



1 KENTUCKY HORSE RACING AND GAMING CORPORATION

2 (Amendment)

3 810 KAR 6:001. Definitions for 810 KAR Chapter 6.

4 RELATES TO: KRS Chapter 230

5 STATUTORY AUTHORITY: KRS 230.215(2), 230.260(8), 230.361(1), 230.370

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(2) authorizes the Kentucky
9 Horse Racing and Gaming Corporation to regulate conditions under which horse racing shall be
10 conducted in Kentucky. KRS 230.260(8) authorizes the corporation to prescribe necessary and
11 reasonable administrative regulations and conditions under which horse racing at a horse race
12 meeting shall be conducted in Kentucky. KRS 230.361(1) requires the corporation to promulgate
13 administrative regulations governing and regulating pari-mutuel wagering on horse races under
14 the pari-mutuel system of wagering. This administrative regulation defines the terms used in 810
15 KAR Chapter 6.

16 Section 1. Definitions.

17 (1) "Added money" means:

18 (a) Cash, exclusive of trophy or other award, added by the association to stakes fees paid by
19 subscribers to form the total purse for a stakes race; or

20 (b) In the context of pari-mutuel wagering, any amounts provided by an association in addition
21 to the amounts wagered by patrons and any carryover amounts.

- 1 (2) "Age" means the number of years since a horse was foaled, reckoned as if the horse was
2 foaled on January 1 of the year in which the horse was foaled.
- 3 (3) "Appaloosa horse" means a horse duly registered with the Appaloosa Horse Club, Inc.,
4 Moscow, Idaho.
- 5 (4) "Appaloosa racing" is defined by KRS 230.210(3).
- 6 (5) "Arabian horse" means "arabian" as defined by KRS 230.210.
- 7 (6) "Arrears" means all sums due by a licensee as reflected by his or her account with the
8 horsemen's bookkeeper, including subscriptions, jockey fees, forfeitures, and any default incident
9 to 810 KAR Chapter 6.
- 10 (7) "Association" is defined by KRS 230.210(5).
- 11 (8) "Authorized agent" means any person currently licensed as an agent for a licensed owner or
12 jockey by virtue of notarized appointment of agency filed with the corporation.
- 13 (9) "Betting interest" means a single horse, or more than one (1) horse joined as a mutuel entry
14 or joined in a mutuel field, on which a single pari-mutuel wager can be placed.
- 15 (10) "Bleeder" means any horse known to have bled internally or from its nostrils during a
16 workout or race.
- 17 (11) "Breakage" means the net pool minus payout.
- 18 (12) "Breeder" means the owner of the dam of a horse when the horse was foaled. A horse is
19 "bred" at the place of its foaling.
- 20 (13) "Calendar days" means consecutive days counted irrespective of number of racing days.
- 21 (14) "Carryover" means nondistributed pool monies that are retained and added to a
22 corresponding pool in accordance with 810 KAR 6:020.

1 (15) "Claiming race" means any race in which every horse running in the race can be transferred
2 in conformity with 810 KAR 4:050.

3 (16) "Closing" means the time published by the association after which entries for a race will not
4 be accepted by the racing secretary.

5 (17) "Commission" means: If used in the context of pari-mutuel wagering, the amount an
6 association is authorized to withhold from a pari-mutuel wager pursuant to KRS 230.3615, KRS
7 230.750, and KAR Title 810. This meaning can also refer to "takeout" as defined by subsection
8 (83) of this section.

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

13 (19) "Control Program" means any software, source language, or executable code that controls
14 the entertaining award display, such as software, source language, or executable code associated
15 with:

16 (a) Race selection or related events;

17 (b) Accounting and reporting meter and log information;

18 (c) Operation of totalizators; and

19 (d) Any other processes established in the internal controls or as approved by the corporation.

20 (20) "Corporation" means "Kentucky Horse Racing and Gaming Corporation".

21 (21) "Day" means any twenty-four (24) hour period beginning at 12:01 a.m. and ending at
22 midnight.

(22) "Dead heat" means a finish of a race in which the noses of two (2) or more horses reach the finish line at the same time.

(23) "Declaration" means the withdrawal of a horse entered in a race prior to time of closing of entries for the race in conformance with 810 KAR Chapter 6.

(24) "Designated area" means any enclosed area that the corporation has approved for the location of terminals used for wagering on historical horse races.

(25) "Disciplinary action" means action taken by the stewards or the corporation for a violation of KRS Chapter 230 or KAR Title 810 and can include:

(a) Refusal to issue or renew a license;

(b) Revocation or suspension of a license;

(c) Imposition of probationary conditions on a license;

(d) Issuance of a written reprimand or admonishment;

(e) Imposition of fines or penalties;

(f) Denial of purse money;

(g) Forfeiture of purse money; or

(h) Any combination of paragraphs (a) through (g) of this subsection.

(26) "Disqualification" means a ruling of the stewards or the corporation revising the order of finish of a race.

(27) "Driver" means a person who is licensed to drive a horse in a harness race.

(28) "Entertaining Award Display" or "Interactive Award Display" means an entertaining system utilizing mechanical or digital components to display the outcome of a pari-mutuel wager through the use of spinning reels, wheels, games, or other types of interactive components that are represented by animations or audio cues. An Entertaining or Interactive Award Display is

1 connected to a totalizator approved by the corporation. Entertaining or interactive displays are
2 only used in conjunction with pari-mutuel wagering on a historical horse race or races.

3 (29) "Entry" means the act of nominating a horse for a race in conformance with KAR Title 810.

4 (30) "Equipment" means:

5 (a) Accoutrements other than ordinary saddle, girth, pad, saddle cloth, and bridle carried by a
6 horse, and includes whip, blinkers, tongue strap, muzzle, hood, noseband, bit, shadow roll,
7 martingale, breast plate, bandages, boots, and racing plates or shoes; or

8 (b) Racing, system components or other equipment found suitable by the corporation or its
9 designee that is required to operate entertaining or interactive award displays and interactive
10 terminals.

11 (31) "Exhibition race" means a race between horses of diverse ownership for which a purse is
12 offered by the association, but on which pari-mutuel wagering is not permitted.

13 (32) "Exotic wager" means any pari-mutuel wager placed on a live or historical horse race or
14 races other than a win, place, or show wager placed on a live horse race.

15 (33) "Field" or "mutuel field" means a single betting interest involving more than one (1) horse
16 that is not a mutuel entry.

17 (34) "Forfeit" means money due by a licensee because of an error, fault, neglect of duty, breach
18 of contract, or alternative ruling of the stewards or the corporation.

19 (35) "Free handicap" means a handicap for which a nominating fee is not required to be weighted,
20 but an entrance or starting fee can be required for starting in the race.

21 (36) "Handicap race" means a race in which the weights to be carried by the horses are assigned
22 by the association handicapper with the intent of equalizing the chances of winning for all horses
23 entered in the race.

1 (37) "Handle" means the aggregate of all pari-mutuel pools, excluding refundable wagers.

2 (38) "Historical horse race" means any horse race that:

3 (a) Was previously run at a licensed pari-mutuel facility located in the United States or a pari-
4 mutuel facility approved by the KHRGC located outside the United States;

5 (b) Concluded with official results; and

6 (c) Concluded without scratches, disqualifications, or dead-heat finishes.

7 (39) "Horse" means any equine (including and designated as a mare, filly, stallion, colt, ridgeling,
8 or gelding).

9 (40) "Ineligible" means a horse or person not qualified under 810 KAR Chapter 6 or conditions
10 of a race to participate in a specified racing activity.

11 ~~[(41) "Initial seed pool" means a nonrefundable pool of money that can be funded by an~~
12 ~~association in order to ensure that a patron will be paid the minimum amount required on a~~
13 ~~winning wager on an historical horse race in the event of a minus pool.]~~

14 (41)~~[(42)]~~ "Interactive terminal" or "HHR terminal" means "terminal" as defined by subsection
15 (89)(b) of this section.

16 (42)~~[(43)]~~ "Internal controls," "minimum internal control standards," or "control standards"
17 means the system of internal procedures, as well as administrative and accounting controls related
18 to the integrity of pari-mutuel wagering. This type of system can be required by the corporation
19 as a condition to conduct live horse racing, simulcasting, and pari-mutuel wagering.

20 (43)~~[(44)]~~ "Jockey" means a rider currently licensed to ride in races other than harness races as a
21 jockey, apprentice jockey, amateur jockey, or a provisional jockey permitted by the stewards to
22 ride in three (3) races prior to applying for a license.

~~(44)~~~~(45)~~ "Judge" means a duly appointed racing official with powers and duties established in 810 KAR 2:050 serving at a current meeting in the Commonwealth.

~~(45)~~~~(46)~~ "Lessee" means a licensed owner whose interest in a horse is a leasehold.

~~(46)~~~~(47)~~ "Licensed premises" is defined by KRS 230.210.

~~(47)~~~~(48)~~ "Licensee" means an individual, firm, association, partnership, corporation, trustee, or legal representative that has been duly issued a currently valid license to participate in racing in the Commonwealth.

~~(48)~~~~(49)~~ "Maiden" means a horse that has never won a race on the flat at a recognized meeting in any country. A maiden that was disqualified after finishing first remains a maiden. Race conditions referring to maidens are interpreted as meaning maidens at the time of starting.

~~(49)~~~~(50)~~ "Match race" means a race that is between two (2) horses and for which other horses are not eligible.

~~(50)~~~~(51)~~ "Meeting" means the entire period of consecutive days, exclusive of dark days, granted by the corporation to a licensed association for the conduct of live horse racing that:

(a) Begins at 10 a.m. of the first racing day; and

(b) Extends through a period ending one (1) hour after the last scheduled race of the last day.

~~(51)~~~~(52)~~ "Minus pool" means a pari-mutuel pool in which the amount of money to be distributed on winning wagers exceeds the amount of money contained in that pari-mutuel pool.

~~(52)~~~~(53)~~ "Month" means calendar month.

~~(53)~~~~(54)~~ "Mutuel entry" means a single betting interest involving two (2) or more horses entered in the same race and joined for pari-mutuel purposes because of common ties as to ownership or training so that a wager on one (1) horse joined in a mutuel entry is a wager on all horses joined in the same mutuel entry.

(54)~~(55)~~ "Net pool" means the total amount wagered less refundable wagers and takeout.

(55)~~(56)~~ "Nomination" means a subscription or entry of a horse in a stakes or early closing race.

(56)~~(57)~~ "Nominator" means the person in whose name a horse is entered for a race.

(57)~~(58)~~ "Owner" means any person who holds, in whole or in part, any right, title, or interest in a horse, or any lessee of a horse, who has been duly issued a currently valid owner's license as a person responsible for the horse.

(58)~~(59)~~ "Pari-mutuel wagering," "mutuel wagering", or "pari-mutuel system of wagering" is defined by KRS 230.210.

(59)~~(60)~~ "Pari-mutuel pool" means any pool into which pari-mutuel wagers made by patrons are placed. For every wager placed into a pari-mutuel pool by a patron, that patron is eligible to receive at least a minimum payout on a winning wager.

(60)~~(61)~~ "Patron" means an individual present at a track, licensed premises, or a simulcast facility who observes or wagers on live or historical horse races.

(61)~~(62)~~ "Payout" means the amount of the net pool payable to an individual patron on his or her winning wager.

(62)~~(63)~~ "Place," if used in the context of a single position in the order of finish in a race, means second; if used in the context of pari-mutuel wagering, a "place" wager means one involving a payoff on a betting interest that finished first or second in a race; or if used in the context of multiple positions in the order of finish in a race, "place or placing" means finishing first or second.

(63)~~(64)~~ "Player-funded pool" means a pool of money funded by patrons wagering on a live or historical horse race or races that is only used to ensure that a patron will receive a payout on a winning wager in the event of a "minus pool" as defined in this administrative regulation.

1 (64)~~(65)~~ "Post" means the starting point of a race.

2 (65)~~(66)~~ "Post position" means the relative place assigned to each horse, numbered from the
3 inner rail across the track at the starting line, from which each horse is to start a race.

4 (66)~~(67)~~ "Post time" means the advertised moment scheduled for the arrival of all horses at the
5 starting point for a race.

6 (67)~~(68)~~ "Prize" means the combined total of any cash, premium, trophy, and object of value
7 awarded to the owners of horses according to order of finish in a race.

8 (68)~~(69)~~ "Purse" means the gross cash portion of the prize for which a race is run.

9 (69)~~(70)~~ "Quarter horse" is defined by KRS 230.210.

10 (70)~~(71)~~ "Purse race" means any race for which entries close at a time designated by the racing
11 secretary, and for which owners of horses entered are not required by its conditions to contribute
12 money toward its purse.

13 (71)~~(72)~~ "Race" means a running contest between horses, ridden by jockeys or driven by
14 drivers, over a prescribed course free of obstacles or jumps, at a recognized meeting, during
15 regular racing hours, for a prize.

16 (72)~~(73)~~ "Race day" means any period of twenty-four (24) hours beginning at 12:01 a.m. and
17 ending at midnight in which live racing is conducted by an association.

18 (73)~~(74)~~ "Racing official" means a corporation member, corporation staff as duties require, and
19 all association racing department employees, as duties require.

20 (74)~~(75)~~ "Recognized meeting" means any meeting with regularly scheduled live horse races
21 for thoroughbreds on the flat, licensed by and conducted under administrative regulations
22 promulgated by a governmental regulatory body, to include foreign countries that are regulated

1 by a racing authority that has reciprocal relations with The Jockey Club and whose race records
2 can be provided to an association by The Jockey Club.

3 (75)~~(76)~~ "Registration certificate" means, with respect to thoroughbreds:

4 (a) The document issued by The Jockey Club certifying the name, age, color, sex, pedigree, and
5 breeder of a horse as registered by number with The Jockey Club; or

6 (b) The document known as a "racing permit" issued by The Jockey Club in lieu of a registration
7 certificate if a horse is recognized as a thoroughbred for racing purposes in the United States,
8 but is not recognized as a thoroughbred for breeding purposes insofar as registering its progeny
9 with the Jockey Club.

10 (76)~~(77)~~ "Result" means the part of the official order of finish in a race used to determine the
11 pari-mutuel payoff of pari-mutuel pools.

12 (77)~~(78)~~ "Rulings" means all determinations, decisions, or orders of the stewards or of the
13 corporation duly issued in writing and posted.

14 (78)~~(79)~~ "Scratch" means the withdrawal of a horse entered for a race after the time of closing
15 of entries for the race in conformance with KAR Title 810.

16 (79)~~(80)~~ "Scratch time" means the time set by the racing secretary as a deadline for horsemen
17 to indicate their desire to scratch out of a race.

18 (80)~~(81)~~ "Secretary" means the duly appointed and currently serving secretary of the
19 corporation.

20 (81)~~(82)~~ "Simulcasting" is defined by KRS 230.210.

21 (82)~~(83)~~ "Specimen" means a sample of blood, urine, or other biologic sample taken or drawn
22 from a horse for chemical testing.

23 (83)~~(84)~~ "Stakes" means all fees:

(a) Paid by subscribers to an added-money or stakes race for nominating, eligibility, entrance, or starting, as required by the conditions of the race; and

(b) Included in the purse.

(84)~~(85)~~ "Stakes race" means a race that closes more than seventy-two (72) hours in advance of its running and for which subscribers contribute money towards its purse, or a race for which horses are invited by an association to run for a guaranteed purse of \$50,000 or more without payment of stakes. With the exception of stakes races in North America, "stakes race" excludes races not listed by The Jockey Club Information System International Cataloguing Standards, Part One (1).

(85)~~(86)~~ "Starter" means a horse in a race when the starting-gate doors open in front of it at the moment the starter dispatches the horses for a race.

(86)~~(87)~~ "Steward" means a duly appointed racing official with powers and duties specified in 810 KAR 2:040 serving at a current meeting in the Commonwealth.

(87)~~(88)~~ "Subscription" means nomination or entry of a horse in a stakes race.

(88)~~(89)~~ "Takeout" means "commission" as defined by subsection (17)(b) of this section

(89)~~(90)~~ "Terminal" means:

(a) Any corporation approved self-service device or other totalizator-based peripheral equipment used by a patron to place a pari-mutuel wager on a live or historical horse race or races; or

(b) Any corporation approved mechanical, electrical, or other device, contrivance, or machine that, upon funding of any pari-mutuel wager on a historical horse race or races, is capable of placing a pari-mutuel wager on that historical horse race or races. These devices can provide handicapping methods approved by the corporation, in addition to manual handicapping. In the

1 event of a winning wager, a terminal displays and either delivers or entitles the patron to receive
2 a payout pursuant to 810 KAR 6:030. Payouts are issued by the terminal itself or by the licensed
3 association approved to operate the interactive terminal and related pari-mutuel pool.

4 (90)~~[(91)]~~ "Thoroughbred racing" is defined by KRS 230.210.

5 (91)~~[(92)]~~ "Totalizator" means the system, including hardware, software, communications
6 equipment, and electronic devices that accepts and processes the cashing of wagers, calculates
7 the odds and prices of the wagers, and records, displays, and stores pari-mutuel wagering
8 information.

9 (92)~~[(93)]~~ "Unplaced" means a horse that finishes a race outside the pari-mutuel payoff.

10 (93)~~[(94)]~~ "Wagering pool" means "pari-mutuel pool" as defined by this administrative
11 regulation.

12 (94)~~[(95)]~~ "Walkover" means a race in which the only starter or all starters represent single
13 ownership.

14 (95)~~[(96)]~~ "Weigh in" means the presentation of a jockey to the clerk of scales for weighing after
15 a race.

16 (96)~~[(97)]~~ "Weigh out" means the presentation of a jockey to the clerk of scales for weighing
17 prior to a race.

18 (97)~~[(98)]~~ "Weight for age" means the standard assignment of pounds to be carried by horses in
19 races at specified distances during specified months of the year, scaled according to the age of
20 the horse as established in 810 KAR 4:020.

21 (98)~~[(99)]~~ "Workout" means the training exercise of a horse on the training track or main track
22 of an association during which the horse is timed for speed over a specified distance.

1 ~~(99)~~~~(100)~~ "Year" means twelve (12) consecutive months beginning with January and ending
2 with December.

3 Section 2. Severability. If any provision or administrative regulation of this chapter is found to be
4 invalid, the remaining provisions of this chapter shall not be affected nor diminished thereby.

810 KAR 6:001

READ AND APPROVED

Jonathan Rabinowitz (AKB with permission) 12/12/25
Jonathan Rabinowitz Date
Chair, Kentucky Horse Racing & Gaming Corporation

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on August 26, 2025, at 9:00 a.m. at Kentucky Horse Racing & Gaming Corporation, 4047 Iron Works Parkway, 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, 2025. 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: Ashleigh Bailey

Title: General Counsel

Address: Kentucky Horse Racing & Gaming Corporation, 4047 Iron Works Parkway,
Lexington, Kentucky 40511

Phone: (859) 246-2040

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REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

810 KAR 6:001

Contact Person: Ashleigh Bailey

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(1) Provide a brief summary of:

(a) What this administrative regulation does:

The administrative regulation defines the terms used in 810 KAR Chapter 6, which Chapter governs and regulates pari-mutuel wagering on horse races.

(b) The necessity of this administrative regulation:

This regulation is necessary to ensure that regulations relating to pari-mutuel wagering in Kentucky are clear, accurate, and fair.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

It is the intent of the Commonwealth to foster and encourage the business of legitimate horse racing with pari-mutuel wagering thereon in the Commonwealth on the highest possible plane KRS 230.215(1)(b). The Kentucky Horse Racing and Gaming Corporation ("KHRGC") is vested with jurisdiction and supervision over all live horse racing and pari-mutuel wagering in the state. KRS 230.260(1).

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

This administrative regulation assists with the effective administrative of the statutes by streamlining and clarifying the definitions used in 810 KAR Chapter 6, which governs and regulates pari-mutuel wagering on live and historical horse races.

(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:

This amendment eliminates the definition of "Initial seed pool," a term that is not thereafter referenced in the regulations. It also modifies the definition of "Historical horse race" to allow for the possibility of inclusion of pari-mutuel races from outside of the United States if approved by KHRGC.

(b) The necessity of the amendment to this administrative regulation:

With regards to the elimination of "Initial seed pool," this amendment reduces unnecessary definitions from the regulation. With regards to the modification of "Historical horse race," this amendment provides an opportunity for the pool of races available for Historical horse racing to be expanded if requested and approved by the KHRGC.

(c) How the amendment conforms to the content of the authorizing statutes:

It is the intent of the Commonwealth to foster and encourage the business of legitimate horse racing with pari-mutuel wagering thereon in the Commonwealth on the

highest possible plane. KRS 230.215(1)(b). The KHRGC is vested with jurisdiction and supervision over all live horse racing and pari-mutuel wagering in the state. KRS 230.260(1). This amendment is tailored to encourage and improve pari-mutuel wagering in historical horse racing in the state.

(d) How the amendment will assist in the effective administration of the statutes:

This amendment will assist in the effective administration of the statutes by streamlining the regulations and by providing an opportunity for the pool of races available for Historical horse racing to be expanded if requested and approved by the KHRGC.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

The KHRGC is affected by this administrative regulation. Licensed associations offering wagering on Historical horse races may be affected by this administrative 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:

With regards to the removal of Initial seed pool, there are no actions to be taken by any party. With regards to the amendment of the definition of Historical horse race, there would be no impact to the KHRGC or any association unless or until an association requests approval of a pari-mutuel facility outside the U.S.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):

No additional cost is anticipated.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

The KHRGC will benefit from more streamlined and accurate regulations because the regulations will be easier, more flexible, and more effective to use. Licensed associations who offer wagering on Historical horse racing may benefit from larger and more diverse pools of Historical horse races in the future if those facilities are approved by the KHRGC.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially:

There is no anticipated continuing cost to administer the amendments to this administrative regulation.

(b) On a continuing basis:

There is no anticipated continuing cost to administer the amendments to this administrative regulation.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

There is no additional funding needed to implement and enforce the amendments in 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 is necessary to implement the amendment to this administrative regulation.

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

The amendments to this administrative regulation do not establish or increase any fees.

(9) TIERING: Is tiering applied? (Explain why or why not)

Tiering was not applied because this administrative regulation will apply to all similarly situated entities and individuals in the same manner.

FISCAL IMPACT STATEMENT

810 KAR 6:001

Contact Person: Ashleigh Bailey

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Email: Ashleigh.Bailey@ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation:

The statutory authority for this administrative regulation is KRS 230.215(2), KRS 230.240(2), and KRS 230.260(1).

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act:

Not applicable; this regulation is authorized by statutory guidelines by KRS 230.260.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions:

The promulgating agency is the Kentucky Horse Racing and Gaming Corporation ("KHRGC").

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year:

No additional expenditures are anticipated.

For subsequent years:

No additional expenditures for subsequent years are anticipated.

2. Revenues:

For the first year:

No additional revenue is anticipated.

For subsequent years:

No additional revenue for subsequent years is anticipated.

3. Cost Savings:

For the first year:

No cost savings are anticipated.

For subsequent years:

No cost savings for subsequent years are anticipated.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts):

N/A

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year:

N/A

For subsequent years:

N/A

2. Revenues:

For the first year:

N/A

For subsequent years:

N/A

3. Cost Savings:

For the first year:

N/A

For subsequent years:

N/A

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a):

Licensed associations offering wagering on Historical horse racing may be affected by this administrative regulation.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year:

No additional expenditures are required. Licensed associations may incur testing and development costs if they seek KHRGC approval of pari-mutuel facilities located outside the United States, but an estimate cannot be provided at this time

For subsequent years:

No additional expenditures are required. Licensed associations may incur testing and development costs if they seek KHRGC approval of pari-mutuel facilities located outside the United States, but an estimate cannot be provided at this time.

2. Revenues:

For the first year:

There may be additional revenue from the development of new HHR games using a pool of Historical horse races that includes approved locations outside the United States, but an estimate cannot be provided at this time

For subsequent years:

There may be additional revenue from the development of new HHR games using a pool of Historical horse races that includes approved locations outside the United States, but an estimate cannot be provided at this time.

3. Cost Savings:

For the first year:

No cost savings are anticipated.

For subsequent years:

No cost savings for subsequent years are anticipated

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation:

There is no direct fiscal impact as a result of the amendments to this administrative regulation. Licensed associations that offer wagering on Historical horse racing may incur costs and/or may receive additional revenue as a result of seeking KHRGC approval of pari-mutuel facilities located outside the United States, an action made possible but not required by this amendment.

(b) Methodology and resources used to reach this conclusion:

No new fees are created, and it will not directly increase costs for individuals, businesses, organizations, or governments nor generate additional revenue for the KHRGC. Any economic impact will affect licensed HHR associations only if they seek KHRGC approval of pari-mutuel facilities located outside the United States.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(13):

These amendments are not expected to have a major economic impact as defined by KRS 13A.010(14).

(b) The methodology and resources used to reach this conclusion:

No new fees are created, and it will not increase costs for individuals, businesses, organizations, or governments nor generate additional revenue for the KHRGC. Any economic impact to licensed associations will be optional and unlikely to amount to a major economic impact as defined in the code.