

**DESCRIPTION AND INFORMATION ABOUT NEW AND AMENDED ADMINISTRATIVE
REGULATIONS FILED ON JULY 10, 2023**

The KHRC filed the following administrative regulations on July 10, 2023:

810 KAR 3:010

810 KAR 3:010E

Summary of Administrative Regulation: This amendment establishes the procedures and requirements for racing associations in Kentucky to obtain a license from the Kentucky Horse Racing Commission to offer sports wagering. Licensees, referred to as Operators, will undergo a thorough application process, complete with initial and renewal applications and specific forms provided. Licensing fees will consist of a non-refundable initial fee of \$500,000 and a renewal fee of \$50,000. The Commission is to grant licenses based on a careful evaluation of the applicant's compliance history, financial capability, security measures, and the public interest. Temporary licenses may be issued pending suitability investigations. The regulation also designates the commencement dates for retail and mobile operations, being September 7, 2023, and September 28, 2023, respectively. This regulation includes an incorporated application.

809 KAR 1:002

809 KAR 1:002E

Summary of Administrative Regulation: Provides a comprehensive procedure for obtaining a service provider license for sports wagering in Kentucky. The regulation defines key terms, outlines the application process, and specifies fees associated with service provider licenses. It also covers temporary licensing, which can be granted by the commission after an initial application is submitted. Criteria for granting a service provider license are listed, emphasizing the importance of qualifications, criminal history checks, contract transparency, and tax law compliance. Service providers must maintain their eligibility, adhere to regulations, and promptly inform the Commission of any changes that may affect their suitability. This regulation includes an incorporated application.

809 KAR 1:003

809 KAR 1:003E

Summary of Administrative Regulation: Outlines the procedures and requirements for obtaining occupational licenses in the sports wagering industry in Kentucky. It covers general requirements for license applications, different license categories, application fees, procedures, and deadlines, as well as temporary licenses. It also handles issues like background checks, reasons for license denial or revocation, reporting changes in information, and the provision of identification badges or certificates of licensure. This regulation includes incorporated applications for all occupational license types.

809 KAR 10:001

809 KAR 10:001E

Summary of Administrative Regulation: Defines key terms used throughout the regulations, such as confidential information, electronic payments, equipment, geofencing, critical employees,

integrity monitoring, and licensed premises. This regulation incorporates the GLI Technical Standards and the GLI Change Management Program Guide.

809 KAR 10:002

809 KAR 10:002E

Summary of Administrative Regulation: Offers guidelines for conducting sports wagering in Kentucky. It establishes approved sporting events and wager types, sets approval and prohibition criteria, and outlines the process for licensees to petition for new categories of sporting events or wager types. It also dictates the requirements for data sources used in sports wagering and the adoption of approved wagering rules.

809 KAR 10:003

809 KAR 10:003E

Summary of Administrative Regulation: Focuses on the Sports Wagering System's requirements and procedures used by licensees in Kentucky. It mandates the use of an approved Sports Wagering System, compliance with applicable laws and regulations, and adherence to license conditions and GLI-33 Standards. It covers topics from certification testing for the system to geolocation requirements for mobile sports wagers and data security policies.

809 KAR 10:004

809 KAR 10:004E

Summary of Administrative Regulation: Establishes the requirements for Sports Wagering Accounts. This includes rules around the collection of Personally Identifiable Information (PII) during registration, the processes for age and identity verification, the setting of deposit and wager limits, and handling dormant accounts.

809 KAR 10:005

809 KAR 10:005E

Summary of Administrative Regulation: Provides guidance on operating licensed facilities for sports wagering. It outlines requirements for the floor plan of the facility, controlling access to designated areas, and prohibiting underage individuals from purchasing or cashing sports wagering tickets.

809 KAR 10:006

809 KAR 10:006E

Summary of Administrative Regulation: Focuses on matters such as internal controls, information security, accounting records, financial audits, records retention, reserve requirements, risk management, taxation, reporting of suspicious transactions, Anti-Money Laundering (AML) procedures, integrity monitoring, security of PII, handling of patron complaints, prohibition of credit extensions, prevention of access by Prohibited Patrons, Layoff Wagers, reporting requirements, segregation of data, and independent audits.

809 KAR 10:007**809 KAR 10:007E**

Summary of Administrative Regulation: Requires Operator Licensees to implement a self-exclusion list for problem gamblers who wish to exclude themselves from Sports Wagering. They must also establish a responsible gaming program. Of note, the emergency form of this regulation differs from the ordinary form. During the initial sports wagering period, operators shall establish individual self-exclusion lists for problem gamblers. When the ordinary regulations become effective, those individual lists shall be merged into a statewide list administered by the Commission.

809 KAR 10:008**809 KAR 10:008E**

Summary of Administrative Regulation: Focuses on the disciplinary actions that the Commission can take against persons for violating KRS Chapter 230 and its associated regulations.

E-Regs:

A public hearing on this administrative regulation shall be held on August 22, 2023, at 9:00 a.m., at 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

O-Reg:

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