile KTDF earnings from Historical Horse Racing of approximately \$2,100,000-\$2,400,000;
7. We anticipate Oak Grove KTDF earning from Historical Horse Racing of approximately \$1,700,000-\$2,000,000 to be transferred at the conclusion of our race meeting per our contract;

Keeneland remains committed to improving the on-track experience for patrons and is continuously seeking to improve ticketing, food/beverage, customer service, and promotions/events in order to grow our fanbase, and ultimately increase on-track handle. Keeneland recently completed a major capital improvement project including a permanent Paddock Building in order to increase capacity and provide new dining options. The project also updated the saddling enclosure to promote equine and horsemen safety. Additionally, Keeneland implemented an on-track Show bet bonus to promote wagering in the show pool and provide an entryway for novice handicappers. We continue to utilize our BETologists to increase awareness and engagement with on-track fans to further drive handle.

Keeneland will continue to pay out KTDF funds through last place. A table containing the payout percentage by field size is attached. In the event there is a dead heat for finish positions 1 thru 5, the KTDF percentage payout for each position will be aggregated and paid equally to each horse included in the dead heat. If a non-KTDF eligible horse is involved in a dead heat, those funds will revert to the fund.

We will evaluate the earnings and payout percentages several days into our race meet and may need to make adjustments if our actual earnings and payout percentages are significantly different from our assumptions.

Please contact me if you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink, appearing to be 'G. Bell', written in a cursive style.

Gatewood Bell  
Vice President of Racing

Finish Position	# of Starters													
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1st	62.00%	62.00%	62.00%	62.00%	62.00%	61.2250%	60.4500%	59.6750%	58.9000%	58.1250%	57.3500%	56.5750%	55.8000%	55.0250%
2nd		20.00%	20.00%	20.00%	20.00%	19.7500%	19.5000%	19.2500%	19.0000%	18.7500%	18.5000%	18.2500%	18.0000%	17.7500%
3rd			10.00%	10.00%	10.00%	9.8750%	9.7500%	9.6250%	9.5000%	9.3750%	9.2500%	9.1250%	9.0000%	8.8750%
4th				5.00%	5.00%	4.9375%	4.8750%	4.8125%	4.7500%	4.6875%	4.6250%	4.5625%	4.5000%	4.4375%
5th					3.00%	2.9625%	2.9250%	2.8875%	2.8500%	2.8125%	2.7750%	2.7375%	2.7000%	2.6625%
6th						1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
7th							1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
8th								1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
9th									1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
10th										1.25%	1.25%	1.25%	1.25%	1.25%
11th											1.25%	1.25%	1.25%	1.25%
12th												1.25%	1.25%	1.25%
13th													1.25%	1.25%
14th														1.25%
Total :	62%	82%	92%	97%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Distribution %'s  
1st 62.00%  
2nd 20.00%  
3rd 10.00% \*\* after 6th thru last is paid the  
4th 5.00% remainder of purse is distributed  
5th 3.00% accordingly to 1st thru 5th  
6th-14th 1.25% each



# 2026 Spring Meet Plan

The proposed 2026 Spring Meet advertising program is largely consistent with the previously approved Fall Meet plan, maintaining the same overall strategy and media mix. Adjustments for Spring are limited, targeted and driven by performance data and expanded coverage needs.

**TOTAL: \$250,000**



INITIATIVE	PROPOSED INVESTMENT
TDN STAKES PROMOTIONS	\$3,000
WORKOUT VIDEOS	\$24,000
HRRN	\$20,000
FREE PROGRAM DOWNLOADS	\$15,000
DOWN THE STRETCH RADIO	\$1,200
IN THE MONEY MEDIA	\$18,200
DRF	\$65,000
SPANISH INITIATIVES	\$16,600
HORSE PLAYER NOW (JEREMY PLONK)	\$12,000
HORSE RACING NATION	\$5,000
CORNETT DIGITAL ADVERTISING	\$70,000



January 28, 2026

KTDF Advisory Committee of the  
Kentucky Horse Racing Commission  
4063 Iron Works Parkway  
Building B  
Lexington, Kentucky 40511

Committee Members:

Churchill Downs has reviewed its purses and would like to card KTDF purses in the range of \$10 million to \$11 million for our upcoming Spring Meet. We have based the range on the following information:

1. At the end of April 2026, Churchill Downs is projecting an ending KTDF earned balance of \$6.5 million.
2. Our 2026 Spring Meet will consist of 43 racing days beginning Saturday, April 25<sup>th</sup> and ending Sunday, June 28<sup>th</sup>. We are projecting additional earnings of \$3.2 million by the end of June. The primary driver is the KTDF earned from pari-mutuel wagering from Derby City Gaming LLC ("Derby City") and Derby City Gaming Downtown ("Derby City Downtown") from the beginning of May 2026 through the end of the Spring Meet.
3. We anticipate that KTDF will be approximately 16% of total purses. Of the requested KTDF allotment, we anticipate the following payouts:
  - a. ALW, AOC, SMSW, MDN: approximately 59% of the KTDF allotment
  - b. BCL, CLM, MCL, STR, WMC: approximately 14% of the KTDF allotment; and
  - c. Stakes: approximately 27% of the KTDF allotment
4. For Spring 2026, we are assuming a KTDF payout percentage of 86.5% with anticipated KTDF purse disbursements of approximately \$9.0 million and administrative fees of \$0.5 million. We anticipate that our total purses will be consistent with the Spring 2025 meet.
5. To encourage participation during the Spring Meet, we are again planning to pay KTDF purses from first to last to all eligible horses.

Please contact either of us should you have any questions or need additional information.

Sincerely,

Ben Huffman  
Vice President, Racing & Racing Secretary

Philip Forbis  
Vice President, Finance



January 28, 2026

KTDF Advisory Committee of the Kentucky Horse Racing and Gaming Corporation  
 4063 Iron Works Parkway  
 Building B  
 Lexington, Kentucky 40511

Committee Members:

The following information will be included in Churchill Downs' 2026 Spring Condition Book related to the Kentucky Thoroughbred Development Fund (KTDF).

**CHURCHILL DOWNS RACE TRACK  
 KENTUCKY THOROUGHBRED DEVELOPMENT FUND (KTDF)  
 ALLOCATION OF FUND BASED ON NUMBER OF STARTERS AND FINISH**

For those horses that are registered and eligible according to the condition listed above, fund monies will be divided as follows: 60% to the winner, 20% to the second, 10% to the third, 5% to the fourth, and 3% to the fifth and the remaining 2% to be allocated among sixth through last based on the schedule below.

Number of Starters										
Finish	5	6	7	8	9	10	11	12	13	14
1st	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
2nd	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
3rd	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
4th	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
5th	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
6th		2.00%	1.00%	0.67%	0.50%	0.40%	0.34%	0.29%	0.25%	0.23%
7th			1.00%	0.67%	0.50%	0.40%	0.34%	0.29%	0.25%	0.23%
8th				0.66%	0.50%	0.40%	0.33%	0.29%	0.25%	0.22%
9th					0.50%	0.40%	0.33%	0.29%	0.25%	0.22%
10th						0.40%	0.33%	0.28%	0.25%	0.22%
11th							0.33%	0.28%	0.25%	0.22%
12th								0.28%	0.25%	0.22%
13th									0.25%	0.22%
14th										0.22%
Total	98.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%





# CHURCHILL DOWNS

4079 Iron Works Parkway  
Lexington, Kentucky 40511  
Phone: **859-259-1643**  
Mobile: **859-361-6002**

Registration may be completed online at [www.kta-ktob.com](http://www.kta-ktob.com). The Horse Identifier can check registration status of a horse.

For those horses that are registered and eligible according to the conditions listed above, fund monies will be divided as follows:

- 60%.....to the winner
- 20%.....to second
- 10%.....to third
- 5%.....to fourth
- 3%.....to fifth

Remaining 2% divided among the starters based on the schedule listed above.

Unearned fund monies revert to the Kentucky Thoroughbred Development Fund. Additionally, if a non-KTDF eligible horse is involved in a dead heat, those funds will revert to the fund.

PLEASE NOTE: ALL KTDF PURSE ALLOTMENTS CONTAINED HEREIN ARE SUBJECT TO KHRGC APPROVAL.

If you have any questions or need additional information, please reach out to me or Ben Huffman.

Sincerely,

Phil Forbis  
Vice President, Finance  
Churchill Downs Race Track  
700 Central Avenue  
Louisville, KY 40208  
Office: 502-394-1094  
Cell: 502-445-2352  
[Philip.Forbis@kyderby.com](mailto:Philip.Forbis@kyderby.com)

Ben Huffman  
Vice President, Racing & Racing Secretary  
Churchill Downs Race Track  
700 Central Avenue  
Louisville, KY 40208  
Office: 502-638-3820  
Fax: 800-928-3372  
[ben.huffman@kyderby.com](mailto:ben.huffman@kyderby.com)

# 2026 Budget Outline

- Racing Office and Recruitment encompasses the traditional advertisements within industry publications like TDN and Bloodhorse that promote stakes schedule information and race closings
- Steve Byk onsite in June and September as well as promotion on his broadcast throughout the year
- Continued coverage and similar spend as 2025 for the remaining outlets
- Utilize CDRT creative rich media digital placements to reach broader audience. Ads are dynamic and interactive to promote live racing attendance.
- Continue Stakes Blankets, in partnership with CDRT

2026 Proposed Spend	
Racing Office/Horsemen Recruitment	\$60,075
Steve Byk	\$15,000
Horse Racing Nation	\$40,000
ESPN Louisville Radio	\$10,000
Workout Video Production	\$40,500
In The Money Media	\$10,000
Stakes Blankets	\$5,000
CDRT Creative - Rich Media Ads	\$25,000
<b>TOTAL</b>	<b>\$205,575</b>



**Andy Beshear**  
GOVERNOR

**Jacqueline Coleman**  
LIEUTENANT GOVERNOR



4047 Iron Works Parkway  
Lexington, KY 40511  
Phone: (859) 246-2040  
Fax: (859) 246-2039

**Jamie Eads**  
PRESIDENT & CEO

**Jonathan Rabinowitz**  
CHAIRMAN

TO: Kentucky Horse Racing & Gaming  
FROM: Barbara Borden, VP of Racing & Chief State Steward  
DATE February 2, 2026  
RE: **KEENELAND ASSOCIATION, INC.'S PROPOSED 2026 SPRING RACE MEET OFFICIALS AND DATE PREFERENCE SYSTEM**

---

By letter dated January 20, 2026, Ashley Whalen, Director of Racing Administration at Keeneland Association, Inc. (Keeneland), requests approval of the attached roster of Racing Officials and Date Preference System for Keeneland's 2026 Spring Race Meet conducted at Keeneland Race Course. Please be advised that all Stewards have been accredited by the Racing Officials Accreditation Program (ROAP) and all officials will be licensed by the opening day of the meet.

KHRGC staff recommends approval.

BOARD ACTION

\_\_\_\_\_ Approve  
\_\_\_\_\_ Defer  
\_\_\_\_\_ Deny



**Keeneland Association, Inc.**  
4201 Versailles Road  
P.O. Box 1690  
Lexington, KY 40588-1690  
859 254-3412 Tel.  
800 456-3412  
859 288-4348 Fax  
www.keeneland.com

January 20, 2026

Ms. Jamie Eads  
Executive Director  
Kentucky Horse Racing and Gaming Corporation  
4063 Iron Works Pkwy., Bldg. B  
Lexington, KY 40511

Dear Jamie:

With the approval of the Kentucky Horse Racing and Gaming Corporation, the officials for the 2026 Spring Meeting at Keeneland will be as follows:

Vice President of Racing	Gatewood Bell
Association Steward	Tyler Picklesimer
Racing Secretary	David Ben Huffman
Director of Racing Administration	Ashley Whalen
Assistant Racing Secretary	Baley Hare
Stakes Coordinator	Jorie Beschizza
Starter	Jeff Powell
Paddock Judge	David Wedlake
Assistant Paddock Judge	Jeff Furmanski
Entry Clerks/Patrol/Placing Judges	Timothy Day, Kevin Greeley, Jackson Zehr, Chet Smithhart, Alec Stuckey
Clerk of Scales	David Heitzmann
Horse Identifier	Melinda Vest
Assistant Identifier	TBD
Timer	Gmax
Program Coordinator	Jackie Herbstreit
Jockey's Room Custodian	Charlie Woods
Clocker	Chris Crowe, John Graver
Claims Clerk	Alec Stuckey, Alex White
Outriders	Robin Ricsenbeck, Sam Hackler, Dale Mallory, Jeffrey Rowland Jr.
Horsemen's Bookkeeper	Ryan Oakman
Track Superintendent	Alfredo Laureano
Director of Wagering	Jim Goodman
Director of Security	Phil Gardner
Paddock Blacksmith	Arthur S. Tearl
Announcer	Kurt Becker
Stable Manager	Wayne Mogge

Post time will be 1:00 p.m. each day with eight to eleven live races for the Keeneland Spring Meet. Keeneland will continue to utilize a date preference system and the following entry schedule:

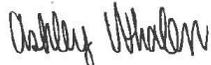
<i><b>Race Date</b></i>	<i><b>Entry Day</b></i>
Friday*	Friday
Saturday*	Saturday
Sunday*	Sunday
Wednesday	Wednesday
Thursday	Thursday

*\*Exceptions*

Friday, April 3	Monday, March 30 <sup>th</sup>
Saturday, April 4	Tuesday, March 31 <sup>st</sup>

Thank you for your consideration.

Sincerely,



Ashley Whalen  
Director of Racing Administration

## KEENELAND DATE PREFERENCE SYSTEM

The Date System of preference will be used at Keeneland Association as described below:

**Paper foal certificates and digital foal certificates (collectively, “Foal Certificates”) are no longer required to be retained on file in the racing office to enter or start at Keeneland; however, Foal Certificates must be on file to obtain a preference date and to get a horse digitally tattooed.**

TO RECEIVE A ZERO (0) DATE, Foal Certificates must be on file with the Horse Identifier by Sunday, March 29.

### Preference by condition eligibility then by:

1. In over-filled races, preference will be given to horses in order of their assigned preference dates, earliest date first. Horses having identical dates will be chosen by lot; however, where entry and running dates are the same, the horse with the entry date will have preference.
2. All horses intended for racing at Keeneland will be assigned a preference date. Dates assigned will be of two types:

#### E-Date

This date will correspond to:

- a. The day on which a horse's Foal Certificate and name tag are submitted to the Horse Identifier (the earliest date being the day when entries are first taken for the meeting). An unnamed horse will not receive an E-Date.
- b. The day on which a horse is first entered if his papers are not on file with the Horse Identifier.
- c. To qualify for the latter E-Date, a horse must have been excluded from a race which appears on the overnight or he must have been entered in a condition book race which failed to fill through insufficient entries.

#### R-Date

This date will correspond to:

- a. The day of a horse's most recent race at Keeneland.
  - b. An R-Date will also be assigned to a horse which scratches (provided the Foal Certificates are on file with the identifier).
3. A horse retains his R-Date until he receives a newer R-Date. No horse with an established R-Date may receive an E-Date. A horse whose Foal Certificates are removed from the Horse Identifier's office will lose his date and must subsequently re-establish a date in order to receive preference. A horse with an E-Date cannot receive a newer E-Date. Horses starting at another racetrack will forfeit any date they may have at Keeneland. Additionally, horses racing at Keeneland without Foal Certificates on site will not retain their R-Date.
  4. Preference dates will consist of two categories: Dirt (D) and Turf (T). Preference dates are good for any type of race or distance.
  5. A horse that runs in a race, which has been taken off the Turf will retain its Turf date and establish a Dirt R-Date. A scratched horse will receive an R-Date from the date scratched for both Turf and Dirt.
  6. Horses on the Also-Eligible list shall be permitted to draw into races in order listed.
  7. No E-Date will be assigned to the second choice of an unsplit same-owner entry.
  8. A horse which has been placed on a list (veterinarian, Steward, starter or paddock judge) will lose their date and be assigned an R-Date corresponding to the day removed from list, provided the Foal Certificates are on file with the Horse Identifier.

9. A horse which is a scheduled starter in a canceled race will not receive an R-Date for that race but will retain its previous date.
10. Stakes and handicap races are not subject to date preference.
11. Preference dates are transferred through change of ownership and changes in trainer after the proper transfer procedure have been completed through the Steward's office and delivered to the Racing Secretary's Office.
12. Date preference rules will not supersede KHRGC rules regarding preference, eligibility or scratches.
13. Winners will be preferred in all non-maiden races.

**Condition Preference**

- Horses are preferred by their available conditions in all allowance races beginning with Graded stake winners (Grade I-II-III), open stakes winners through their allowance conditions (when allowance conditions are equal, an open stakes winners shall be preferred) providing the horse has finished 1st, 2nd, 3rd or 4th for \$50,000 or more since starting for less than \$50,000. In allowance/optional claiming races a horse's preference cannot exceed the condition of the race. Starter races for less than \$40,000 will not be preferred.
- No entry will be received except upon the condition that all disputes, claims and objections arising out of the racing or with respect to the interpretation of the conditions of any race shall be decided by the officers of the association, or those whom they may appoint and their decision upon all points shall be final.
- No entry shall be accepted from any stable not provided with a trainer's license.
- Keeneland will no longer accept Main Track Only (MTO) entries.

**Andy Beshear**  
GOVERNOR

**Jacqueline Coleman**  
LIEUTENANT GOVERNOR



4047 Iron Works Parkway  
Lexington, KY 40511  
Phone: (859) 246-2040  
Fax: (859) 246-2039

**Jamie Eads**  
PRESIDENT & CEO

**Jonathan Rabinowitz**  
CHAIRMAN

TO: Kentucky Horse Racing & Gaming  
FROM: Katie Smith, CFO  
DATE: January 30, 2026  
RE: **FINANCIAL REPORTS**

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Please find attached the following reports/financial information:

- Attachment 1 – Listing of all purchase requests approved to date in accordance with KHRG's Procurement Procedures for fiscal year ending June 30, 2026

ATTACHMENT 1

KENTUCKY HORSE RACING & GAMING CORPORATION  
Purchase Request Tracker - Fiscal Years Ending June 30, 2025 and 2026

Date	Vendor	Short Description	Amount	Anticipated Start Date	Anticipated End Date	Procurement Method	CEO/President Approval Date	Finance Committee Approval Date	KHRGC Board Approval Date
6/20/2025	The Jockey Club Information Systems Inc.	Annual services for database support, maintenance, custom reports and database hosting	\$73,987.80	7/1/2025	6/30/2026	Sole Source	6/20/2025	6/24/2025	6/24/2025
6/20/2025	KY Thoroughbred Owners & Breeders	KTBF advertising	\$75,000.00	7/1/2025	6/30/2026	Non-Competitive Negotiation	6/20/2025	6/24/2025	6/24/2025
6/20/2025	Media Vista Inc - Thoroughbred Daily News	KTBF advertising	\$30,000.00	7/1/2025	6/30/2026	Non-Competitive Negotiation	6/20/2025	6/24/2025	6/24/2025
6/30/2025	Sleip AI AB	Subscription for application for pre-morning and post-race horse exams	\$6,200.00	7/1/2025	12/31/2026	Incident / Small Purchase	7/1/2025	Not required	Not required
6/26/2025	Maverick Insurance Group	Insurance policy renewal for Directors and Officers	\$70,904.72	7/1/2025	6/30/2026	Emergency Procurement	6/27/2025	Ratified on 8/19/2025	Ratified on 8/19/2025
6/26/2025	Public Protection Cabinet	IT database services for sports wagering & charitable gaming	\$600,000.00	7/1/2025	6/30/2026	Emergency Procurement	6/27/2025	Ratified on 8/19/2025	Ratified on 8/19/2025
7/28/2025	Krueger International c/o KDA Office Furniture	Lighting for cubicle work stations	\$7,570.07	8/5/2025	8/31/2025	Incident / Small Purchase	7/30/2025	Not required	Not required
8/7/2025	Paul Miller Ford	CG purchase of three new 2026 SUV's	\$119,208.00	Upon approval	N/A	Cooperative Purchasing	8/10/2025	8/19/2025	8/19/2025
8/7/2025	Frankfort Toyota	CG purchase of Toyota Camry Hybrid	\$31,954.00	Upon approval	N/A	Cooperative Purchasing	8/10/2025	8/19/2025	8/19/2025
8/7/2025	Gary Yeomans Ford	CG purchase of new 2025 SUV	\$42,511.00	Upon approval	N/A	Cooperative Purchasing	8/10/2025	8/19/2025	8/19/2025
8/13/2025	Patterson Veterinary Supply Inc	Renewal of Master Agreement for Lasix supplies	\$244,031.36	10/13/2025	10/13/2026	Competitive Sealed Bidding	8/13/2025	8/19/2025	8/19/2025
9/7/2025	Hannah News Services	Subscription for legislative tracking services	\$4,299.00	10/1/2025	10/1/2026	Incident / Small Purchase	9/8/2025	Not required	Not required
10/22/2025	Trucordia (f/n/a) Maverick Insurance	Cyber insurance policy	\$28,100.00	Upon execution	12 months	Incident / Small Purchase	10/22/2025	Not required	Not required
10/24/2025	Association of Racing Commissioners International	ARCI annual membership dues	\$18,700.00	1/1/2026	12/31/2026	Incident / Small Purchase	10/24/2025	Not required	Not required
10/24/2025	Association of Racing Commissioners International	ARCI licensing system software	\$23,214.63	1/1/2026	12/31/2026	Incident / Small Purchase	10/24/2025	Not required	Not required

Date	Vendor	Short Description	Amount	Anticipated Start Date	Anticipated End Date	Procurement Method	CEO/President Approval Date	Finance Committee Approval Date	KHRGC Board Approval Date
11/14/2025	Gary Yoomans Frankfort Ford	Licensing Division purchase of Hybrid Vehicle	\$28,480.75	Upon approval	N/A	Cooperative Purchasing	11/14/2025	11/25/2025	11/25/2025
11/21/2025	Trucordia (f/n/a Maverick Insurance	Insurance	\$130,091.41	12/23/2025	12/23/2026	Non-Competitive Negotiation	11/21/2025	11/25/2025	11/25/2025
11/26/2025	Frost Brown Todd	Litigation Service Representation	\$395/hour up to \$100,000	11/26/2025	End of lawsuit	Emergency Procurement	11/26/2025	Ratified on 12/15/2025	Ratified on 12/16/2025
12/12/2025	Frost Brown Todd	Litigation Services RFP 2025-001	\$395/hour up to \$400,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Sturgill, Turner, Barker & Moloney, PLLC	Litigation Services RFP 2025-001	\$325/hour up to \$400,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Embry Merrill Womack Nance, PLLC	Litigation Services RFP 2025-001	\$300/hour up to \$400,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Dentons Bingham Greenebaum, LLP	Litigation Services RFP 2025-001	\$400/hour up to \$400,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Frost Brown Todd	General Legal Services RFP 2025-002	\$495/hour up to \$200,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Sturgill, Turner, Barker & Moloney, PLLC	General Legal Services RFP 2025-002	\$325/hour up to \$200,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Embry Merritt Womack Nance, PLLC	General Legal Services RFP 2025-002	\$300/hour up to \$200,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/12/2025	Dentons Bingham Greenebaum, LLP	General Legal Services RFP 2025-002	\$450/hour up to \$200,000	1/1/2026	12/31/2026	Competitive Negotiation	12/11/2025	12/15/2025	12/16/2025
12/29/2025	TEKSystems	IT Project Manager-Senior	\$90/hour up to \$150,000	1/12/2026	6/30/2026	Emergency Procurement	12/30/2025	1/6/2026	Ratified on 1/20/2026
1/8/2026	Trucordia	Excess Directors & Officers Insurancy Policy	\$35,000.00	1/9/2026	7/1/2026	Incident / Small Purchase	1/9/2026	Not required	Not required
1/30/2026	Adventure Promotions	KHRG Apparel	\$13,500.00	1/30/2026	3/1/2026	Incident / Small Purchase	1/30/2026	Not required	Not required
1/30/2026	Cherry Bekaert LLP	Financial Statement Audit FY2026 RFP 2025-003	\$39,375.00	5/1/2026	6/30/2027	Competitive Negotiation	1/30/2026	Being Requested	Being Requested

**THOROUGHBRED RULINGS**

**2026 THOROUGHBRED RULINGS**

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG CLASS	PENALTY OR ACTION	FINE	STATUS	
26-0001	1/16/2026	1/15/2026	Stephen V. Fosdick	Violated scratch regulation		Fined	\$ 500	Not Paid	
26-0002	1/21/2026	1/16/2026	J. J. Meza	Display of temper		Fined	\$ 500	Not Paid	

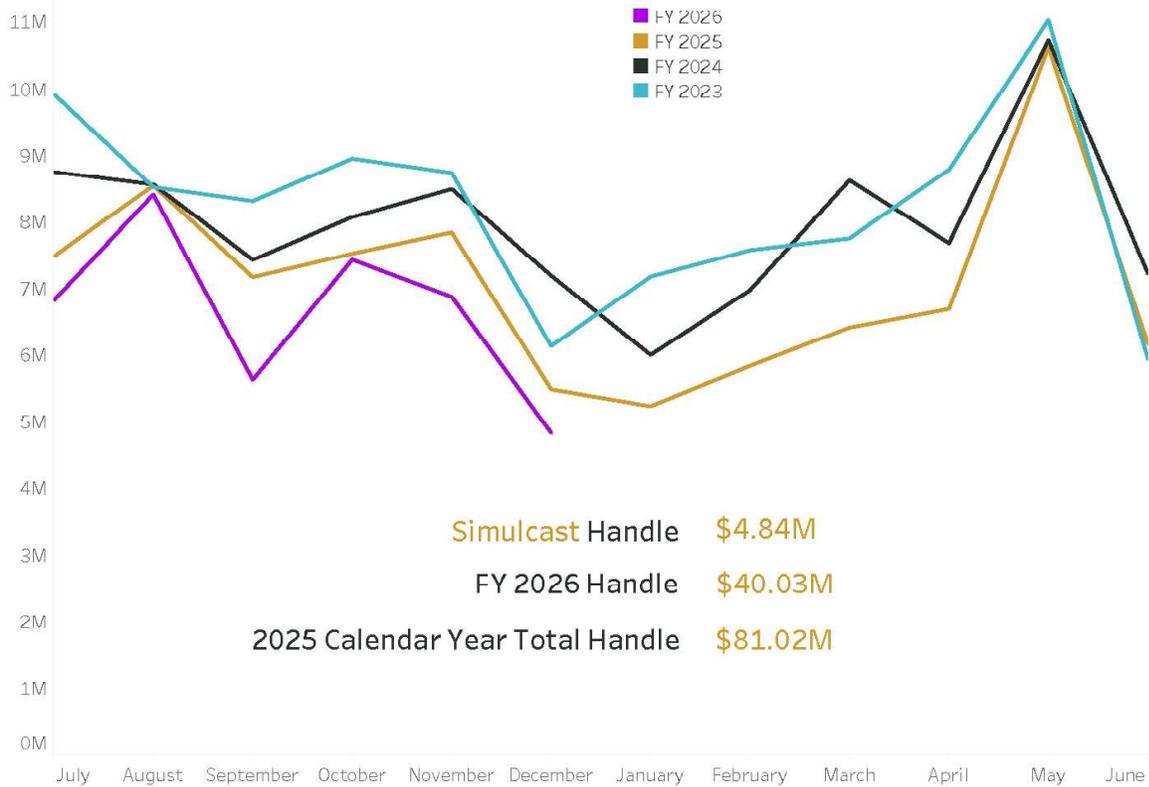
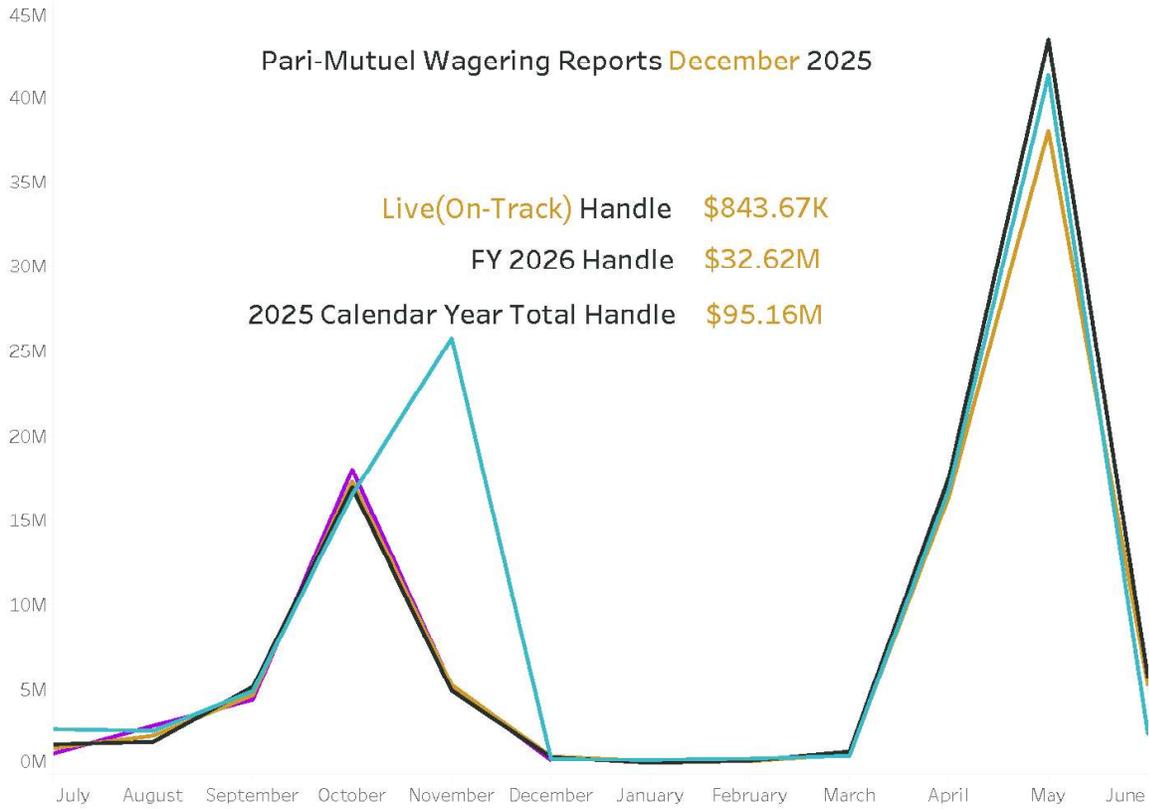
## 2026 KENTUCKY HISA RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG CLASS	PENALTY OR ACTION	FINE	STATUS	
H-26-001	1/3/2026	12/26/2025	Antioco Murgia	HISA crop violation (3rd offense)		Fined and suspended 3 days , January 15 through January 17, 2026 (inclusive)	\$750 (Under Appeal)	APPEALED	
H-26-002	1/3/2026	12/27/2025	Xarel Forde	HISA crop violation		Fined and suspended 1 day January 17, 2026	\$ 250	Suspension served	
H-26-003	1/10/2026	1/2/2026	Adam Beschizza	HISA crop violation		Fined and suspended 1 day January 16, 2026	\$ 500	Suspension served	
H-26-004	1/10/2026	1/3/2026	Brooke Bays	HISA crop violation (2nd offense)		Fined and suspended 2 days , January 14 and January 15, 2026	\$500 (Under Appeal)	APPEALED	
H-26-005	1/10/2026	1/7/2026	Dylan Machado	HISA crop violation		Fined and suspended 1 day January 16, 2026	\$ 250	Suspension served	
H-26-006	1/10/2026	1/7/2026	Oscar Villarreal	HISA crop violation (2nd offense)		Fined and suspended 2 days , January 23 and January 24, 2026	\$500 (Under Appeal)	APPEALED	
H-26-007	1/17/2026	1/15/2026	Alexander Bendezu	HISA crop violation		Fined and suspended 1 day January 28, 2026	\$250 (Under Appeal)	APPEALED	
H-26-008	1/22/2026	1/17/2026	Luan Machado	HISA crop violation		Fined and suspended 1 day January 31, 2026	\$ 500	Suspension served	
H-26-009	1/22/2026	12/19/2025	Orlando Bocachica	HISA Agreed Resolution of KY Stewards Ruling #25-127		Fined (no suspension)	\$ 232.50	Resolved	
H-26-010	1/22/2026	12/26/2025	Antioco Murgia	HISA Agreed Resolution of KY Stewards Ruling #26-001		Fined (no suspension)	\$ 31.25	Resolved	
H-26-011	1/22/2026	1/7/2026	Oscar Villarreal	HISA Agreed Resolution of KY Stewards Ruling #26-006		Fined (no suspension)	\$ 31.25	Resolved	
H-26-012	2/3/2026	1/15/2026	Alexander Bendezu	HISA Agreed Resolution of KY Stewards Ruling #26-007		Fined and suspended 1 day, January 28, 2026	\$ 31.00	Suspension served	

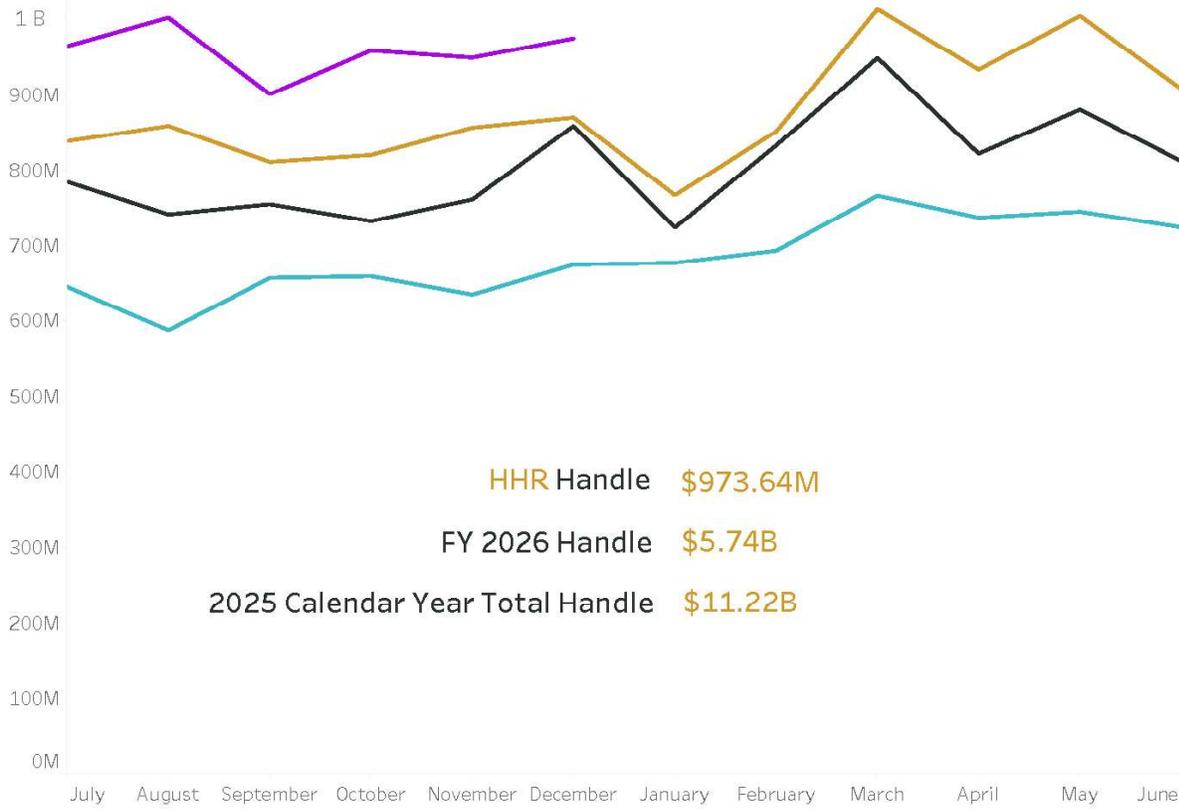
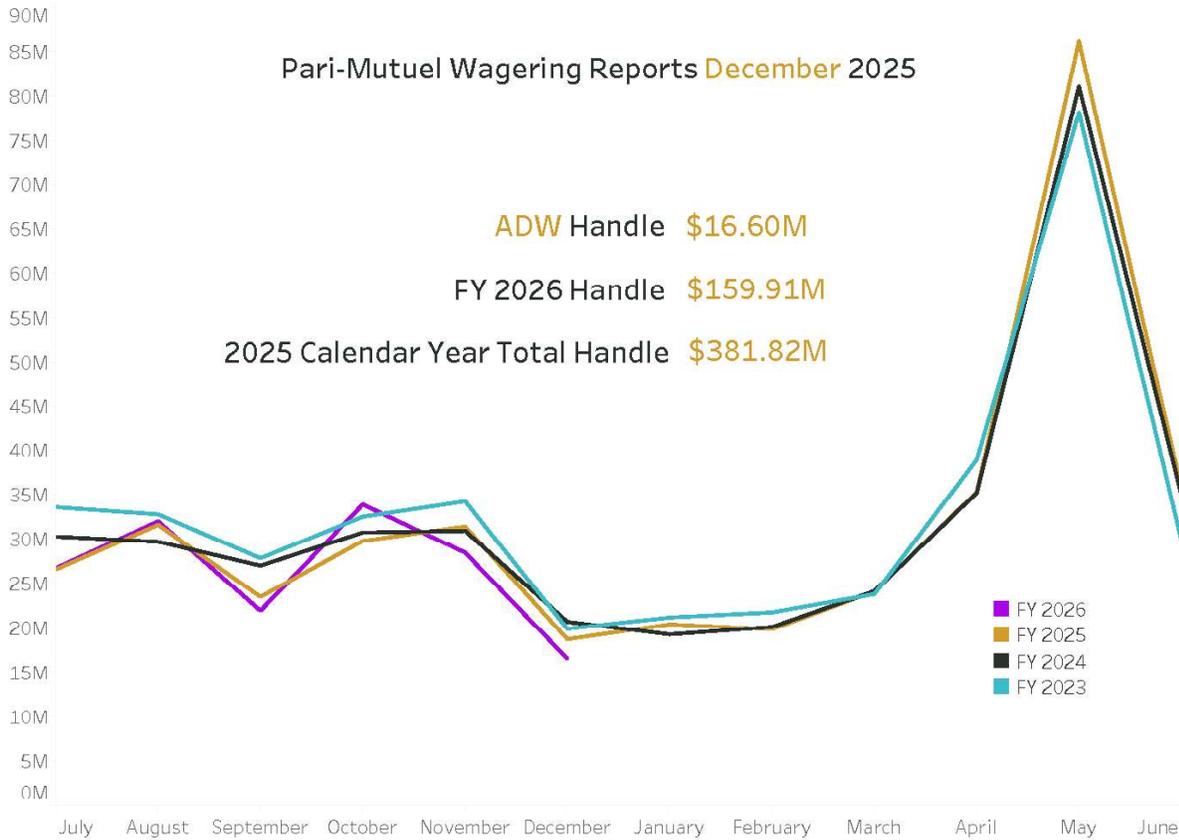
## 2026 KENTUCKY HISA RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG CLASS	PENALTY OR ACTION	FINE	STATUS
H-26-013	2/4/2026	1/3/2026	Brooke Bays	HISA Agreed Resolution of KY Stewards Ruling #26-004		Fined (no suspension)	\$ 37.50	Resolved

**PARI-MUTUEL WAGERING**



Pari-Mutuel Wagering Reports December 2025



Pari-Mutuel Wagering for December 2025

December

THE FOLLOWING REPORTING IS FOR ILLUSTRATIVE PURPOSES ONLY AND MAY BE AMENDED AS DEEMED SUITABLE BY THE KENTUCKY HORSE RACING AND GAMING CORPORATION. THE DISTRIBUTIONS FROM 2025 THE EXCISE TAX HAVE BEEN CALCULATED PURSUANT TO KRS 138 AND GUIDANCE FROM THE DEPARTMENT OF REVENUE.

On-Track Wagers on Live Horse Racing

Licensee	Race Dates	On-Track Handle	Return to Public	Commission	Settlement	Breakage	Minus Pools	Daily Average Live Han..	Backside Improvement Fund	Excise Tax	TB Dev Fund	SB Dev Fund	OH Dev Fund	Equine Drug Research	Higher Ed Equine Trust	Equine Industry Programs	General Fund
Churchill Downs Racetrack, LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ECL Corbin, LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ellis Entertainment, LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Keeneland Association, Inc.	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Kentucky Downs, LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lexington Tots Breeder's Association, Inc.	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revolutionary Racing Kentucky, LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Turfway Park, LLC	14	\$843,672	\$627,601	\$161,947	\$53,572	\$579	(\$26)	\$60,262	\$4,218	\$12,655	\$6,328	\$0	\$0	\$844	\$844	\$1,687	\$2,953
WKY Development, LLC	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total</b>	<b>14</b>	<b>\$843,672</b>	<b>\$627,601</b>	<b>\$161,947</b>	<b>\$53,572</b>	<b>\$579</b>	<b>(\$26)</b>	<b>\$60,262</b>	<b>\$4,218</b>	<b>\$12,655</b>	<b>\$6,328</b>	<b>\$0</b>	<b>\$0</b>	<b>\$844</b>	<b>\$844</b>	<b>\$1,687</b>	<b>\$2,953</b>

Simulcast Wagers on Interstate and Intertrack Live Horse Racing

Licensee	Facility	Off-Track Handle (St..	Thoroughbred	Standardbred	Quarter Horse	Other Breeds	Excise Tax - Simulcast	TB Dev Fund-Sim	SB Dev Fund-Sim	QH Dev Fund-Sim	PH/AP/AR Dev Fund-..	Equine Drug Research	Higher Education ..	Equine Industry Pr..	General Fund
Churchill Downs Racetrack, LLC	Churchill Downs Racetrack	\$1,062,128	\$1,007,332	\$47,717	\$7,079	\$0	\$15,932	\$10,073	\$477	\$71	\$0	\$531	\$531	\$266	\$3,983
ECL Corbin, LLC	Louisville Thoroughbred Socie..	\$997	\$990	\$7	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ECL Corbin, LLC	Cumberland Run Racetrack	\$21,866	\$21,512	\$208	\$146	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ellis Entertainment, LLC	Ellis Park Racetrack	\$626,214	\$561,511	\$60,692	\$4,011	\$0	\$9,393	\$5,615	\$607	\$40	\$0	\$313	\$313	\$157	\$2,348
Keeneland Association, Inc.	Keeneland Racetrack	\$1,249,406	\$1,249,406	\$0	\$0	\$0	\$18,741	\$12,494	\$0	\$0	\$0	\$625	\$625	\$312	\$4,685
Kentucky Downs, LLC	Kentucky Downs Racetrack	\$502,900	\$464,392	\$29,974	\$8,263	\$271	\$7,543	\$4,644	\$300	\$85	\$3	\$251	\$251	\$126	\$1,886
Lexington Tots Breeder's Association, Inc.	Red Mile Racetrack	\$439,970	\$0	\$434,334	\$5,609	\$27	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Revolutionary Racing Kentucky, LLC	Revolutionary Racing Kentucky, LLC	\$92,100	\$86,684	\$5,416	\$0	\$0	\$1,381	\$867	\$54	\$0	\$0	\$46	\$46	\$23	\$345
Turfway Park, LLC	Turfway Park Racetrack	\$685,404	\$656,267	\$26,728	\$2,409	\$0	\$10,281	\$6,563	\$267	\$24	\$0	\$343	\$343	\$171	\$2,570
WKY Development, LLC	Oak Grove Racetrack	\$157,679	\$132,162	\$18,114	\$7,404	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total</b>		<b>\$4,836,664</b>	<b>\$4,160,257</b>	<b>\$623,190</b>	<b>\$34,920</b>	<b>\$298</b>	<b>\$63,272</b>	<b>\$40,256</b>	<b>\$1,705</b>	<b>\$220</b>	<b>\$3</b>	<b>\$2,109</b>	<b>\$2,109</b>	<b>\$1,055</b>	<b>\$15,818</b>

**Pari-Mutuel Wagering for December 2025**

December

THE FOLLOWING REPORTING IS FOR ILLUSTRATIVE PURPOSES ONLY AND MAY BE AMENDED AS DEEMED SUITABLE BY THE KENTUCKY HORSE RACING AND GAMING CORPORATION. THE DISTRIBUTIONS FROM THE EXCISE TAX HAVE BEEN CALCULATED PURSUANT TO KRS 138 AND GUIDANCE FROM THE DEPARTMENT OF REVENUE.

2025

**On-Track Wagers on Historical Horse Racing**

Licensee	Facility	On-Track Handle	Return to Public	Pool Growth	Breakage	Gross Commission ..	Excise Tax - HHR	TB Dev. Fund	SB Dev. Fund	QH Dev. Fund	General Fund and Ot..	Adjusted Commission ..	Avg. Terminal Co..	Adjusted Commission ..
Churchill Downs Racetrack, ..	Derby City Ga..	\$202,711,354	\$183,929,022	\$449,282	\$562	\$18,332,488	\$3,040,670	\$1,520,335	\$0	\$0	\$1,520,335	\$15,291,818	1,237	\$12,361
ECL Corbin, LLC	Corbin	\$4,226,114	\$3,775,229	\$43,309	\$29	\$407,546	\$63,392	\$0	\$42,261	\$0	\$21,131	\$344,154	58	\$5,914
Ellis Entertainment, LLC	Henderson	\$22,791,271	\$20,457,297	\$115,196	\$308	\$2,216,470	\$341,869	\$170,935	\$0	\$0	\$170,935	\$1,876,601	299	\$6,279
Ellis Entertainment, LLC	Owensboro	\$49,227,033	\$43,233,344	\$469,926	\$773	\$4,623,991	\$723,406	\$361,703	\$0	\$0	\$361,703	\$3,800,686	696	\$6,376
Kentucky Downs, LLC	Bowling Green	\$43,066,723	\$38,815,157	\$169,665	\$443	\$4,081,457	\$646,001	\$323,000	\$0	\$0	\$323,000	\$3,435,456	450	\$7,643
Lexington ..	Red Mile	\$107,397,164	\$97,549,946	\$185,542	\$4,453	\$9,657,224	\$1,610,957	\$402,739	\$536,986	\$0	\$671,232	\$8,046,267	877	\$9,172
Revolution..	Sandy's Rac.	\$36,337,328	\$32,999,007	\$60,359	\$1,139	\$3,276,823	\$545,060	\$0	\$0	\$363,373	\$181,687	\$2,731,763	516	\$5,297
Turfway Park, LLC	Newport	\$35,839,620	\$32,336,011	\$110,328	\$81	\$3,393,199	\$537,594	\$268,797	\$0	\$0	\$268,797	\$2,655,605	446	\$6,409
WKY Devel..	Oak Grove	\$168,644,883	\$153,510,605	(\$7,831)	\$462	\$15,141,647	\$2,529,673	\$632,418	\$843,224	\$0	\$1,054,031	\$12,611,974	1,217	\$10,360
<b>Grand Total</b>		<b>\$973,643,485</b>	<b>\$881,501,960</b>	<b>\$3,020,502</b>	<b>\$12,850</b>	<b>\$89,108,176</b>	<b>\$14,604,652</b>	<b>\$5,606,731</b>	<b>\$1,897,420</b>	<b>\$363,373</b>	<b>\$6,737,128</b>	<b>\$74,503,524</b>	<b>8,691</b>	<b>\$97,929</b>

**Advance Deposit Account Wagering**

Licensee	Total Handle	In-State Races	Out-of-State Races	Excise Tax - ADW	Host Track - Purses	Host Tracks	General Fund-ADW	
AmWest Ente..	\$32,593	\$0	\$32,593	\$489	\$208	\$208	\$73	
eBet Technol..	\$21,306	\$074	\$20,732	\$320	\$136	\$136	\$48	
Lien Games ..	\$62,519	\$0	\$62,519	\$938	\$399	\$399	\$141	
NYRABets	\$1,000,572	\$165,620	\$834,952	\$15,009	\$6,379	\$6,379	\$2,251	
TVG	\$6,413,135	\$1,161,125	\$5,252,010	\$96,197	\$40,884	\$40,884	\$14,430	
Twinspires	\$7,454,701	\$1,841,136	\$5,613,566	\$111,821	\$47,524	\$47,524	\$16,773	
WatchandWa..	\$9,794	\$466	\$9,328	\$147	\$62	\$62	\$22	
Xpressbet	\$1,604,460	\$394,324	\$1,210,136	\$24,067	\$10,228	\$10,228	\$3,610	
<b>Grand Total</b>		<b>\$9,599,079</b>	<b>\$9,503,244</b>	<b>\$13,035,035</b>	<b>\$240,300</b>	<b>\$105,019</b>	<b>\$105,019</b>	<b>\$37,340</b>

**Total Distributions by Account**

The General Fund line includes amounts that are deposited to various accounts. Those caps are calculated from deposits resulting from the excise tax for conducting pari-mutuel wagering on historical horse racing. Since these amounts are calculated as a whole and not per licensee, a one-time transfer will be made once the caps are met within the fiscal year. At the end of the fiscal year, approximately \$2M must be deducted from this line in order to determine the actual amount retained by the General Fund. Please contact the Department of Revenue with any questions regarding these transfers.

Total Excise Tax	\$14,929,566
Equine Drug Research	\$2,953
Equine Industry Program	\$2,742
Higher Education Program	\$2,953
K. Thoroughbred Development Fund	\$5,653,315
K. Standardbred Development Fund	\$1,899,125
K. Quarter Horse Development Fund	\$363,594
Host Track - Purses	\$105,819
Host Tracks	\$105,819
General Fund (See Note on Caps)	\$6,793,247
Backside Improvement Fund	\$4,218

Pari-Mutuel Wagering for FY 2026 (YTD)

FY 2026

THE FOLLOWING REPORTING IS FOR ILLUSTRATIVE PURPOSES ONLY AND MAY BE AMENDED AS DEEMED SUITABLE BY THE KENTUCKY HORSE RACING AND GAMING CORPORATION. THE DISTRIBUTIONS FROM THE EXCISE TAX HAVE BEEN CALCULATED PURSUANT TO KRS 138 AND GUIDANCE FROM THE DEPARTMENT OF REVENUE.

On-Track Wagers on Live Horse Racing

Licensee	Race Dates	On-Track Handle	Return to Public	Commission	Settlement	Breakage	Minus Pools	Daily Average Li.	Backside Improvement	Excise Tax	TB Dev Fund	SB Dev Fund	QH Dev Fund	Equine Drug Research	Higher Ed Equine Trust	Equine Industry Pr.	General Fund
Churchill Downs Racetrack, LLC	40	\$8,573,464	\$6,425,735	\$1,635,294	\$507,408	\$7,270	(\$2,243)	\$214,337	\$42,867	\$128,602	\$64,301	\$0	\$0	\$8,573	\$8,573	\$17,147	\$30,007
ECL Corbin, LLC	14	\$45,967	\$32,717	\$9,193	\$4,066	\$119	(\$129)	\$3,283	\$0	\$689	\$0	\$460	\$0	\$46	\$46	\$92	\$46
Ellis Entertainment, LLC	25	\$2,725,746	\$1,997,030	\$524,921	\$193,117	\$2,068	(\$561)	\$109,030	\$13,629	\$40,886	\$20,443	\$0	\$0	\$2,726	\$2,726	\$5,451	\$9,540
Keeneland Association, Inc.	17	\$17,239,420	\$13,303,394	\$2,874,594	\$2,088,856	\$13,793	(\$558)	\$1,014,084	\$86,197	\$258,591	\$129,296	\$0	\$0	\$17,239	\$17,239	\$34,479	\$60,338
Kentucky Downs, LLC	7	\$2,305,764	\$1,569,126	\$411,637	\$320,168	\$2,122	(\$289)	\$329,396	\$11,529	\$34,586	\$17,293	\$0	\$0	\$2,306	\$2,306	\$4,612	\$8,070
Lexington Trotters Broodmares A. Revolutionary Racing Kentucky	39	\$860,114	\$661,218	\$175,713	\$25,249	\$697	(\$2,762)	\$22,054	\$0	\$12,902	\$0	\$8,601	\$0	\$860	\$860	\$1,720	\$860
Turfway Park, LLC	14	\$843,672	\$627,601	\$161,947	\$53,572	\$579	(\$26)	\$60,262	\$4,218	\$12,655	\$6,328	\$0	\$0	\$844	\$844	\$1,687	\$2,953
WKY Development, LLC	6	\$30,560	\$19,556	\$6,482	\$4,512	\$41	(\$30)	\$5,093	\$0	\$458	\$0	\$306	\$0	\$31	\$31	\$61	\$31
<b>Grand Total</b>	<b>162</b>	<b>\$32,624,705</b>	<b>\$24,636,376</b>	<b>\$5,802,781</b>	<b>\$3,196,947</b>	<b>\$26,689</b>	<b>(\$6,599)</b>	<b>\$201,387</b>	<b>\$158,440</b>	<b>\$489,371</b>	<b>\$237,660</b>	<b>\$9,366</b>	<b>\$0</b>	<b>\$32,625</b>	<b>\$32,625</b>	<b>\$65,249</b>	<b>\$111,845</b>

Simulcast Wagers on Interstate and Intertrack Live Horse Racing

Licensee	Facility	Off-Track Handle (Gim.)	Thoroughbred	Standardbred	Quarter Horse	Other Breeds	Excise Tax - Simulcast	TB Dev Fund-Gim	SB Dev Fund-Gim	QH Dev Fund-Gim	PH/AP/AR Dev Fund-Gim	Equine Drug Research	Higher Education	Equine Industry Pro.	General Fund
Churchill Downs Racetrack, LLC	Churchill Downs Racetrack	\$9,219,161	\$8,857,282	\$313,126	\$48,752	\$0	\$138,287	\$88,573	\$3,131	\$488	\$0	\$4,610	\$4,610	\$2,305	\$34,572
ECL Corbin, LLC	Louisville Thoroughbred	\$34,423	\$33,799	\$516	\$108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ellis Entertainment, LLC	Cumberland Run Racetrack	\$254,005	\$242,870	\$8,888	\$2,004	\$243	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Keeneland Ass.	Keeneland Racetrack	\$4,636,415	\$4,246,260	\$376,412	\$13,744	\$0	\$69,546	\$42,463	\$3,764	\$137	\$0	\$2,318	\$2,318	\$1,159	\$17,387
Kentucky Downs, LLC	Keeneland Racetrack	\$9,992,407	\$9,964,114	\$0	\$27,993	\$0	\$149,896	\$99,644	\$0	\$280	\$0	\$4,996	\$4,996	\$2,498	\$37,472
Lexington Trotters Broodmares A. Revolutionary Racing Kentucky	Kentucky Downs Racetrack	\$4,419,993	\$4,172,145	\$190,092	\$54,212	\$3,544	\$66,300	\$41,721	\$1,901	\$578	\$35	\$2,210	\$2,210	\$1,105	\$16,575
Turfway Park, LLC	Red Mile Racetrack	\$4,375,511	\$0	\$4,349,100	\$26,322	\$89	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
WKY Development, LLC	Revolutionary Racing Kentucky	\$633,617	\$582,818	\$47,492	\$3,308	\$0	\$9,504	\$5,828	\$475	\$33	\$0	\$317	\$317	\$158	\$2,376
	Turfway Park Racetrack	\$5,083,171	\$4,901,790	\$133,770	\$47,611	\$0	\$76,248	\$49,018	\$1,338	\$476	\$0	\$2,542	\$2,542	\$1,271	\$19,062
	Oak Grove Racetrack	\$1,381,204	\$1,185,156	\$151,735	\$44,312	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Grand Total</b>		<b>\$40,029,907</b>	<b>\$34,186,535</b>	<b>\$5,571,131</b>	<b>\$268,365</b>	<b>\$3,876</b>	<b>\$509,771</b>	<b>\$327,247</b>	<b>\$10,609</b>	<b>\$1,992</b>	<b>\$35</b>	<b>\$16,992</b>	<b>\$16,992</b>	<b>\$8,496</b>	<b>\$127,443</b>

**Pari-Mutuel Wagering for FY 2026 (YTD)**

FY 2026

THE FOLLOWING REPORTING IS FOR ILLUSTRATIVE PURPOSES ONLY AND MAY BE AMENDED AS DEEMED SUITABLE BY THE KENTUCKY HORSE RACING AND GAMING CORPORATION. THE DISTRIBUTIONS FROM THE EXCISE TAX HAVE BEEN CALCULATED PURSUANT TO KRS 138 AND GUIDANCE FROM THE DEPARTMENT OF REVENUE.

**On-Track Wagers on Historical Horse Racing**

Licensee	Facility	On-Track Handle	Return to Public	Pool Growth	Breakage	Gross Commission - ...	Excise Tax - HHR	TB Dev Fund-HHR	SB Dev Fund-HHR	OH Dev Fund-HHR	General Fund and Other	Adj. Commission - Win
Churchill Downs Racetrack, LLC	Derby City ..	\$1,215,897,806	\$1,106,789,135	(\$445,748)	\$3,078	\$109,551,341	\$18,238,467	\$9,119,234	\$0	\$0	\$9,119,234	\$91,312,874
	Derby City ..	\$94,750,497	\$85,448,789	\$493,247	\$947	\$8,807,514	\$1,421,257	\$710,629	\$0	\$0	\$710,629	\$7,386,256
ECL Corbin, LLC	Corbin	\$27,175,347	\$24,370,196	\$274,189	\$192	\$2,530,770	\$407,630	\$0	\$271,753	\$0	\$135,877	\$2,123,140
	Williamsbu..	\$275,646,657	\$248,543,498	\$629,538	\$4,109	\$26,469,512	\$4,134,700	\$0	\$2,756,467	\$0	\$1,378,233	\$22,334,812
Ellis Entertainment, LLC	Henderson	\$134,396,559	\$120,955,616	\$408,803	\$1,724	\$13,030,415	\$2,015,948	\$1,007,974	\$0	\$0	\$1,007,974	\$11,014,467
	Owensboro	\$209,213,246	\$201,011,332	\$1,155,496	\$4,163	\$27,042,255	\$4,330,199	\$2,169,099	\$0	\$0	\$2,169,099	\$22,704,057
Kentucky Downs, LLC	Bowling Gr..	\$253,921,190	\$228,689,394	\$1,272,736	\$2,657	\$23,956,403	\$3,808,818	\$1,904,409	\$0	\$0	\$1,904,409	\$20,147,585
	Franklin	\$1,024,874,705	\$929,846,198	\$2,520,821	\$21,848	\$92,485,838	\$15,373,121	\$7,686,560	\$0	\$0	\$7,686,560	\$77,112,718
Lexington Trots Br., LLC	Red Mile	\$627,477,325	\$568,975,748	\$2,102,173	\$25,236	\$56,374,177	\$9,412,160	\$2,353,040	\$3,137,387	\$0	\$3,921,733	\$46,962,017
Revolutionary Racetrack, LLC	Sandy's Ra..	\$207,957,181	\$188,906,388	\$329,377	\$6,954	\$18,714,461	\$3,119,358	\$0	\$0	\$2,079,572	\$1,039,786	\$15,595,103
Turfway Park, LLC	Newport	\$207,092,253	\$187,029,070	\$533,670	\$402	\$19,529,111	\$3,106,384	\$1,553,192	\$0	\$0	\$1,553,192	\$16,422,727
	Turfway Pa..	\$392,944,813	\$354,440,966	\$1,263,909	\$1,555	\$37,238,382	\$5,894,172	\$2,947,086	\$0	\$0	\$2,947,086	\$31,344,210
WKY Development, LLC	Oak Grove	\$992,648,349	\$903,979,407	(\$111,637)	\$3,249	\$88,777,333	\$14,889,725	\$3,722,431	\$4,963,242	\$0	\$6,204,052	\$73,887,607
<b>Grand Total</b>		<b>\$5,743,995,928</b>	<b>\$5,208,985,737</b>	<b>\$10,426,574</b>	<b>\$76,115</b>	<b>\$524,507,513</b>	<b>\$86,159,939</b>	<b>\$33,173,654</b>	<b>\$11,128,848</b>	<b>\$2,079,572</b>	<b>\$39,777,864</b>	<b>\$438,347,574</b>

**Advance Deposit Account Wagering**

Licensee	Total Handle	In-State Races	Out-of-State Races	Excise Tax - ADW	Host Track - Purses	Host Tracks	General Fund-ADW
AmWest Entertainment, LLC	\$393,348	\$41,503	\$351,845	\$5,900	\$2,508	\$2,508	\$885
oBot Technologies	\$219,705	\$13,895	\$205,819	\$3,296	\$1,401	\$1,401	\$194
Lien Games Racing	\$553,615	\$21,792	\$531,823	\$8,304	\$3,529	\$3,529	\$1,246
NYRABets	\$9,153,659	\$2,209,236	\$6,944,423	\$137,305	\$58,355	\$58,355	\$20,596
TVG	\$55,504,280	\$13,612,080	\$41,892,199	\$832,564	\$353,840	\$353,840	\$124,885
Twinspires	\$78,313,678	\$26,629,488	\$51,684,189	\$1,174,705	\$499,250	\$499,250	\$176,206
WatchandWager.com	\$62,128	\$9,272	\$52,857	\$932	\$396	\$396	\$140
Xpressbet	\$15,708,484	\$6,379,404	\$9,329,080	\$235,627	\$100,142	\$100,142	\$35,344
<b>Grand Total</b>		<b>\$159,908,895</b>	<b>\$48,916,660</b>	<b>\$110,992,235</b>	<b>\$2,398,633</b>	<b>\$1,019,419</b>	<b>\$359,795</b>

**Total Distributions by Account**

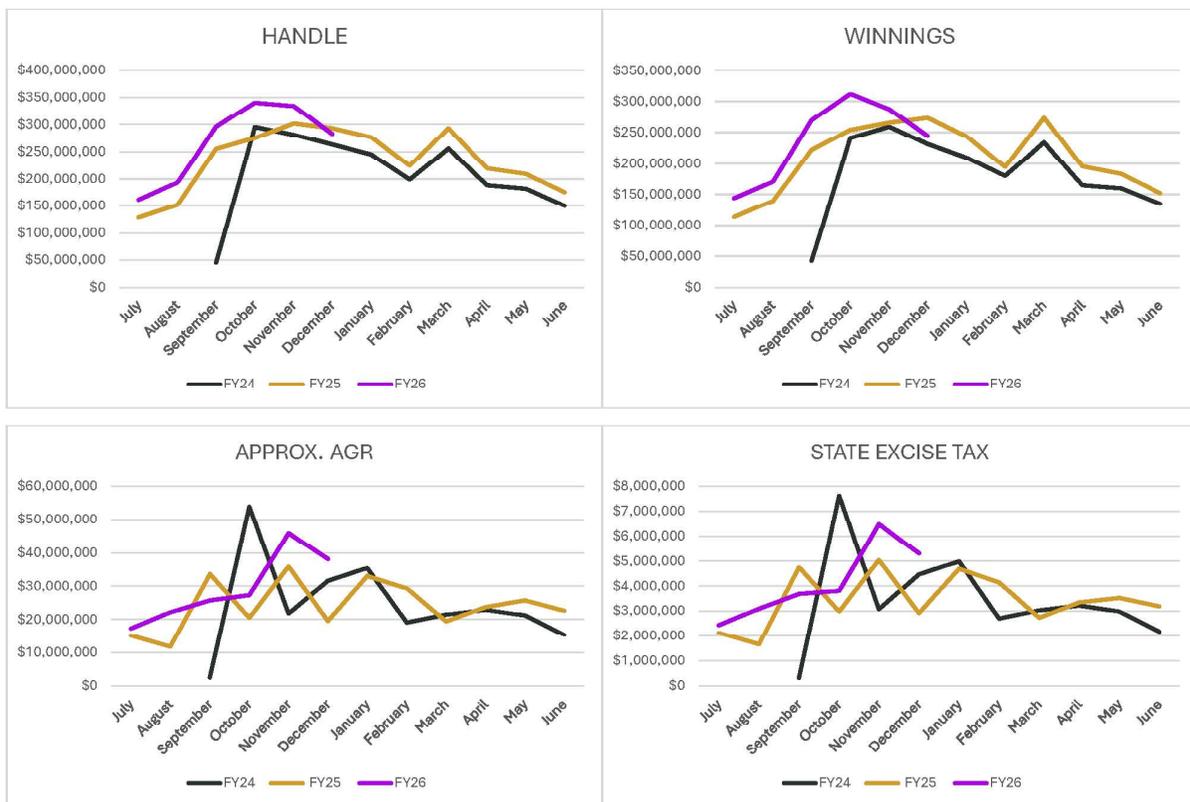
The General Fund line includes amounts that are deposited to various accounts. These caps are calculated from deposits resulting from the excise tax for conducting pari-mutuel wagering on historical horse racing. Since these amounts are calculated as a whole and not per licensee, a one-time transfer will be made once the caps are met within the fiscal year. At the end of the fiscal year, approximately \$2M must be deducted from this line in order to determine the actual amount retained by the General Fund. Please contact the Department of Revenue with any questions regarding these transfers.

Total Excise Tax	\$92,197,714
Total Equine Drug Research	\$369,617
Total Equine Industry Program	\$2,073,746
Total Higher Education Program	\$369,617
K. Thoroughbred Development Fund	\$33,739,562
K. Standardbred Development Fund	\$11,148,824
K. Quarter Horse Development Fund	\$2,081,563
Host Track - Purses	\$1,019,419
Host Tracks	\$1,019,419
General Fund (See Note on Caps)	\$40,376,947
Backside Improvement Fund	\$158,440

**SPORTS WAGERING REPORT**



**SPORTS WAGERING REVENUE REPORT: FY Comparison of Handle, Winnings, Approximate AGR and State Excise Tax Through December 2025**



Online - December 2025

	Churchill Downs	Cumberland Run	Ellis Park	Kentucky Downs	Oak Grove	Red Mile	Sandy's		Turfway Park	Grand Total
	Prime	DraftKings	Penn Sports Int.	Circa	Fanatics	Caesars	bet365	BetMGM	Fanduel	
Wagers	\$1,141,099	\$104,559,515	\$5,961,197	\$5,141,280	\$14,777,331	\$13,485,907	\$23,706,487	\$18,125,203	\$89,751,322	\$276,649,341
Winnings	\$1,071,832	\$89,653,314	\$5,216,944	\$5,274,906	\$13,134,453	\$12,197,755	\$21,529,910	\$16,335,010	\$74,575,667	\$238,989,791
Federal Excise Tax Paid	\$2,853	\$256,939	\$14,865	\$12,853	\$35,756	\$33,160	\$57,304	\$44,114	\$218,139	\$675,983
Adjusted Gross Revenue	\$66,414	\$14,649,262	\$729,388	(\$146,479)	\$1,607,122	\$1,254,992	\$2,119,273	\$1,746,079	\$14,957,516	\$36,983,567
Kentucky Excise Tax	\$9,464	\$2,087,520	\$13,938	\$0	\$229,015	\$178,836	\$301,996	\$248,816	\$2,131,446	\$5,201,032

Retail - December 2025

	Churchill Downs	Cumberland Run	Ellis Park	Kentucky Downs		Oak Grove	Red Mile	Sandy's	Turfway Park	Grand Total
	Kambi	DraftKings	Kambi	Circa	DraftKings	Kambi	Caesars	BetMGM	Kambi	
Wagers	\$2,133,345	\$372,335	\$148,417	\$687,412	\$252,226	\$471,556	\$1,206,502	\$186,660	\$812,772	\$6,271,225
Winnings	\$1,748,339	\$308,016	\$110,260	\$614,508	\$191,990	\$365,402	\$995,414	\$148,113	\$659,702	\$5,141,745
Federal Excise Tax Paid	\$5,433	\$949	\$0	\$1,719	\$637	\$1,179	\$3,016	\$0	\$1,970	\$14,903
Adjusted Gross Revenue	\$379,574	\$63,370	\$38,157	\$71,185	\$59,599	\$104,975	\$208,072	\$38,546	\$151,100	\$1,114,577
Kentucky Excise Tax	\$37,008	\$5,910	\$3,720	\$6,941	\$5,811	\$10,235	\$20,287	\$3,758	\$14,732	\$108,403

Glossary:

Wagers includes both wagers paid out and wagers resolved for the reporting period.

Winnings is the amount returned to winning players for the reporting period.

Federal Excise Tax Paid reflects the amount reported by each operator/service provider for the federal excise tax on sports wagering.

Adjusted Gross Revenue (AGR) is the sum of settled wagers collected on all sporting events, less winnings paid and excise taxes paid according to federal law.

Kentucky Excise Tax is tax paid to the state, calculated from taxable AGR at the rate of 9.75% for wagers placed at retail locations and 14.25% for online wagering.

\*\*Penn Sports is now marketed as ESPNbet.

Data is provided for informational purposes using self-reported values submitted by licensees and is subject to change. For more information on tax data, please contact the Department of Revenue.

Online - All

	Churchill Downs	Cumberland Run	Ellis Park	Kentucky Downs	Oak Grove	Red Mile	Sandy's		Turfway Park	Grand Total
	Prime	DraftKings	Penn Sports Int..	Circa	Fanatics	Caesars	bet365	BetMGM	Fanduel	
Wagers	\$4,018,281	\$2,431,824,492	\$210,100,040	\$55,160,217	\$247,175,010	\$307,011,873	\$530,231,823	\$362,031,092	\$2,109,497,327	\$6,317,656,754
Winnings	\$3,834,532	\$2,155,249,018	\$189,367,373	\$54,870,896	\$224,670,670	\$282,074,411	\$485,504,037	\$324,140,688	\$1,888,184,621	\$5,607,896,246
Federal Excise Tax Paid	\$10,055	\$5,800,221	\$525,652	\$137,526	\$592,167	\$747,044	\$1,256,113	\$819,781	\$5,136,004	\$15,024,562
Adjusted Gross Revenue	\$173,694	\$270,775,253	\$20,213,215	\$151,795	\$21,912,769	\$24,190,419	\$43,471,673	\$37,670,624	\$276,176,702	\$594,735,144
Kentucky Excise Tax	\$24,751	\$38,585,474	\$2,790,383	\$51,290	\$3,122,570	\$3,447,105	\$6,194,713	\$5,366,064	\$39,355,180	\$98,939,530

Retail - All

	Churchill Downs	Cumberland Run	Ellis Park	Kentucky Downs		Oak Grove	Red Mile	Sandy's	Turfway Park	Grand Total
	Kambi	DraftKings	Kambi	Circa	DraftKings	Kambi	Caesars	BetMGM	Kambi	
Wagers	\$74,796,077	\$8,401,185	\$6,127,860	\$8,587,859	\$3,540,003	\$17,621,011	\$44,500,650	\$5,310,381	\$31,859,484	\$200,744,508
Winnings	\$69,237,320	\$7,827,583	\$5,959,512	\$7,746,221	\$3,170,746	\$15,525,551	\$39,548,522	\$4,384,358	\$29,892,352	\$183,292,166
Federal Excise Tax Paid	\$186,572	\$21,005	\$3,918	\$21,403	\$8,907	\$44,052	\$111,262	\$0	\$79,769	\$483,878
Adjusted Gross Revenue	\$5,370,163	\$552,561	\$159,390	\$820,234	\$360,350	\$2,051,407	\$4,840,876	\$926,003	\$1,887,363	\$16,968,347
Kentucky Excise Tax	\$523,593	\$53,878	\$15,643	\$79,973	\$35,134	\$200,012	\$471,985	\$90,287	\$184,018	\$1,654,523

Glossary

Wagers includes both wagers paid out and wagers resolved for the reporting period.

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Data is provided for informational purposes using self-reported values submitted by licensees and is subject to change. For more information on tax data, please contact the Department of Revenue.

## CHARITABLE GAMING REPORT

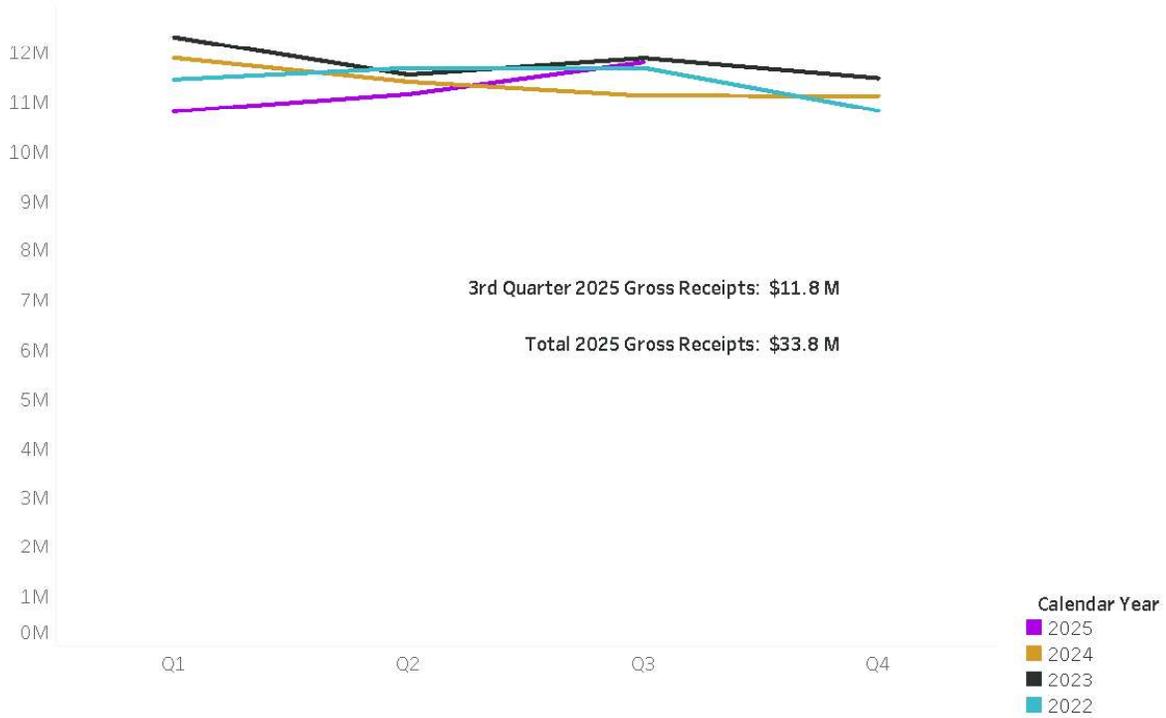
### Charitable Gaming - 2025 Year to Date

	Gross	Total Payouts	Adjusted Gross	Allowable Charitable Organization Expenses	Net
Q1	\$418,050,811	\$376,827,837	\$41,222,973	\$16,452,860	\$24,770,113
Q2	\$455,342,758	\$409,444,520	\$45,898,238	\$17,819,293	\$28,078,945
Q3	\$468,596,482	\$420,781,555	\$47,814,926	\$18,459,783	\$29,355,143
Grand Total	\$1,341,990,051	\$1,207,053,913	\$134,936,137	\$52,731,937	\$82,204,201

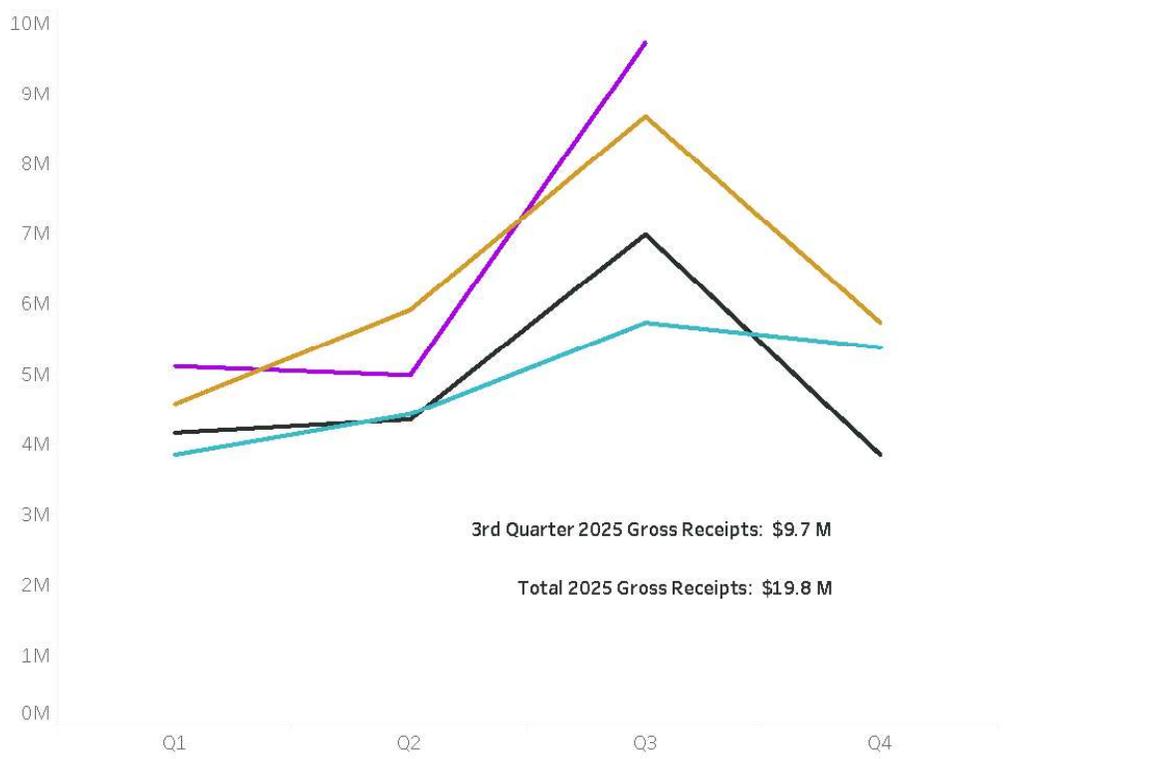
### Total Gross Receipts by Year



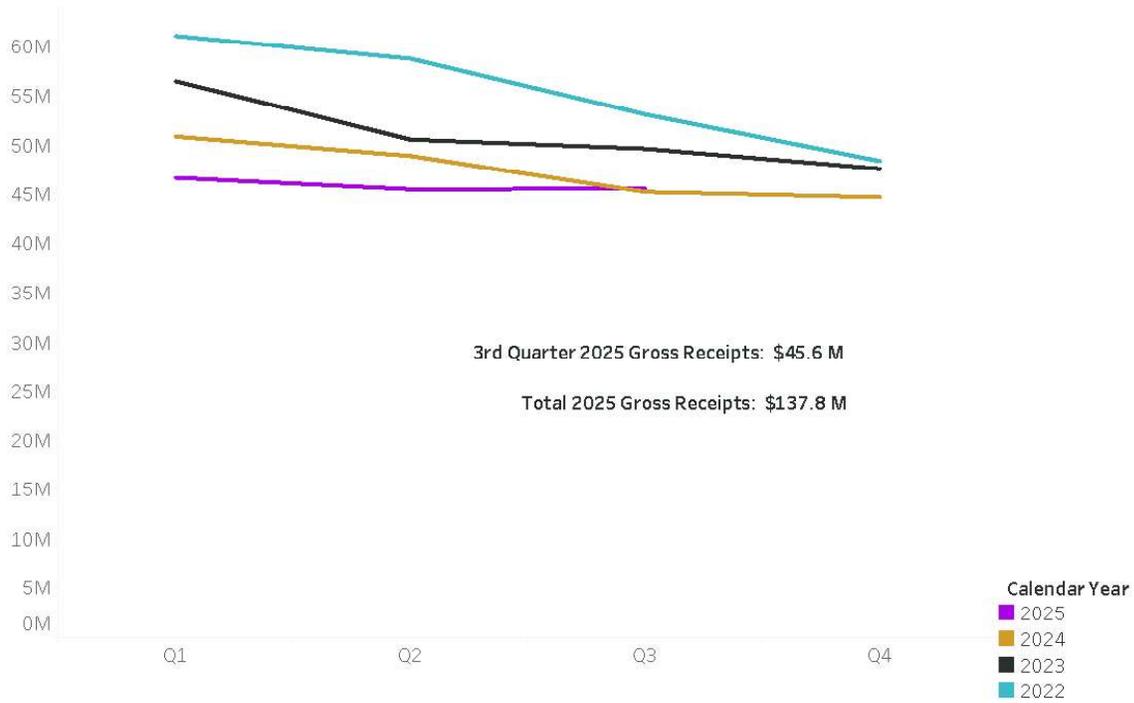
### Bingo



### Raffles



### Paper Pulltabs



### Electronic Pulltab Devices

