

1 KENTUCKY HORSE RACING AND GAMING CORPORATION

2 (New Administrative Regulation)

3 810 KAR 7:080. Kentucky Quarter Horse Development Fund

4 RELATES TO: KRS 138.510, 230.215, 230.225, 230.443, 230.405

5 STATUTORY AUTHORITY: KRS 230.215(2), 230.260(8), 230.405

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

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215 and 230.260 authorize the  
9 corporation to promulgate administrative regulations establishing the conditions under  
10 which horse racing shall be conducted in Kentucky and to fix and regulate the minimum  
11 amount of purses, stakes, or awards to be offered for the conduct of any horse race  
12 meeting. KRS 230.405 establishes the Kentucky Quarter Horse development fund and  
13 requires the corporation to promulgate administrative regulations to carry out the purpose  
14 of the statute and to administer the development fund in a manner to promote and aid in  
15 the development of the horse industry in Kentucky, upgrade the quality of racing in  
16 Kentucky, and to improve the quality of horses bred in Kentucky. This administrative  
17 regulation establishes eligibility standards, administrative practices to enforce the  
18 standards, and the administration of purses and payments in these races.

19 Section 1. Definitions.

20 (1) "AI" means artificial insemination

21 (2) "AQHA" means the American Quarter Horse Association.

- 1 (3) "Broodmare" means a mare that conceives and carries her genetic foal to term.
- 2 (4) "Donor mare" means the mare from which an embryo is harvested for the purpose  
3 of performing an embryo transfer.
- 4 (5) "ET" means an embryo transfer where an embryo is harvested from a donor mare  
5 and implanted into a recipient mare who carries the non-genetic foal to term.
- 6 (6) "Fund" means the Kentucky Quarter Horse Development Fund established by KRS  
7 230.405.
- 8 (7) "Kentucky bred" means a horse that meets the requirements of this administrative  
9 regulation and is:
- 10 (a) A Quarter Horse registered with the AQHA or its successor;
- 11 (b) A Quarter Horse registered with the KYQHRA or its successor.
- 12 (8) "KQHDF" means the Kentucky Quarter Horse Development Fund, established by  
13 KRS.230.405.
- 14 (9) "KYQHRA" means the Kentucky Quarter Horse Racing Association, as the official  
15 registrar for the KQHDF pursuant to KRS 230.405
- 16 (10) "Mare" means a broodmare, donor mare, or recipient mare.
- 17 (11) "Qualified breeder" means the breeder of record according to the AQHA.
- 18 (12) "Qualified winner" means a quarter horse registered with the AQHA, registered with  
19 the KQHDF, declared the official winner of an eligible race by the stewards and is not  
20 eligible to be claimed in that race.
- 21 (11) "Recipient mare" means a mare of any breed who:
- 22 (a) Is implanted with an embryo from a donor mare;
- 23 (b) Carries the non-genetic foal to term; and

(c) Is implanted with an electronic horse identification microchip that accurately identifies the horse and is compliant with international standards ISO 11784.

(12) "Stallion" means a stallion registered with the KYQHRA

Section 2. Advisory Committee. The KQHDF advisory committee shall consist of five (5) members, all of whom shall be Kentucky residents, to be appointed by the chairman of the corporation by July 1 of each year. The committee shall consist of one (1):

(1) Member of the corporation; and

(2) Officer or director of a licensed racing association in Kentucky conducting Quarter Horse racing; and

(3) Owner of a horse nominated to the fund; and

(4) Owner of a mare registered with the fund; and

(5) Member of the Kentucky Quarter Horse Racing Association recommended by that organization's board of directors.

Section 3. Mare Eligibility.

(1) In order for a foal to be eligible to earn money from the fund, the broodmare or both the donor and recipient mare shall be registered with the fund on or before December 31 of the year of conception. Late mare registration may be accepted on or before July 1 of the foaling year as established by subsection (7) of this section.

(a) Beginning in 2025, and ending in 2028, a mare bred in another state and brought back to Kentucky to foal may be eligible for moneys from the fund. The pregnant mare shall register with the fund, be in Kentucky 30 days prior to foaling, foal in Kentucky and have the resulting foal registered as a Kentucky-bred quarter horse.

1 (b) To maintain eligibility of the first foal, the mare must reregister and be bred back  
2 that same foaling year to a Kentucky registered stallion, remain in the state of Kentucky  
3 a minimum of 180 days during that year of conception, foal in Kentucky and register the  
4 second resulting foal as a Kentucky-bred. Both foals shall then remain eligible as  
5 Kentucky-breds by fulfilling the remaining requirements of this regulation.

6 (c) Pregnant mares from another state who fail to have a viable foal, fail to breed  
7 back or lose one of the two foals to natural causes may maintain their eligibility along with  
8 the remaining foal's eligibility by providing to the KYQHRA proper medical documentation,  
9 verified by a licensed veterinarian, as to why a foal passed, the mare did not take or  
10 documentation as to why the mare aborted. The mare shall remain in Kentucky for a  
11 period no less than 180 days only if there is a remaining foal on the ground or in utero  
12 sought to be eligible.

13 (d) Foals born in 2025 from a mare bred in another state may late register by filling  
14 out a Late Mare Registration Form 7-080-2, Late Stallion Registration Form 7-080-4,  
15 paying half of those late nomination fees by July 1, 2026, and shall register the resulting  
16 foal as a Kentucky-bred. The mare and foal shall then fulfill the additional requirements  
17 in Section (1)(a), (b) and (c).

18 (e) Registration Deadlines for mares bred in 2025, with resulting foals of 2026, shall  
19 be extended to July 1, 2026, without penalty, by submitting both a Mare Registration Form  
20 7-080-1 and Stallion Registration Form 7-080-3 with corresponding payments.

21 (2) A mare shall be bred naturally, by AI or by ET in the state of Kentucky and foal in the  
22 state of Kentucky.

1 (3) In order to be eligible to be registered with the fund, a pregnant mare, shall reside in  
2 Kentucky for a period no less than 180 days during the year of conception.

3 (4) Registrations shall be received by the KYQHRA by close of business or postmarked  
4 on the date of the deadline. If that deadline falls on a non-business day or federal holiday  
5 the deadline shall extend to the next business day.

6 (5) Breeding involving an ET:

7 (a) A donor mare and recipient mare shall both be registered; and

8 (b) A recipient mare shall be microchipped; and

9 (c) A maximum of two (2) ET's, bred to a single stallion, may be done in a single  
10 breeding season as determined by the owner of the donor mare.

11 (d) A donor mare may also carry her own genetic foal to term and if she has natural  
12 twins, they both shall be eligible to the fund.

13 (6) A mare shall be registered with the fund by:

14 (a) Completing and filing with the KYQHRA a Kentucky Quarter Horse Development  
15 Fund Mare Registration Form, KHRGC 7-080-1; and

16 (b) Providing a photocopy of:

17 1. The mare's official breed registration papers from the AQHA; and

18 2. Documentation regarding a recipient mare's electronic horse identification; and

19 3. A stallion breeding report from AQHA

20 (7) A late mare shall be registered with the fund by:

21 (a) Completing and filing with the KYQHRA a Kentucky Quarter Horse Development  
22 Fund Late Mare Registration Form, KHRGC 7-080-2; and

23 (b) Providing a photocopy of:

1 1. The mare's official breed registration papers from the AQHA; and

2 2. Documentation regarding a recipient mare's electronic horse identification; and

3 3. A stallion breeding report from AQHA

4 Section 4. Stallion Eligibility.

5 (1) In order for a foal to be eligible to earn money from the fund, the stallion shall be  
6 registered with the fund on or before December 31 of the year of conception. Late stallion  
7 registration may be accepted on or before July 1 of the foaling year as established by  
8 subsection (4) of this section.

9 (2) Stallions do not have to reside in the state of Kentucky to maintain eligibility and may  
10 breed by artificial insemination.

11 (3) A stallion shall be registered with the fund by:

12 (a) Completing and filing with the KYQHRA a Kentucky Quarter Horse Development  
13 Fund Stallion Registration Form, KHRGC 7-080-3; and

14 (b) Providing a photocopy of:

15 1. The stallion's official breed registration papers from the AQHA; and

16 2. A stallion breeding report from AQHA

17 (4) A late stallion shall be registered with the fund by:

18 (a) Completing and filing with the KYQHRA a Kentucky Quarter Horse Development  
19 Fund Late Mare Registration Form, KHRGC 7-080-4; and

20 (b) Providing a photocopy of:

21 1. The stallion's official breed registration papers from the AQHA; and

22 2. A stallion breeding report from AQHA

23 Section 5. Nomination.

1 (1) In order for a horse to be eligible to earn money from the fund it shall be registered  
2 at the time of entry for an eligible race, "Kentucky bred" as defined by Section 1 of this  
3 administrative regulation and shall be nominated to the fund by:

4 (a) Completing and filing with the KYQHRA a Kentucky Quarter Horse Development  
5 Fund Nomination Form, KHRGC 7-080-5 and;

6 (b) Providing the KYQHRA with a photocopy of the horse's official AQHA registration.  
7 Section 6. Purse Structure.

8 (1) Each licensed association shall submit its KQHDF purse structure proposal to the  
9 KQHDF advisory committee for approval at least forty-five (45) days prior to the opening  
10 day of the live race meet.

11 (2) The KQHDF advisory committee shall review the proposed purse structure and  
12 make a recommendation to the corporation whether to approve the proposal based upon  
13 the best interests of Kentucky racing.

14 Section 7. Reconciliation.

15 (1) Each licensed association shall file with the corporation a copy of the pari-mutuel tax  
16 form filed with the Department of Revenue, along with a copy of the check submitted for  
17 each report. These reports shall be filed weekly.

18 (2) The corporation shall reconcile the weekly reports submitted by the licensed  
19 association with the Department of Revenue's reports and deposit monthly.

20 (3) If at the close of a live race meet, a licensed association has a surplus balance of  
21 KQHDF monies earned pursuant to KRS 230.405, then the licensed association may  
22 request to distribute a portion of that balance, contingent on the recommendation of the  
23 KQHDF Advisory Committee and the approval of the corporation to:

1 (a) Supplement purses at future live race meets held by that licensed association;

2 or

3 (b) Fund supplemental purse structures approved by the corporation for a previous  
4 live race meet held by the licensed association to the recipients of the original purse  
5 allocation; or

6 (c) Supplement quarter horse purses at another licensed Kentucky racetrack  
7 conducting quarter horse racing.

8 (4) Reasonable and customary administrative charges for time spent reconciling the  
9 KQHDF account may be charged by the corporation.

10 (5) A licensed association, at its option, may pay reasonable advertising charges billed  
11 to the association by the KYQHRA from the association's KQHDF available balance, if  
12 the advertising charges are consistent with the intent of the KQHDF. Approval of any  
13 advertising payment shall be contingent on the recommendation of the KQHDF Advisory  
14 Committee and the approval of the corporation.

15 (6) Each licensed association shall submit its purses paid reports, advertising invoices,  
16 or any other documentation requested by the corporation, pertinent to reimbursement,  
17 within fifteen (15) calendar days after the last day of a live race meet.

18 (a) Each licensed association shall sign an acknowledgment from the corporation  
19 stating that it accepts and agrees with the reconciliation prior to the reimbursement of any  
20 KQHDF funds.

## 21 Section 8. Breeder Awards.

22 (1) An incentive of \$5,000 shall be awarded to the qualified breeder of the qualified  
23 winner of the following quarter horse race types with a minimum purse of \$15,000:



1 (a) Grade I, II or III stakes race, as defined by the AQHA Graded Stakes Committee  
2 anywhere in the USA;

3 (b) Non-Grades stakes race, as defined by the AQHA, anywhere in the USA;

4 (c) Allowance race, as defined by the AQHA, anywhere in the USA;

5 (d) Maiden race, as defined by the AQHA, anywhere in the USA.

6 (2) Any race with a claiming component shall not be eligible.

7 (3) The qualified breeder of a qualified winner shall be notified by the corporation of  
8 an eligible award by July 1st the year after the eligible race was won.

9 (4) The qualified breeder shall have until December 31st of the year after the eligible  
10 race was won to claim the award by submitting to the corporation a completed Kentucky  
11 Quarter Horse Development Fund Breeder Award Claim Form, KHRGC 7-080-6. Any  
12 award not claimed shall roll back into the KQHDF.

13 Section 9. Shortfall and Bonus Calculation.

14 (1) Purses approved in Section 6 of this administrative regulation, shall be paid first.

15 (2) If, at the close of any calendar year, inadequate funding is available in the KQHDF  
16 to fund the awards provided for in Section 8 of this administrative regulation, the funding  
17 shall be decreased proportionally among all awards.


18 (3) If, at the close of any calendar year, extra funding is available in the KQHDF a bonus  
19 to breeders winning awards in Section 8 of this administrative regulation may be provided;  
20 contingent on the recommendation of the KQHDF Advisory Committee and the approval  
21 of the corporation.

810 KAR 7:080

APPROVED:

  
JONATHAN RABINOWITZ  
Chair, Kentucky Horse Racing & Gaming Corporation

LANB with  
permission

  
Date

## PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on September 24, 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 September 30, 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 7:060

Contact Person: Ashleigh Bailey

Phone: (859) 246-2040

Email: Ashleigh.Bailey@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does:

This administrative regulation governs and regulates a development fund for Kentucky-bred quarter horses.

(b) The necessity of this administrative regulation:

This administrative regulation is necessary to promote and aid in the development of the quarter horse industry in Kentucky, upgrade the quality of quarter horse racing in Kentucky, and improve the quality of quarter horses bred in Kentucky.

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

KRS 230.215 and 230.260 authorize the Kentucky Horse Racing and Gaming Corporation (the "KHRGC") to promulgate administrative regulations establishing the conditions under which horse racing shall be conducted in Kentucky and to fix and regulate the minimum amount of purses, stakes, or awards to be offered for the conduct of any horse race meeting. KRS 230.405 establishes the Kentucky Quarter Horse Development Fund and requires the KHRGC to promulgate administrative regulations to carry out the purpose of the statute and to administer the development fund in a manner to promote and aid in the development of the horse industry in Kentucky, upgrade the quality of racing in Kentucky, and improve the quality of horses bred in Kentucky.

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

This administrative regulation establishes eligibility standards for the Kentucky Quarter Horse Development Fund, administrative practices to enforce the standards for the fund, and the administration of purses and payments in applicable 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:

N/A. This is a new administrative regulation.

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

N/A.

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

N/A.

(d) How the amendment will assist in the effective administration of the statutes:  
N/A.

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

The KHRGC and KYQHRA are affected by this administrative regulation. Quarter horse owners may be affected by changes in registration opportunities and fees pertaining to Kentucky-bred quarter horses.

(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:

The KYQHRA and KHRGC will jointly administer the Kentucky Quarter Horse Development Fund. The KYQHRA will oversee the nominations of the development fund. The KHRGC will oversee the race dates and distributions of monies from the development fund. Quarter horse owners will continue to have the option to register quarter horse mares and weanlings and will now also have the option to register quarter horse stallions.

(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 for the KYQHRA and KHRGC. No additional cost is required for owners as registration of Kentucky-bred quarter horses is optional.

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

As a result of compliance with this administrative regulation, the KYQHRA and KHRGC will benefit by being able to administer the Kentucky Quarter Horse Development Fund to promote and aid in the development of the quarter horse industry in Kentucky, upgrade the quality of quarter horse racing in Kentucky, and improve the quality of quarter horses bred in Kentucky. Quarter horse owners will have the opportunity to register their Kentucky-bred quarter horses and thereby render them eligible for incentives through the development fund.

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

(a) Initially:

There is no anticipated additional cost to administer this administrative regulation.

(b) On a continuing basis:

There is no anticipated additional cost to administer 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 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 this administrative regulation.

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

This administrative regulation establishes optional fees for quarter horse owners who wish to participate in the development fund.

(9) TIERING: Is tiering applied?

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 7:060

Contact Person: Ashleigh Bailey

Phone: (859) 246-2040

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 230.260(1) and (8), and KRS 230.405(5).

(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 and KRS 230.405.

(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 are anticipated.

2. Revenues:

For the first year:

A minimal amount of additional revenue may be generated.

For subsequent years:

A minimal amount of additional revenue may be generated.

3. Cost Savings:

For the first year:

No cost savings are anticipated.

For subsequent years:

No cost savings 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):

The KYQHRA will serve as the registrar and will, with KHRGC, co-administer the development fund described by this regulation.

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

1. Expenditures:

For the first year:

No additional expenditures are anticipated.

For subsequent years:

No additional expenditures are anticipated.

2. Revenues:

For the first year:

No additional revenue is anticipated.

For subsequent years:

No additional revenue is anticipated.

3. Cost Savings:

For the first year:

No cost savings are anticipated.

For subsequent years:

No cost savings 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 minimal fiscal impact as a result of this administrative regulation. There was already a development fund in place for quarter horses, paint horses, Appaloosas, and Arabians. That one fund has been divided into two funds. Optional fees for owners to register quarter horse mares and weanlings were already in place and will continue, with slight increases for inflation. The option for owners to register quarter horse stallions has been added.

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



Quarter horse mare and weanling registration fees have increased slightly due to inflation and stallion registration fees have been added, but all registrations are optional. Quarter horse owners are under no obligation to register their horses; for those who do, costs may increase slightly. This regulation will not directly increase costs for businesses, organizations, or governments nor generate significant additional revenue for the KHRGC or any other entity.

(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):

This administrative regulation is 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:

Quarter horse mare and weanling registration fees have increased slightly due to inflation and stallion registration fees have been added, but all registrations are optional. Quarter horse owners are under no obligation to register their horses; for those who do, costs may increase slightly. This regulation will not directly increase costs for businesses, organizations, or governments nor generate significant additional revenue for the KHRGC or any other entity.