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MEMORANDUM

TO: Jennifer Wolsing, General Counsel, Kentucky Horse Racing Commission

FROM: Emily Caudill, Regulations Compiler

RE: Acknowledgement of Proposed & Emergency Regulation – 809 KAR 010:001 & E, 809 KAR 010:002 & E, 809 KAR 010:003 & E, 809 KAR 010:004 & E, 809 KAR 010:005 & E, 809 KAR 010:006 & E, 809 KAR 010:007 & E, 809 KAR 010:008 & E

DATE: July 10, 2023

A copy of the ordinary and emergency administrative regulations listed above are enclosed for your files. Pursuant to KRS 13A.190, the emergency administrative regulation became effective upon filing with our office on **July 10, 2023** and, unless an extension on the accompanying ordinary is requested, will expire either in 270 days on **April 5, 2024**, or when replaced by its corresponding ordinary regulation, whichever occurs first. Please note - Expiration dates may be impacted by legislation or other statutes.

**Emergency regulation**

The emergency regulation is tentatively scheduled for review by the Administrative Regulation Review Subcommittee at its **September 2023** meeting. We will notify you of the date and time of this meeting once it has been scheduled. Pursuant to KRS 13A.280, **if** comments are received during the public comment period, a Statement of Consideration for this emergency regulation is due **by noon on September 15, 2023**.

**Ordinary regulation**

The ordinary regulation is tentatively scheduled for review by the Administrative Regulation Review Subcommittee at its **October 2023** meeting. We will notify you of the date and time of this meeting once it has been scheduled. Pursuant to KRS 13A.280, **if** comments are received during the public comment period, a Statement of Consideration for this ordinary regulation or a one-month extension request is due **by noon on October 13, 2023**.

Please reference KRS 13A.270 and 13A.280 for other requirements relating to the public hearing and public comment period and Statements of Consideration.

If you have questions, please contact us at RegsCompiler@LRC.ky.gov or (502) 564-8100.

Enclosures

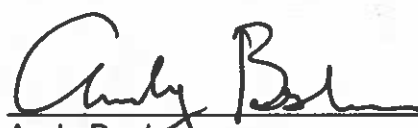
FILED WITH LRC  
TIME: 4pm  
JUL 10 2023  
Emily B. Caudill  
REGULATIONS COMPILER

STATEMENT OF EMERGENCY

809 KAR 10:001E +0

This emergency regulatory amendment is promulgated to prevent a loss of state funds that are required to be deposited with the State Treasury pursuant to KRS 230.817, and to meet an imminent deadline for the promulgation of an administrative regulation that is established by state statute. More specifically, this administrative regulation is filed on an emergency basis to ensure: (1) that funds are timely remitted to the State Treasury in accordance with the General Assembly's statutory mandate set out in KRS 230.817; and (2) that a fully functioning sports wagering system is established within six (6) months of the effective date of House Bill 551 (2023 Regular Session), pursuant to the timeline established in KRS 230.361. The Kentucky Horse Racing Commission therefore seeks to implement sports wagering on an emergency basis, in order to comply with the above-referenced statutory requirements.

This emergency regulation will be replaced by an ordinary administrative regulation at this time. The ordinary administrative regulation is identical to this emergency administrative regulation.

  
\_\_\_\_\_  
Andy Beshear  
Governor

  
\_\_\_\_\_  
Ray Perry  
Secretary, Public Protection Cabinet

1 PUBLIC PROTECTION CABINET

2 KENTUCKY HORSE RACING COMMISSION

3 New emergency administrative regulation

4 809 KAR 10:001E. General Provisions

5 RELATES TO: KRS Chapter 230.

6 STATUTORY AUTHORITY: KRS 230.260(16), KRS 230.210

7 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.260(16) requires the  
8 commission to promulgate administrative regulations to establish standards for the  
9 conduct of sports wagering. This administrative regulation establishes definitions of  
10 various terms used throughout the commission's sports wagering administrative  
11 regulations.

12 Section 1. Definitions.

13 (1) "Abnormal Wagering Activity" means wagering activity exhibited by one (1) or more  
14 patrons and considered by a Licensee to be an indicator of Suspicious or Illegal Wagering  
15 Activity.

16 (2) "Account holder" means an individual for whom the Licensee has opened a Sports  
17 Wagering Account.

18 (3) "Act" means 2023 Ky. Acts Ch. 147, of the Kentucky Revised Statutes, the  
19 Kentucky Sports Wagering Act of 2023.

20 (4) "Adjusted gross revenue" is defined by KRS 138.552.

- 1 (5) "Affiliate" means a person that, owns, controls, manages, or is operationally  
2 interdependent with a Licensee.
- 3 (6) "Amateur youth sporting event" is defined by KRS 230.210.
- 4 (7) "Applicant" means a person that applies with the racing commission to be an  
5 authorized Licensee.
- 6 (8) "Cancelled Wager" means a Sports Wager that was valid at the time it was made  
7 but has since been invalidated in a manner acceptable by the commission due to an event  
8 or action that prevents its completion.
- 9 (9) "Card" means the list of Sporting Events and Types of Wager from which a patron  
10 can make selections for a given pool.
- 11 (10) "Cash" means U.S. currency.
- 12 (11) "Cash Equivalent" means an asset convertible to cash for use in connection with  
13 authorized Sports Wagering, as follows:
- 14 (a) Traveler's checks;
- 15 (b) Foreign currency and coin;
- 16 (c) Certified checks, cashier's checks, and money orders;
- 17 (d) Personal checks and drafts;
- 18 (e) Digital, crypto, and virtual currencies;
- 19 (f) Online and mobile payment systems that support online money transfers;
- 20 and
- 21 (g) Electronic devices with prepaid access, as defined by 31 C.F.R. Section  
22 1010.100(ww).
- 23 (12) "Confidential information" means:

1 (a) The amount of money credited to, debited from, withdrawn from, or present  
2 in any particular Sports Wagering Account;

3 (b) The amount of money wagered by a particular patron on any event or series  
4 of events;

5 (c) The unique Sports Wagering Account ID or username and authentication  
6 credentials that identify the particular account holder;

7 (d) The identities of particular Sporting Events or Types of Wagers on which the  
8 patron is wagering or has wagered; and

9 (e) Unless otherwise authorized by the patron, the name, address, and other  
10 information in possession of the Licensee that would identify the patron to anyone other  
11 than the racing commission or the Licensee.

12 (13) "Communications Technology" means the methods used and the components  
13 employed to facilitate the transmission of information, such as electronic communications,  
14 and transmission and reception systems based on wire, cable, radio, microwave, light,  
15 optics, or computer data networks or any similar electronic agent, such as the internet  
16 and intranets.

17 (14) "Critical Employee" means any employee whose duties directly impact the integrity  
18 of Sports Wagering in the Commonwealth, including:

19 (a) An individual who has the capability of affecting the outcome of Sports  
20 Wagering through deployment of code to production for any critical components  
21 of a Sports Wagering System;

22 (b) An individual who can deploy code to production and directly supervises  
23 individuals who have the capability of affecting the outcome of Sports Wagering

1 in Kentucky through deployment of code to production for other than read-only or  
2 the equivalent access to any critical components of a Sports Wagering System;

3 (c) An individual who directly manages a Licensee or who directly supervises  
4 an individual who directly manages a Licensee; or

5 (d) An individual who has the capability to directly affect the outcome of a  
6 Sports Wager or a payout to a patron.

7 (15) "Data Source" means a Supplier that sells league or event data, participant, or  
8 team statistics necessary to enable Sports Wagering.

9 (16) "Department" means Department of Revenue.

10 (17) "Electronic sports, e-sports, and competitive video game events" or "Electronic  
11 Sporting Events" means leagues, competitive circuits, tournaments, or similar  
12 competitions where individuals or teams play video games, typically for spectators, either  
13 in-person or online, for the purpose of prizes, money, or entertainment.

14 (18) "Electronic Sporting Event Operator" means a person or entity which sanctions,  
15 regulates, or organizes an Electronic Sporting Event.

16 (19) "Geofence" is defined by KRS 230.210.

17 (20) "GLI-CMP Guide" means the Gaming Laboratories International, GLI-CMP:  
18 Change Management Program Guide, Version 1.0, Published May 6, 2020.

19 (21) "GLI-33 Standards" means the Gaming Laboratories International, GLI-33:  
20 Standards for Event Wagering Systems, Version. 1.1, and its appendices, Revised May  
21 14, 2019.

1 (22) "Integrity Monitoring" means the monitoring of Sports Wagering to identify  
2 Abnormal or Suspicious Wagering Activities from a match-fixing and sporting corruption  
3 standpoint.

4 (23) "Internal controls," "minimum internal control standards," or "control standards"  
5 means a system of internal procedures, as well as administrative and accounting controls  
6 related to the integrity of sports wagering. This type of system shall include wagering rules  
7 and shall be required by the racing commission as a condition to sports wagering,  
8 pursuant to the license conditions issued by the racing commission pursuant to KRS  
9 230.290(3).

10 (24) "Layoff Wager" means a wager placed by a Licensee with another Licensee for the  
11 purpose of offsetting Sports Wagers.

12 (25) "Licensed Premises" is defined in KRS 230.210.

13 (26) "Licensed Facility for Sports Wagering" is defined in KRS 230.210

14 (27) "Licensee" means the holder of a Sports Wagering Operator's License or a Service  
15 Provider License, as applicable.

16 (28) "License Holder" means any person who holds a Sports Wagering Operator's  
17 License, a Service Provider License, or an Occupational License.

18 (29) "Mobile Sports Wagering" means the conduct of Sports Wagering through or by  
19 means of websites, mobile applications, or other off-site technology approved by the  
20 commission.

21 (30) "Multi-Factor Authentication" means a type of authentication which uses two or  
22 more of the following to verify a person's identity:

- 1 (a) Information known only to the person (e.g., a password, pattern or  
2 answers to challenge questions);
- 3 (b) An item possessed by a person (e.g., an electronic token, physical token  
4 or an identification card); or
- 5 (c) A person's biometric data (e.g., fingerprints, facial or voice recognition).
- 6 (31) "Operator Licensee" or "Sports Wagering Operator" or means a Kentucky racing  
7 association licensed to conduct sports wagering pursuant to KRS 230.805.
- 8 (32) "Person" is defined by KRS 230.210.
- 9 (33) "Personal Identifying Information" means any sensitive information that could  
10 potentially be used to identify a particular patron, such as a legal name, date of birth,  
11 place of birth, social security number (or equivalent government identification number),  
12 driver's license number, passport number, residential address, phone number, email  
13 address, debit instrument number, credit card number, or bank account number.
- 14 (34) "Patron" means a person who wagers on Sporting Events.
- 15 (35) "Pool" means an offering where patrons may make selections of outcomes on a  
16 set number of Sporting Events and Types of Wager on a card in order to enter for a chance  
17 to win all or a portion of the Prize Pool.
- 18 (36) "Prize Pool" means the prizing available for an individual tournament, contest, or  
19 pool.
- 20 (37) "Prohibited Patron" means:
- 21 (a) Any Underage Person;
- 22 (b) Any individual wagering while not in the authorized geographic boundaries  
23 within the Commonwealth of Kentucky;



- 1 (c) Any individual wagering on behalf of another;
- 2 (d) Any Restricted Patron wagering in violation of their restrictions;
- 3 (e) Any voluntarily or involuntarily excluded person; or
- 4 (f) Any individual wagering in violation of commonwealth, local, or federal
- 5 law.

6 (38) "Race and Sports Book" means the area designated by the Licensee and approved  
7 by the commission that is utilized as the primary location for displaying Sporting Events  
8 and offering sports wagering on the Licensed Premises.

9 (39) "Racing commission" is defined by KRS 230.210.

10 (40) "Rake" means the fee that is deducted by a Licensee from entry fees paid by  
11 patrons who participate in a tournament, contest, or pool.

12 (41) "Rake Adjustment" means an adjustment made by a Licensee to account for any  
13 shortfall in connection with a tournament, contest, or pool.

14 (42) "Restricted Patron" means any patron restricted by KRS 230.820 or KRS 230.823  
15 and close family members of the persons included in KRS 230.823, who are defined as  
16 parents, children, grandparents, and siblings.

17 (43) "Self-Exclusion List" means a list of individuals who voluntarily excluded  
18 themselves from establishing or maintaining a Sports Wagering Account with a Licensee.

19 (44) "Sensitive Information" means Personal Identifying Information, transactional  
20 wagering data, authentication credentials, and other data that shall be handled in a secure  
21 manner such as PINs and passwords, and secure seeds and keys used in encryption.

22 (45) "Service Provider" is defined by KRS 230.210.

1 (46) "Shared Liquidity Pool" means a tournament, contest, or pool offering in Kentucky  
2 and at least one other jurisdiction where patrons may make selections of outcomes on a  
3 set number of Sporting Events and Types of Wager on a card in order to enter for a chance  
4 to win all or a portion of the prize pool.

5 (47) "Sporting Event" is defined by KRS 230.210.

6 (48) "Sports Governing Body" is defined by KRS 230.210.

7 (49) "Sports Wagering" is defined by KRS 230.210.

8 (50) "Sports Wagering Account" or "Account" means an account established by an  
9 Account Holder for use in Sports Wagering with a specific identifiable record of deposits,  
10 wagers, and withdrawals.

11 (51) "Sports Wagering Device" is defined by KRS 230.210.

12 (52) "Sports Wagering Kiosk" means a Sports Wagering Device within a Licensed  
13 Facility for Sports Wagering that, at a minimum, may be used for the submission of wagers  
14 placed by a patron directly and may be used for redemption of applicable awards or  
15 prizes.

16 (53) "Sports Wagering Service Provider" or "Service Provider" is defined by KRS  
17 230.210.

18 (54) "Sports Wagering System" means the hardware, software, firmware,  
19 communications technology, other equipment, as well as procedures implemented in  
20 order to allow patron participation in sports wagering, and, if supported, the corresponding  
21 equipment related to the display of the wager outcomes, and other similar information  
22 necessary to facilitate patron participation.

1 (55) "Sports Wagering Ticket" or "Ticket" means a printed record, or digital  
2 representation thereof, issued by a Sports Wagering System that contains information  
3 pertaining to a sports wager.

4 (56) "Sports Wagering Voucher" or "Voucher" means a printed record, or digital  
5 representation thereof, issued by a Sports Wagering System that may be used to fund a  
6 sports wager or may be redeemable for cash.

7 (57) "Sufficient clarity" means the capacity of a surveillance system to record images at  
8 a minimum of 20 frames per second or equivalent recording speed, or other recording  
9 speed approved by the commission, and at a resolution determined by the racing  
10 commission to clearly identify the intended activity, person, object, or location.

11 (58) "Surveillance operation room(s)" means the secured area(s) where surveillance  
12 takes place or where active surveillance equipment is located.

13 (59) "Surveillance system" means a system of video cameras, monitors, recorders,  
14 video printers, switches, selectors, and other equipment used for surveillance.

15 (60) "Suspicious or Illegal Wagering Activity" means Abnormal Wagering Activity that  
16 cannot be explained and is indicative of any prohibited activity or conduct that may corrupt  
17 the outcome of an event, including the following:

18 (a) Match-fixing;

19 (b) The manipulation of an event;

20 (c) Misuse of inside information;

21 (d) A potential breach of a Sports Governing Body's or equivalent's internal  
22 rules or code of conduct pertaining to Sports Wagering; or

23 (e) Any other conduct that corrupts the outcome of an event.

1 (61) "Supplier" means a person who provides services, goods, software, or other  
2 components necessary for the creation of Sports Wagering markets and determination of  
3 Sports Wager outcomes, to any Licensee involved in the acceptance of Sports Wagers,  
4 such as: providers of data feeds and odds services, internet platform providers, risk  
5 management providers, integrity monitoring providers.

6 (62) "Ticket Writer Station" means a Sports Wagering Device that at a minimum will be  
7 used by a ticket writer for the execution or formalization of wagers placed on behalf of a  
8 patron.

9 (63) "Type of Wager" means the form of a wager offered by a Licensee, such as single  
10 game bets, teaser bets, parlays, over-under bets, money line bets, pools, in-game  
11 wagering, in-play bets, proposition bets, and straight bets.

12 (64) "Underage Person" means any person under eighteen (18) years of age.

13 (65) "Void Wager" or "Voided Wager" means a Sports Wager that was not valid at the  
14 time it was placed or a Sports Wager that was valid at the time it was placed but has since  
15 become invalid as defined in 809 KAR 10:002 Section 8.

16 (66) "Voluntarily Excluded Person" means any individual whose name is included, at  
17 their own request, on a self-exclusion list.

18 (67) "Wager" or "Sports Wager" means a sum of money or representation of value that  
19 is risked on an occurrence for which the outcome is uncertain.

20 (68) "Wagering Windows" means teller windows dedicated to the receipt and  
21 processing of sports wagers and pari-mutuel wagers on horse racing in the Race and  
22 Sports Book Location of a Licensed Facility for Sports Wagering.

1 (69) "Website or Mobile Application" means a website or application on a mobile phone  
2 or other device through which an individual is able to place a Sports Wager.

3 (70) "Winnings" means the total cash value of all property or sums, such as the currency  
4 or instruments of monetary value paid to a patron by a Licensee as a direct result of a  
5 winning Sports Wager.

6 Section 2. Incorporation by Reference.

7 (1) The following material is incorporated by reference:


8 (a) "Gaming Laboratories International, GLI-33: Standards for Event Wagering  
9 Systems, Version 1.1, and its appendices, May 14, 2019 Revision Date," KHRC 10-001-  
10 1, 06/2023.

11 (b) "Gaming Laboratories International, GLI-CMP: Change Management Program  
12 Guide, Version 1.0, Published May 6, 2020," KHRC 10-001-02, 06/2023.

13 (2) This material may be inspected, copied, or obtained, subject to applicable  
14 copyright law, at the Kentucky Horse Racing Commission, 4063 Iron Works Parkway,  
15 Building B, Lexington, Kentucky 40511, Monday through Friday, 8 a.m. to 4:30 p.m. This  
16 material may also be obtained at the commission's website at <http://khrc.ky.gov>.

809 KAR 10:001E

READ AND APPROVED

  
\_\_\_\_\_  
Jonathan Rabinowitz  
Chair, Kentucky Horse Racing Commission

7/10/23  
Date

  
\_\_\_\_\_  
Ray Perry  
Secretary, Public Protection Cabinet

7-10-23  
Date

## PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on August 22, 2023, at 9:00 a.m. at the Kentucky Horse Racing Commission, 4063 Iron Works Parkway, Building B, Lexington, Kentucky 40511. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through August 31, 2023. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

Contact Person: Jennifer Wolsing

Title: General Counsel

Address: Kentucky Horse Racing Commission, 4063 Iron Works Parkway, Building B,  
Lexington, Kentucky 40511

Phone: (859) 246-2040

Fax: (859) 246-2039

Email: [jennifer.wolsing@ky.gov](mailto:jennifer.wolsing@ky.gov)

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

809 KAR 10:001

Contact Person: Jennifer Wolsing

Phone: (859) 246-2040

Email: jennifer.wolsing@ky.gov

- (1) Provide a brief summary of:
  - (a) What this administrative regulation does: This regulation establishes definitions for terms used in 809 KAR Chapter 10.
  - (b) The necessity of this administrative regulation: This regulation is necessary to ensure that various terms in 809 KAR Chapter 10 are properly and precisely defined.
  - (c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 230.260 requires the commission to promulgate administrative regulations to establish standards for the conduct of sports wagering. This regulation sets forth the defined terms that are used in the regulations in 809 KAR Chapter 10.
  - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This regulation fulfills the commission's statutory mandate to prescribe the conditions under which sports wagering is conducted in the Commonwealth by defining terms used in 809 KAR Chapter
- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
  - (a) How the amendment will change this existing administrative regulation: N/A. This is a new regulation.
  - (b) The necessity of the amendment to this administrative regulation: N/A. This is a new regulation.
  - (c) How the amendment conforms to the content of the authorizing statutes: N/A. This is a new regulation.
  - (d) How the amendment will assist in the effective administration of the statutes: N/A. This is a new regulation.
- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: This regulation affects the licensed tracks that apply for and receive a license to conduct sports wagering in the Commonwealth. There are currently nine (9) licensed tracks operating in the Commonwealth. Each track is allowed to contract with up to three (3) service providers. Therefore, up to 27 service providers may be affected



by the definitions in this regulation. Additionally, there are an unknown number of entities and persons who may apply for and receive an occupational license for sports wagering, who may also be affected by the definitions in this regulation.

- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
  - (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: This amendment establishes definitions only. The regulated entities do not have to take actions to comply with definitions.
  - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There will be no costs for compliance with this definitional regulation.
  - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3): This amendment establishes definitions only. The regulated entities do not have to take actions to comply with definitions.
- (5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:
  - (a) Initially: There will be no initial administrative cost to implement this administrative regulation.
  - (b) On a continuing basis: There will be no continuing cost to implement this administrative regulation.
- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No funding is necessary to implement and enforce this administrative regulation.
- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding will be necessary to implement this administrative regulation.
- (8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: This administrative regulation does not establish any new fees or increase any current fees.
- (9) TIERING: Is tiering applied? (Explain why or why not) Tiering is not applied, because this administrative regulation will apply to all similarly situated entities in an equal manner.

## FISCAL NOTE

809 KAR 10:001

Contact Person: Jennifer Wolsing

Phone: (859) 246-2040

Email: jennifer.wolsing@ky.gov

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

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 230.260(16) authorizes the action taken by this regulation.

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

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

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

(c) How much will it cost to administer this program for the first year? It is estimated that the commission will spend approximately \$2.4 million in the first year to implement sports wagering in Kentucky.

(d) How much will it cost to administer this program for subsequent years? It is further estimated that the commission will spend approximately \$1.2 million annually to continue regulating sports wagering in Kentucky in subsequent years.

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

Revenues (+/-): Neutral.

Expenditures (+/-): Neutral.

Other Explanation: None.

(4) Estimate the effect of this administrative regulation on the expenditures and cost savings of regulated entities for the first full year the administrative regulation is to be in effect.

(a) How much cost savings will this administrative regulation generate for the regulated entities for the first year? This definitional regulation will not generate any cost savings for regulated entities for the first year.

(b) How much cost savings will this administrative regulation generate for the regulated entities for subsequent years? This definitional regulation will not generate any cost savings for regulated entities for subsequent years.

(c) How much will it cost the regulated entities for the first year? There will be no cost to the regulated entities for the first year.

(d) How much will it cost the regulated entities for subsequent years? There will be no cost to the regulated entities for subsequent years.

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

Cost Savings (+/-): Neutral.

Expenditures (+/-): Neutral.

Other Explanation: N/A

(5) Explain whether this administrative regulation will have a major economic impact, as defined below. *"Major economic impact" means an overall negative or adverse economic impact from an administrative regulation of five hundred thousand dollars (\$500,000) or more on state or local government or regulated entities, in aggregate, as determined by the promulgating administrative bodies. [KRS 13A.010(13)]* This regulation is not anticipated to have a major economic impact on Kentucky for the reasons stated above.

## SUMMARY OF MATERIAL INCORPORATED BY REFERENCE

Gaming Laboratories International, GLI-33: Standards for Event Wagering Systems, Version 1.1, and its appendices, May 14, 2019 Revision Date," KHRC 10-001-1, is a 73-page document that sets forth regulatory standards for event wagering systems. It is incorporated by reference as a definition, because certain commission regulations require compliance with GLI-33 standards. Those regulations are as follows: 809 KAR 10:003. Technical Requirements and Oversight and 809 KAR 10:006 Audit and Internal Control Standards.

"Gaming Laboratories International, GLI-CMP: Change Management Program Guide, Version 1.0, Published May 6, 2020," KHRC 10-001-02, 06/2023, is a 7-page document that sets forth regulatory standards for gaming systems' change management. It is incorporated by reference as a definition, because one (1) commission regulation requires compliance with GLI-CMP standards. That regulation is: 809 KAR 10:003. Technical Requirements and Oversight.