

1 AN ACT relating to gaming activities.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 230.210 is amended to read as follows:

4 As used in this chapter, unless the context requires otherwise:

5 (1) "Advance deposit account wagering" means a form of pari-mutuel wagering in
6 which an individual may establish an account with a person or entity licensed by the
7 corporation, and may place a pari-mutuel wager through that account that is
8 permitted by law;

9 (2) "Advance deposit account wagering licensee" means a person or entity licensed by
10 the corporation to conduct advance deposit account wagering and accept deposits
11 and wagers, issue a receipt or other confirmation to the account holder evidencing
12 such deposits and wagers, and transfer credits and debits to and from accounts;

13 (3) **"Affiliate" means any corporation, partnership, or other business or professional**
14 **entity or any natural person that directly or indirectly, through one or more**
15 **intermediaries, controls, or is controlled by, or is under common control with a**
16 **licensed manufacturer, supplier, casino gaming licensee, or an applicant for a**
17 **license;**

18 **(4)** "Amateur youth sporting event" means any sporting event in which an individual:

19 (a) Shall be less than eighteen (18) years of age to participate; and

20 (b) Is prohibited, as a condition of participating in the sporting event, from
21 receiving direct or indirect compensation for the use of the individual's
22 athletic skill in any manner with respect to the sport in which the particular
23 sporting event is conducted;

24 ~~**(5)**~~~~**(4)**~~ "Appaloosa race" or "Appaloosa racing" means that form of horse racing in
25 which each horse participating in the race is registered with the Appaloosa Horse
26 Club of Moscow, Idaho, and is mounted by a jockey;

27 ~~**(6)**~~~~**(5)**~~ "Arabian" means a horse that is registered with the Arabian Horse Registry of

1 Denver, Colorado;

2 ~~(7)~~~~[(6)]~~ "Association" means any person licensed by the Kentucky Horse Racing and
3 Gaming Corporation under KRS 230.300 and engaged in the conduct of a
4 recognized horse race meeting;

5 (8) "Beginner" means a fantasy contest player who has entered fewer than fifty-one
6 (51) contests offered by a single fantasy contest operator and who does not
7 otherwise meet the definition of highly experienced player;

8 (9) "Casino" means a facility at which casino gaming may be conducted upon
9 approval by the corporation and through a local option election in the county in
10 which the facility is to be located;

11 (10) "Casino gaming" means the operation of gambling games at a casino;

12 (11) "Casino gaming licensee" means a person licensed to operate a full casino,
13 limited casino, or riverboat casino under this chapter;

14 ~~(12)~~~~[(7)]~~ "Charitable gaming" means gaming licensed by the corporation on and after
15 July 1, 2025, as authorized under this chapter and KRS Chapter 238;

16 (13) "Confidential information" means information related to the play of a fantasy
17 contest by fantasy contest participants obtained as a result of or by virtue of a
18 person's employment;

19 ~~(14)~~~~[(8)]~~ "Corporation" means the Kentucky Horse Racing and Gaming Corporation;

20 (15) "County" includes a county, urban-county government, consolidated local
21 government, unified local government, or charter county government within the
22 Commonwealth of Kentucky;

23 (16) "County legislative body" means:

24 (a) In a county, the fiscal court;

25 (b) In an urban-county government, the urban-county council;

26 (c) In a consolidated local government, the consolidated local government
27 council;

1 (d) In a unified local government, the legislative council; and

2 (e) In a charter county government, the charter county government legislative
3 body;

4 (17) "Electronic gaming device" means an electronic or mechanical device which:

5 (a) Is approved by the corporation;

6 (b) Simulates the play of one (1) or more gambling games;

7 (c) Uses spinning reel, video displays, or both;

8 (d) Is utilized by a player's insertion of tokens or vouchers, or entry of
9 electronic credits, into the device which causes game play credits to be
10 displayed on the device and, with respect to each game play credit, entitles
11 the player to choose one (1) or more symbols or numbers or to cause the
12 device to randomly select symbols or numbers;

13 (e) Is based upon device-generated random selection of winning combinations
14 of symbols or numbers based wholly or predominantly on chance;

15 (f) Is used for the purpose of playing electronic gaming device games at a
16 casino; and

17 (g) May be commonly known as a slot machine or video slot machine;

18 (18) "Entry fee" means the cash or cash equivalent that is required to be paid by a
19 fantasy contest participant to a fantasy contest operator in order to participate in
20 a fantasy contest;

21 (19) "Fantasy contest" means any fantasy or simulated game or contest that meets the
22 following conditions:

23 (a) The values of all prizes and awards offered to winning participants are
24 made known to the participants in advance of the contest;

25 (b) All winning outcomes reflect the relative knowledge and skill of the
26 participants and are determined predominantly by accumulated statistical
27 results of the performance of individuals, including athletes in the case of

1 sports events;

2 (c) No winning outcome is based:

3 1. On randomized or historical events;

4 2. On the score, point spread, or any performance or performances of
5 any single actual team or combination of teams; or

6 3. Solely on any single performance of an individual athlete or
7 participant in any single actual event; and

8 (d) The game or contest does not violate any provision of federal law;

9 (20) "Fantasy contest operator" or "operator" means a person who offers or
10 administers one (1) or more fantasy contests with an entry fee to the general
11 public, and awards a prize of value;

12 (21) "Fantasy contest participant" or "participant" means a person who participates
13 in a fantasy contest offered by a registrant;

14 (22) "Full casino" means a gaming facility at which both electronic gaming devices
15 and table games including but not limited to blackjack, poker, and roulette are
16 offered;

17 (23)~~(9)~~ "Geofence" means a virtual geographic boundary defined by Global
18 Positioning System (GPS) or Radio Frequency Identification (RFID) technology;

19 (24)~~(10)~~ "Harness race" or "harness racing" means trotting and pacing races of the
20 standardbred horses;

21 (25) "Highly experienced player" means a person who has either:

22 (a) Entered more than one thousand (1,000) fantasy contests offered by a single
23 fantasy contest operator; or

24 (b) Won more than three (3) fantasy contest prizes valued at one thousand
25 dollars (\$1,000) or more from a single fantasy contest operator;

26 (26)~~(11)~~ "Horse race meeting" means horse racing run at an association licensed and
27 regulated by the Kentucky Horse Racing and Gaming Corporation, and may include

1 Thoroughbred, harness, Appaloosa, Arabian, paint, and quarter horse racing;

2 ~~(27)~~~~(12)~~ "Host track" means the track conducting racing and offering its racing for
3 intertrack wagering, or, in the case of interstate wagering, means the Kentucky
4 track conducting racing and offering simulcasts of races conducted in other states or
5 foreign countries;

6 ~~(28)~~ "Immediate family" means an individual's parents, grandparents, spouse,
7 siblings, children, or grandchildren residing in a home occupied by the individual
8 as a primary residence;

9 ~~(29)~~~~(13)~~ "Interstate wagering" means pari-mutuel wagering on simulcast horse races
10 from a track located in another state or foreign country by patrons at a receiving
11 track or simulcast facility;

12 ~~(30)~~~~(14)~~ "Intertrack wagering" means pari-mutuel wagering on simulcast horse races
13 from a host track by patrons at a receiving track;

14 ~~(31)~~~~(15)~~ "Kentucky quarter horse, paint horse, Appaloosa, and Arabian purse fund"
15 means a purse fund established to receive funds as specified in KRS 230.3771 for
16 purse programs established in KRS 230.446 to supplement purses for quarter horse,
17 paint horse, Appaloosa, and Arabian horse races. The purse program shall be
18 administered by the Kentucky Horse Racing and Gaming Corporation;

19 ~~(32)~~~~(16)~~ "Kentucky resident" means:

- 20 (a) An individual domiciled within this state;
- 21 (b) An individual who maintains a place of abode in this state and spends, in the
22 aggregate, more than one hundred eighty-three (183) days of the calendar year
23 in this state; or
- 24 (c) An individual who lists a Kentucky address as his or her principal place of
25 residence when applying for an account to participate in advance deposit
26 account wagering;

27 ~~(33)~~~~(17)~~ "Licensed facility for sports wagering" means the designated areas to conduct

1 sports wagering for a track licensed to conduct sports wagering pursuant to KRS
2 230.811;

3 ~~(34)~~~~[(18)]~~ "Licensed premises" means a track or simulcast facility licensed by the
4 corporation under this chapter;

5 **(35) "Limited casino" means a gaming facility located only at a racing association**
6 **licensed under this chapter and at which only electronic gaming devices are**
7 **offered for play;**

8 ~~(36)~~~~[(19)]~~ "Paint horse" means a horse registered with the American Paint Horse
9 Association of Fort Worth, Texas;

10 ~~(37)~~~~[(20)]~~ "Pari-mutuel wagering," "pari-mutuel system of wagering," or "mutuel
11 wagering" each means any method of wagering previously or hereafter approved by
12 the corporation in which one (1) or more patrons wager on a horse race or races,
13 whether live, simulcast, or previously run. Wagers shall be placed in one (1) or
14 more wagering pools, and wagers on different races or sets of races may be pooled
15 together. Patrons may establish odds or payouts, and winning patrons share in
16 amounts wagered including any carryover amounts, plus any amounts provided by
17 an association less any deductions required, as approved by the corporation and
18 permitted by law. Pools may be paid out incrementally over time as approved by
19 the corporation;

20 ~~(38)~~~~[(21)]~~ "Person" means an individual, sole proprietorship, partnership, association,
21 fiduciary, corporation, limited liability company, or any other business entity;

22 ~~(39)~~~~[(22)]~~ "President" means the president of the Kentucky Horse Racing and Gaming
23 Corporation, who shall serve as chief executive officer of the corporation;

24 ~~(40)~~~~[(23)]~~ "Principal" means any of the following individuals associated with a
25 partnership, trust, association, limited liability company,~~[-or]~~ corporation, **or any**
26 **other business entity** that is licensed, **or is an applicant for a license,** to conduct a
27 horse race meeting, **full casino, limited casino, or riverboat casino gaming, or that**

1 **holds or is an applicant for a manufacturer's or supplier's license**~~[- or an applicant~~
2 ~~for a license to conduct a horse race meeting]~~:

- 3 (a) The chairman and all members of the board of directors of a corporation;
- 4 (b) All partners of a partnership and all participating members of a limited
5 liability company;
- 6 (c) All trustees and trust beneficiaries of an association;
- 7 (d) The president or chief executive officer and all other officers, managers, and
8 employees who have policymaking or fiduciary responsibility within the
9 organization;
- 10 (e) All stockholders or other individuals who own, hold, or control, either directly
11 or indirectly, five percent (5%) or more of stock or financial interest in the
12 collective organization; and
- 13 (f) Any other employee, agent, guardian, personal representative, or lender or
14 holder of indebtedness who has the power to exercise a significant influence
15 over the applicant's or licensee's operation;

16 **(41)**~~[(24)]~~ "Quarter horse" means a horse that is registered with the American Quarter
17 Horse Association of Amarillo, Texas;

18 **(42)**~~[(25)]~~ "Receiving track" means a track where simulcasts are displayed for wagering
19 purposes. A track that submits an application for intertrack wagering shall meet all
20 the regulatory criteria for granting an association license of the same breed as the
21 host track, and shall have a heated and air-conditioned facility that meets all state
22 and local life safety code requirements and seats a number of patrons at least equal
23 to the average daily attendance for intertrack wagering on the requested breed in the
24 county in which the track is located during the immediately preceding calendar
25 year;

26 **(43) "Registered fantasy contest operator" or "registrant" means a fantasy contest**
27 **operator that has been issued a valid registration by the corporation;**

1 (44) "Riverboat casino" means a gaming facility located on a riverboat, as defined in
2 KRS 241.010, at which both electronic gaming devices and table games including
3 but not limited to blackjack, poker, and roulette are offered;

4 (45) "Script" means automating a manual act online using a coding language to
5 allow a list of multiple commands to be executed without the user's interaction;

6 (46)~~[(26)]~~ "Simulcast facility" means any facility approved pursuant to KRS 230.380 to
7 simulcast live racing and conduct pari-mutuel wagering on live racing;

8 (47)~~[(27)]~~ "Simulcasting" means the telecast of live audio and visual signals of horse
9 races for the purpose of pari-mutuel wagering;

10 (48)~~[(28)]~~ "Sporting event" means an event at which two (2) or more persons participate
11 in athletic contests, or an event that takes place in relation to athletic contests as
12 approved by the corporation, but shall not include horse racing or amateur youth
13 sports or athletic events in which the majority of participants are under the age of
14 eighteen (18) years;

15 (49)~~[(29)]~~ "Sports governing body" means the organization, league, or association that
16 oversees a sport, prescribes final rules, and enforces codes of conduct with respect
17 to such sport and participants therein;

18 (50)~~[(30)]~~ "Sports wagering" means the wagering conducted under this chapter on
19 sporting events or portions of sporting events, or on the individual performance
20 statistics of athletes in a sporting event or combination of sporting events, in
21 conformance with federal law and as authorized by the corporation pursuant to this
22 chapter;

23 (51)~~[(31)]~~ "Sports wagering device":

24 (a) Means a mechanical, electrical, or computerized contrivance, terminal,
25 device, apparatus, software, piece of equipment, or supply approved by the
26 corporation for conducting sports wagering under this chapter; and

27 (b) Includes a personal computer, mobile device, or other device used in

1 connection with sports wagering not conducted at a licensed facility for sports
2 wagering;

3 (52)~~[(32)]~~ "Sports wagering service provider" or "service provider" means a person
4 authorized to conduct or manage sports wagering through an agreement with a track
5 and provide these services at a licensed facility for sports wagering, simulcast
6 facility, or through a website or mobile interface approved by the corporation;

7 (53)~~[(33)]~~ "Telephone account wagering" means a form of pari-mutuel wagering where
8 an individual may deposit money in an account at a track and may place a wager by
9 direct telephone call or by communication through other electronic media owned by
10 the holder of the account to the track;

11 (54)~~[(34)]~~ "Thoroughbred race" or "Thoroughbred racing" means a form of horse racing
12 in which each horse participating in the race is a Thoroughbred, (i.e., meeting the
13 requirements of and registered with The Jockey Club of New York) and is mounted
14 by a jockey; and

15 (55)~~[(35)]~~ "Track" means any association duly licensed by the Kentucky Horse Racing
16 and Gaming Corporation to conduct horse racing and includes:

17 (a) For facilities in operation as of 2010, the location and physical plant described
18 in the "Commonwealth of Kentucky Initial/Renewal Application for License
19 to Conduct Live Horse Racing, Simulcasting, and Pari-Mutuel Wagering,"
20 filed for racing to be conducted in 2010;

21 (b) Real property of an association, if the association received or receives
22 approval from the corporation after 2010 for a location at which live racing is
23 to be conducted; or

24 (c) One (1) facility or real property that is:

25 1. Owned, leased, or purchased by an association within a sixty (60) mile
26 radius of the association's racetrack but not contiguous to racetrack
27 premises, upon corporation approval; and

- 1 2. Not within a sixty (60) mile radius of another licensed track premise
2 where live racing is conducted and not within a forty (40) mile radius of
3 a simulcast facility, unless any affected track or simulcast facility agrees
4 in writing to permit a noncontiguous facility within the protected
5 geographic area.

6 ➔Section 2. KRS 230.260 is amended to read as follows:

7 The corporation shall have all powers necessary and proper to carry out and effectuate the
8 purposes and provisions of this chapter on and after July 1, 2024, and the purposes and
9 provisions of KRS Chapter 238 on and after July 1, 2025, including but not limited to the
10 following:

11 (1) The corporation is vested with jurisdiction and supervision over all live horse
12 racing, pari-mutuel wagering, sports wagering, casino gaming, fantasy contests,
13 breed integrity and development, and on and after July 1, 2025, charitable gaming,
14 except for lottery games authorized under KRS Chapter 154A, in this
15 Commonwealth and over all associations and all persons on association grounds
16 and may eject or exclude therefrom or any part thereof, any person, licensed or
17 unlicensed, whose conduct or reputation is such that the person's presence on
18 association grounds may, in the opinion of the corporation, negatively reflect on the
19 honesty and integrity of horse racing, or on sporting events upon which sports
20 wagers may be placed, or interfere with the orderly conduct of horse racing or
21 racing at horse race meetings, but no persons shall be excluded or ejected from
22 association grounds solely on the ground of race, color, creed, national origin,
23 ancestry, or sex;

24 (2) The corporation is vested with jurisdiction over any person or entity that offers
25 advance deposit account wagering to Kentucky residents. Any such person or entity
26 under the jurisdiction of the corporation shall be licensed by the corporation, and
27 the corporation may impose a license fee not to exceed ten thousand dollars

1 (\$10,000) annually. The corporation shall, by administrative regulation
2 promulgated in accordance with KRS Chapter 13A, establish conditions and
3 procedures for the licensing of advance deposit account wagering providers to
4 include but not be limited to:

5 (a) A fee schedule for applications for licensure; and

6 (b) Reporting requirements to include quarterly reporting on:

7 1. The amount wagered on Kentucky races; and

8 2. The total amount wagered by Kentuckians;

9 (3) The corporation is vested with jurisdiction over any totalisator company that
10 provides totalisator services to a racing association located in the Commonwealth.

11 A totalisator company under the jurisdiction of the corporation shall be licensed by
12 the corporation, regardless of whether a totalisator company is located in the
13 Commonwealth or operates from a location or locations outside of the
14 Commonwealth, and the corporation may impose a license fee on a totalisator
15 company. The corporation shall, by administrative regulation promulgated in
16 accordance with KRS Chapter 13A, establish conditions and procedures for the
17 licensing of totalisator companies, and a fee schedule for applications for licensure;

18 (4) The corporation is vested with jurisdiction over any manufacturer, wholesaler,
19 distributor, or vendor of any equine drug, medication, therapeutic substance, or
20 metabolic derivative which is purchased by or delivered to a licensee or other
21 person participating in Kentucky horse racing by means of the internet, mail
22 delivery, in-person delivery, or other means;

23 (5) The corporation is vested with jurisdiction over any horse training center or facility
24 in the Commonwealth that records official timed workouts for publication;

25 (6) The corporation may require an applicant for a license under subsection (2) or (3) of
26 this section to submit to a background check of the applicant, or of any individual
27 or organization associated with the applicant. An applicant shall be required to

- 1 reimburse the corporation for the cost of any background check conducted;
- 2 (7) The corporation, its representatives and employees, may visit, investigate, and have
3 free access to the office, track, facilities, or other places of business of any licensee,
4 or any person owning a horse or performing services regulated by this chapter on a
5 horse registered to participate in a breeders incentive fund under the jurisdiction of
6 the corporation;
- 7 (8) The corporation shall have full authority to prescribe necessary and reasonable
8 administrative regulations and conditions under which horse racing at a horse race
9 meeting shall be conducted in this state and to fix and regulate the minimum
10 amount of purses, stakes, or awards to be offered for the conduct of any horse race
11 meeting;
- 12 (9) Applications for licenses shall be made in the form and manner and contain
13 information as required by the corporation through the promulgation of
14 administrative regulations. Fees for all licenses issued under KRS 230.310 shall be
15 prescribed by and paid to the corporation;
- 16 (10) The corporation shall establish by administrative regulation minimum fees for
17 jockeys to be effective in the absence of a contract between an employing owner or
18 trainer and a jockey. The minimum fees shall be no less than those of July 1, 1985;
- 19 (11) The corporation may refuse to issue or renew a license, revoke or suspend a license,
20 impose probationary conditions on a license, issue a written reprimand or
21 admonishment, impose fines or penalties, deny purse money, require the forfeiture
22 of purse money, or any combination thereof with regard to a licensee or other
23 person participating in Kentucky horse racing for violation of any federal or state
24 statute, regulation, or steward's or corporation's directive, ruling, or order to
25 preserve the integrity of Kentucky horse racing or to protect the racing public. The
26 corporation shall, by administrative regulation, establish the criteria for taking the
27 actions described in this subsection;

1 (12) The corporation may issue subpoenas for the attendance of witnesses before it and
2 for the production of documents, records, papers, books, supplies, devices,
3 equipment, and all other instrumentalities related to live horse racing, pari-mutuel
4 wagering, sports wagering, casino gaming, fantasy contests, breed integrity and
5 development, and on and after July 1, 2025, charitable gaming, within the
6 Commonwealth. The corporation may administer oaths to witnesses and require
7 witnesses to testify under oath whenever, in the judgment of the corporation, it is
8 necessary to do so for the effectual discharge of its duties;

9 (13) The corporation shall have authority to compel any racing association licensed
10 under this chapter to file with the corporation at the end of its fiscal year, a balance
11 sheet, showing assets and liabilities, and an earnings statement, together with a list
12 of its stockholders or other persons holding a beneficial interest in the association;

13 **(14) The corporation and its representatives and employees may:**

14 **(a) Inspect and examine all premises where casino gaming is conducted or**
15 **gaming supplies, devices, or equipment are stored, manufactured, sold, or**
16 **distributed;**

17 **(b) Inspect all gaming supplies, devices, or equipment in, upon, or about the**
18 **premises;**

19 **(c) Summarily seize, remove, and impound any equipment, supplies,**
20 **documents, or records related to the operation of a casino and casino**
21 **gaming, or related to the manufacture, sale, or distribution of gaming**
22 **supplies, devices, or equipment for the purpose of examination and**
23 **inspection;**

24 **(d) 1. Demand access to and inspect, examine, photocopy, and audit all**
25 **papers, books, and records of any casino gaming applicant or casino**
26 **gaming licensee or former licensee on his or her premises or**
27 **elsewhere, as practicable, regarding receipts generated by:**

- 1 a. The manufacture, sale, or distribution of gaming supplies,
2 devices, or equipment;
3 b. The operation of a casino and casino gaming; and
4 c. All other matters related to gaming affecting the enforcement of
5 this chapter.

- 6 2. For purposes of this paragraph, a former licensee shall maintain
7 records regarding its activities for a period of three (3) years from the
8 date of surrender, expiration, nonrenewal, or any other loss of license;
9 and

- 10 (e) 1. Demand access to and inspect, examine, photocopy, and audit all
11 papers, books, and records of any affiliate of a casino gaming
12 applicant or casino gaming licensee or former licensee related to:

- 13 a. The manufacture, sale, or distribution of gaming supplies,
14 devices, or equipment; and
15 b. The operation of a casino and casino gaming, when the
16 corporation knows or reasonably suspects the affiliate is involved
17 in the financing, operation, or management of the licensee's or
18 applicant's operations.

- 19 2. For purposes of this paragraph, an affiliate of a former licensee shall
20 maintain records regarding its activities for a period of three (3) years
21 from the date of surrender, expiration, nonrenewal, or other loss of
22 license;

23 ~~(15)~~~~[(14)]~~ The corporation shall promulgate administrative regulations establishing
24 safety standards for jockeys, which shall include the use of rib protection
25 equipment. Rib protection equipment shall not be included in a jockey's weight;

26 ~~(16)~~~~[(15)]~~ (a) The corporation shall promulgate administrative regulations establishing
27 a self-exclusion list for individuals who self-identify as being problem or

1 compulsive gamblers.

2 (b) Self-exclusion information collected by each racing association or casino
3 shall be forwarded to the corporation, and the information from the racing
4 associations and casinos shall be compiled into a comprehensive list that shall
5 be provided to all racing associations and casinos.

6 (c) Pursuant to KRS 61.878(1)(a), information collected under this subsection
7 shall be excluded from the application of KRS 61.870 to 61.884;

8 ~~(17)~~~~(16)~~ (a) The corporation shall promulgate administrative regulations to establish
9 standards for the conduct of sports wagering, including standards for
10 receiving and paying out wagers, offering sports wagering through a website
11 or mobile application, maintaining and auditing books and financial records,
12 securely maintaining records of bets and wagers, integrity requirements for
13 sports wagering and related data, suitability requirements for providers of
14 associated equipment, geofence standards for wager placement, designated
15 areas for sports wagering, surveillance and monitoring systems, and other
16 reasonable technical criteria related to conducting sports wagering.

17 (b) The corporation shall promulgate administrative regulations related to age
18 requirements for placing sports wagers, availability of information related to
19 sports wagers, and licensing requirements, including temporary
20 authorizations, for service providers, vendors, and suppliers;~~and~~

21 ~~(18)~~~~(17)~~ (a) On and after July 1, 2025, the corporation is vested with jurisdiction and
22 supervision over all charitable gaming and shall promulgate administrative
23 regulations to establish standards for the conduct of charitable gaming
24 consistent with the guidelines established in this chapter and KRS Chapter
25 238. The corporation may eject or exclude therefrom or any part thereof, any
26 person, licensed or unlicensed, whose conduct or reputation is such that the
27 person's presence at a charitable gaming facility may, in the opinion of the

1 corporation, negatively reflect on the honesty and integrity of charitable
2 gaming, or interfere with the orderly conduct of charitable gaming at a
3 charitable gaming facility, but no persons shall be excluded or ejected from a
4 charitable gaming facility solely on the ground of race, color, creed, national
5 origin, ancestry, or sex.

6 (b) The administrative regulations of the Kentucky Horse Racing Commission
7 that are in effect on July 1, 2024, shall remain in effect as the initial
8 administrative regulations of the corporation until the corporation amends or
9 repeals the administrative regulations pursuant to KRS Chapter 13A, except
10 as provided by KRS 13A.3102, 13A.3104, and 13A.330.

11 (c) The administrative regulations of the Department of Charitable Gaming that
12 are in effect on July 1, 2025, shall remain in effect as the initial administrative
13 regulations of the corporation until the corporation amends or repeals the
14 administrative regulations pursuant to KRS Chapter 13A, except as provided
15 by KRS 13A.3102, 13A.3104, and 13A.330; and

16 (19) The corporation shall promulgate administrative regulations in accordance with
17 KRS Chapter 13A related to casino gaming, including but not limited to:

18 (a) Licensing of casino gaming licensees;

19 (b) Establishment of hours of operation for casinos and approval of gambling
20 games, supplies, devices, and associated equipment;

21 (c) Examination and audit of accounts, bank accounts, financial statements,
22 records, books, and papers of casino gaming applicants, casino gaming
23 licensees and former licensees, and their affiliates;

24 (d) Penalties, including administrative fines, for violation of this chapter or
25 administrative regulations promulgated thereunder; and

26 (e) Revocation, suspension, or nonrenewal of licenses for violation of this
27 chapter or administrative regulations promulgated thereunder.

1 ➔ SECTION 3. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
2 READ AS FOLLOWS:

3 (1) An application for a full casino, limited casino, or riverboat casino shall not be
4 approved by the corporation unless the county in which the casino is to be located
5 has approved casino gaming.

6 (2) A county that wishes to allow casino gaming shall approve the operation of
7 casino gaming within its jurisdiction only through local option election.

8 (3) A local option election for the purpose of approving casino gaming may be
9 conducted if:

10 (a) 1. The county has a population in excess of thirty thousand (30,000); or

11 2. Two (2) or more adjoining counties with a total combined population
12 in excess of thirty thousand (30,000) join together in mutual
13 agreement; and

14 (b) 1. The county legislative body or bodies pass an ordinance directing an
15 election to be held in that territory or territories; or

16 2. A petition for an election is signed by a number of constitutionally
17 qualified voters of the county or counties equal to twenty-five percent
18 (25%) of the votes cast in each petitioning county at the last preceding
19 regular election.

20 (4) Notwithstanding subsection (3)(a)1. of this section, a county with a population of
21 less than thirty thousand (30,000) may conduct a local option election and
22 approve casino gaming within the county if:

23 (a) The county contains a racing association licensed under this chapter; and

24 (b) The election extends the approval of casino gaming only to a limited casino
25 located at the licensed premises of a racing association.

26 (5) If a petition for a local option election for the purpose of approving the conduct
27 of casino gaming in the county is circulated:

1 (a) The petition:

2 1. May consist of one (1) or more separate units;

3 2. In addition to the name of the voter, shall state the voter's residence
4 address, Social Security number or date of birth, and the date upon
5 which his or her name was signed; and

6 3. Shall specify whether the election is to be held to allow the operation
7 of a full casino, limited casino, riverboat casino, or all three (3);

8 (b) No signer may withdraw his or her name or have it removed from the
9 petition after the petition has been filed. If the name of any person has been
10 placed on the petition without his or her authority:

11 1. He or she may appear before the county judge/executive before the
12 election is ordered and, upon proof that his or her name was placed on
13 the petition without his or her authority, that name shall be removed
14 by an order of the county judge/executive; and

15 2. When a name has been eliminated, that name shall not be counted as
16 a petitioner;

17 (c) The petition shall not be circulated for more than six (6) months prior to its
18 filing; and

19 (d) After a petition has been filed with the county clerk, the county
20 judge/executive shall make an order on the order book of the county
21 legislative body directing an election to be held in that territory.

22 (6) (a) The date of the local option election may be stated in the ordinance passed
23 by the county legislative body or in the petition for election.

24 (b) If the date is not stated in the ordinance or petition, it shall be designated by
25 the county judge/executive.

26 (7) The local option election shall be held:

27 (a) During the next regular election; or

1 **(b) No earlier than sixty (60) days nor later than ninety (90) days after:**

2 **1. The passage of the ordinance by the county legislative body; or**

3 **2. The date the petition is filed with the county clerk.**

4 **(8) The local option election may be held on the same day that a primary or regular**
5 **election is held, or on a day other than a primary or regular election day.**

6 **(9) No local option election shall be held in the same county more than once every**
7 **three (3) years.**

8 **(10) If more than one (1) county has joined in mutual agreement to conduct a local**
9 **option election on the question of approving casino gaming, the voters of each**
10 **participating county shall approve the measure before any county that has joined**
11 **in the mutual agreement may invite any person to bid to the corporation for the**
12 **purpose of establishing casino gaming.**

13 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
14 READ AS FOLLOWS:

15 **(1) Within five (5) days after the county judge/executive orders a local option**
16 **election, the county clerk shall give to the sheriff a certified copy of the order.**

17 **(2) The sheriff shall:**

18 **(a) Have the order published in accordance with KRS Chapter 424;**

19 **(b) Advertise the order by written or printed handbills posted at not less than**
20 **five (5) conspicuous places in each precinct in the county for two (2) weeks**
21 **before the election; and**

22 **(c) Report to the county judge/executive that notices have been published and**
23 **posted under this section.**

24 ➔SECTION 5. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
25 READ AS FOLLOWS:

26 **(1) The result of a local option election shall be certified by the county board of**
27 **elections.**

1 (2) The certificate of the result shall be immediately filed with the county clerk and
2 the county judge/executive shall have the certificate entered on the order book.

3 (3) The entry of the certificate, or an attested copy thereof, shall be prima facie
4 evidence of the result of the election in any action brought under this chapter.

5 (4) An attested copy of the certificate of the result shall be forwarded by the county
6 clerk to the corporation.

7 ➔SECTION 6. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
8 READ AS FOLLOWS:

9 (1) The corporation is the only governmental agency in the Commonwealth
10 authorized to solicit bids for the purpose of licensing casino gaming in a county.

11 (2) Upon receipt of a certificate of the result of a local option election from a county
12 clerk reporting that a ballot measure to approve casino gaming has passed, the
13 corporation shall:

14 (a) Determine that the applicable county or counties meet the population
15 threshold specified in Section 3 of this Act; and

16 (b) Determine whether a racing association licensed under this chapter is
17 located within the geographical territory corresponding to the applicable
18 county or counties.

19 (3) If a racing association is located within the geographical territory corresponding
20 to the applicable county or counties, in addition to the requirements of
21 subsections (4) and (5) of this section, the corporation shall:

22 (a) Submit a limited casino license application packet to each racing
23 association within the territory; and

24 (b) Issue a limited casino license to the racing association if the racing
25 association meets the requirements of Sections 8 and 10 of this Act.

26 (4) After receipt of a certificate of results from a county clerk and validation of the
27 population requirement, the corporation shall advertise an invitation to bid for:

1 (a) An initial full casino license within the geographical territory
2 corresponding to the applicable county or counties; or

3 (b) An initial riverboat casino license for a boat or vessel that has a regular
4 place of mooring within the geographical territory corresponding to the
5 applicable county or counties.

6 (5) Advertisements for an invitation to bid for an initial full casino or riverboat
7 casino license:

8 (a) Shall be placed in at least two (2) newspapers with the largest circulation
9 within the Commonwealth;

10 (b) May be advertised on the internet or other electronic media of general
11 circulation;

12 (c) Shall not be transmitted by mail, phone, or other media directly to a person
13 or entity involved in the casino gaming industry; and

14 (d) Shall include:

15 1. A description of the geographical territory involved and note the
16 location of any racing associations licensed under this chapter within
17 the territory;

18 2. Any restrictions on the casino that the applicable county deems
19 necessary;

20 3. A description from the applicable county of the minimum acceptable
21 facility;

22 4. A requirement that bids be received by the corporation within sixty
23 (60) days of the date of the initial advertisement; and

24 5. A requirement that bids include the amount the bidder offers to pay
25 for initial casino licensure, as well as:

26 a. The planned location of the casino;

27 b. A description of the planned facility and any amenities to be

1 included in addition to the casino;

2 c. The number of employees planned for the facility;

3 d. Estimated annual gross gaming revenue, as defined in Section
4 18 of this Act; and

5 e. Any other information the corporation deems necessary or
6 relevant.

7 ➔SECTION 7. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
8 READ AS FOLLOWS:

9 (1) (a) The corporation, with input from the applicable county or counties, shall
10 evaluate all bids for full casinos and riverboat casinos to determine their
11 feasibility.

12 (b) Factors to be evaluated for feasibility shall be those specified in subsection
13 (5)(d) of Section 6 of this Act.

14 (c) Bids found to be not feasible shall be returned to the bidder by the
15 corporation with a detailed explanation for the finding.

16 (d) A copy of any returned bid and the explanation for finding it to be not
17 feasible shall be retained by the corporation and shall be a public record to
18 be furnished upon request to any interested party.

19 (e) A racing association licensed under this chapter which has been issued a
20 limited casino application packet under Section 6 of this Act may:

21 1. Elect to also apply for a full casino license; and

22 2. Delay submission of its limited casino license application until the
23 outcome of the application for full casino licensure is known.

24 (2) Sixty (60) days after issuing the initial invitation to bid, the corporation shall
25 cease accepting bids except those bids submitted under subsection (4) of this
26 section.

27 (3) (a) Bids found to be feasible shall be ranked based upon the amount of

1 payment bid in response to the invitation to bid.

2 (b) The amount of payment bid in response to the invitation shall be considered
3 the initial licensing fee for the casino.

4 (c) A full casino initial licensing fee bid amount of less than seven hundred
5 fifty thousand dollars (\$750,000) shall not be accepted.

6 (d) A riverboat casino initial licensing fee bid amount of less than five hundred
7 fifty thousand dollars (\$550,000) shall not be accepted.

8 (e) A county or other local government shall not charge any licensing fee in
9 addition to the initial licensing fee.

10 (4) (a) Notwithstanding any other provision of this section, a racing association
11 located within the same county as the planned location of a casino may
12 enter the bidding process under this section at any time during the bidding
13 process or after the corporation ceases accepting bids.

14 (b) Upon request, the corporation shall report to a racing association located
15 within the same county as a planned casino the highest amount bid for an
16 initial casino license fee in the county.

17 (c) Racing associations may submit a bid after the corporation ceases accepting
18 bids:

19 1. In the amount of the highest amount bid for an initial casino license
20 fee, plus eight percent (8%); and

21 2. With a guarantee of providing the same or equivalent amenities as the
22 highest amount bid.

23 (d) If a racing association elects to exercise its bidding right under this
24 subsection, it shall submit its bid within two (2) business days of the date the
25 corporation ceases accepting bids.

26 (5) The initial full casino or riverboat casino license shall be provisionally awarded
27 to the bidder with the highest amount bid for an initial casino license fee within

1 four (4) business days after the sixty (60) day bidding deadline if the bidder:

2 (a) Successfully completes all aspects of the initial casino licensing process
3 required by Section 6 of this Act;

4 (b) Provides full payment to the corporation within thirty (30) days after the bid
5 award; and

6 (c) Provides any additional information the corporation requests.

7 (6) If the bidder provisionally awarded an initial license is unable to fulfill
8 subsection (5) of this section:

9 (a) The provisional award shall be withdrawn; and

10 (b) The bidder with the next highest bid amount shall be provisionally awarded
11 an initial license.

12 (7) Amounts paid to the corporation for initial full casino or riverboat casino licenses
13 shall be deposited in the general fund.

14 ➔SECTION 8. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
15 READ AS FOLLOWS:

16 (1) Applications for a full casino license, riverboat casino license, limited casino
17 license, manufacturer's license, or supplier's license shall be submitted by using
18 application forms furnished by the corporation. All applications shall be
19 submitted to the corporation in accordance with procedures adopted through the
20 promulgation of administrative regulations.

21 (2) The corporation shall not issue a license unless it has determined that the
22 applicant has submitted a completed application and has submitted all
23 supplemental documentation or other information the corporation may require
24 for a thorough evaluation of the applicant's proposals and qualifications.
25 Information submitted under this section shall be subject to the Kentucky Open
26 Records Act, KRS 61.870 to 61.884.

27 (3) The corporation shall not grant a license authorized under this chapter to any

1 applicant for a full casino, limited casino, riverboat casino, manufacturer's, or
2 supplier's license if the corporation determines that any of the applicant's
3 principals:

4 (a) Has been convicted of a felony in this or any other jurisdiction unless at
5 least five (5) years have elapsed from the date that the applicant was
6 discharged from probation, imprisonment, or parole, whichever is later;

7 (b) Has been convicted of any illegal gambling activity in this or any other
8 jurisdiction unless at least five (5) years have elapsed from the date that the
9 applicant was discharged from probation, imprisonment, or parole,
10 whichever is later;

11 (c) Has been found to have violated this chapter or any administrative
12 regulations promulgated thereunder, unless at least five (5) years have
13 passed since the violation;

14 (d) Resides in the same household as a member of the board of directors of the
15 corporation; or

16 (e) Has knowingly made a false statement of material fact to the corporation,
17 unless at least ten (10) years have passed since the statement was made.

18 (4) Applications for a full casino, limited casino, riverboat casino manufacturer's, or
19 supplier's license shall contain at a minimum the following information:

20 (a) The name, business address, and telephone number of the applicant;

21 (b) The name, business address, and telephone number of any attorney that
22 may represent the applicant in matters before the corporation;

23 (c) The name, business address, and telephone number of any individual
24 designated by the applicant as a contact person with whom the corporation
25 shall communicate concerning the application;

26 (d) The name, business address, and telephone number of all individuals who
27 will:

- 1 1. Answer questions regarding an application;
- 2 2. Make statements regarding an application; or
- 3 3. Provide documents or other information to be submitted to the
- 4 corporation regarding an application;
- 5 (e) In the case of an application for a manufacturer's or supplier's license, the
- 6 location of the applicant's principal place of business and all locations at
- 7 which gaming supplies and equipment furnished for use in Kentucky are
- 8 manufactured, assembled, or held prior to distribution to gaming licensees;
- 9 (f) In the case of an application for a full casino license:
- 10 1. The applicant's principal place of business; and
- 11 2. The location of the proposed casino;
- 12 (g) In the case of an application for a riverboat casino license:
- 13 1. The applicant's principal place of business; and
- 14 2. The location of the proposed casino's regular and alternate place of
- 15 mooring;
- 16 (h) If the applicant is a racing association:
- 17 1. The applicant's principal place of business; and
- 18 2. The location of the horse racing track or other facility at which the
- 19 applicant proposes to operate a casino;
- 20 (i) A description of the applicant's ownership structure and identification of
- 21 the principals of the applicant;
- 22 (j) A statement as to whether the applicant possesses or has possessed any
- 23 license or other grant of authority in Kentucky or in any other state or
- 24 foreign country regarding:
- 25 1. The operation of a casino;
- 26 2. Any gaming-related activity; or
- 27 3. The manufacture or distribution of gaming supplies and equipment;

1 (k) A statement as to whether the applicant has ever had any license or other
2 grant of authority referred to in paragraph (j) of this subsection revoked,
3 denied, or not renewed, with a description of the reasons for loss of the
4 license or grant of authority;

5 (l) A statement as to whether the applicant or any principal of the applicant
6 has been indicted for or convicted of a felony in:

7 1. Kentucky;

8 2. Any other state;

9 3. A federal court; or

10 4. A foreign country.

11 An applicant, owner, or person who controls the applicant with a conviction
12 or subject to indictment shall provide documentation detailing the charges,
13 dates of the charges, the prosecuting authorities, disposition of the charges,
14 and sentencing;

15 (m) A statement as to whether the applicant or any person who owns or controls
16 the applicant:

17 1. Has been the subject of any voluntary or involuntary bankruptcy
18 proceeding;

19 2. Has been involved in a formal process to adjust, defer, suspend, or
20 resolve the payment of a debt; or

21 3. Has been served with a complaint or notice filed in a court or with any
22 governmental body concerning a state, local, or federal tax
23 delinquency.

24 An applicant, owner, or person who controls the applicant shall supplement
25 the application with any documentation or information necessary to explain
26 the circumstances addressed in this paragraph, if applicable;

27 (n) A statement listing the names and titles of public officials or officers of any

- 1 unit of government and their immediate family members who:
- 2 1. Directly or indirectly have a financial or beneficial interest in;
- 3 2. Are the creditors of;
- 4 3. Hold a debt instrument issued by; or
- 5 4. Have an interest in a contractual or service relationship with;
- 6 an applicant for a license issued under the authority of this chapter;
- 7 (o) In the case of an applicant for a manufacturer's or supplier's license, a
- 8 statement describing the types of products and services the applicant intends
- 9 to furnish;
- 10 (p) Copies of the applicant's most recent federal and state income tax returns;
- 11 and
- 12 (q) Any other information the corporation may require.
- 13 (5) All applicants and licensees shall report to the corporation concerning any
- 14 changes in information required to be submitted in an application within thirty
- 15 (30) days after becoming aware of the change.
- 16 (6) With respect to manufacturer's and supplier's license applications:
- 17 (a) Upon a determination that the applicant qualifies for the license, the
- 18 corporation shall:
- 19 1. Issue a manufacturer's or supplier's license within ninety (90) days of
- 20 its receipt of a completed application accompanied by all required
- 21 fees; or
- 22 2. a. Issue a temporary manufacturer's or supplier's license if it:
- 23 i. Has received a completed application accompanied by all
- 24 required fees;
- 25 ii. Has initially determined the application to be materially
- 26 accurate; and
- 27 iii. Is unable to issue the license within ninety (90) days after

1 receipt due to circumstances that are not the fault of the
2 applicant.

3 b. A temporary manufacturer's or supplier's license shall be valid
4 for a period of ninety (90) days and shall not be renewed.

5 c. The corporation shall issue a denial of the applicant's license if
6 the corporation determines the applicant is unqualified for a
7 manufacturer's or supplier's license upon or before the
8 expiration of the applicant's temporary license under this
9 subparagraph; and

10 (b) The corporation shall send written notice of a license application denial:

11 1. In the manner provided for service of process in civil actions; or

12 2. By certified mail, return receipt requested, to the address provided by
13 the applicant in the license application.

14 (7) An applicant operating under the authority of a temporary manufacturer's or
15 supplier's license shall cease all operations for which the license is required upon
16 receipt of notice of denial, or upon the expiration of the temporary license,
17 whichever is earlier.

18 (8) An applicant aggrieved by the corporation's denial of a license application under
19 this section may appeal the decision in accordance with KRS 230.320.

20 (9) The corporation may investigate a licensee at any time it determines that an
21 investigation is necessary to ensure that the licensee is in compliance with this
22 chapter.

23 (10) The holder of a manufacturer's, supplier's, limited casino, or riverboat casino
24 license shall not transfer or assign the license without prior approval of the
25 corporation. The corporation may promulgate administrative regulations to
26 establish criteria and procedures governing the transfer of licenses.

27 (11) Unless a license is suspended, expires, or is revoked, it may be renewed annually

1 upon:

2 (a) Payment of license and renewal fees in the amount and manner as
3 promulgated by the corporation in administrative regulations; and

4 (b) A determination by the corporation that the licensee is in compliance with
5 this chapter.

6 ➔SECTION 9. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
7 READ AS FOLLOWS:

8 A person shall not sell, lease, or otherwise furnish gaming supplies or equipment in
9 this Commonwealth unless the person possesses a manufacturer's or supplier's license
10 issued by the corporation.

11 ➔SECTION 10. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
12 READ AS FOLLOWS:

13 (1) Racing associations licensed under this chapter and located within a county that
14 votes to approve casino gaming shall be offered a limited casino license.

15 (2) A limited casino license shall authorize the holder to operate electronic gaming
16 devices, and shall not authorize any other aspect of casino gaming.

17 (3) Issuance of an initial limited casino license shall:

18 (a) Be contingent upon:

19 1. Successful completion of the initial licensing process under Sections 6
20 and 8 of this Act; and

21 2. Payment of an initial limited casino licensing fee of four hundred fifty
22 thousand dollars (\$450,000); and

23 (b) Not be contingent upon the racing association also being awarded a full
24 casino license.

25 (4) Amounts paid to the corporation for initial limited casino license fees shall be
26 deposited in the general fund.

27 ➔SECTION 11. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO

1 READ AS FOLLOWS:

2 (1) A person under twenty-one (21) years of age shall not:

3 (a) Place a wager on a game at a casino;

4 (b) Be permitted access to areas of a casino in which gambling games are
5 operated; or

6 (c) Be permitted access to areas of a horse racing track in which electronic
7 gaming devices are operated.

8 (2) A casino gaming licensee shall limit the number of entrances to areas of a casino
9 in which gambling games are situated to facilitate compliance with this section.

10 ➔SECTION 12. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
11 READ AS FOLLOWS:

12 (1) (a) The corporation shall establish through administrative regulation the
13 occupations related to casino gaming and to the manufacture and supply of
14 gaming supplies and equipment that shall require an occupational license
15 under this chapter.

16 (b) An occupational license shall be valid for twelve (12) months from the date
17 it is issued.

18 (2) An individual shall not be employed by a full casino, limited casino, or riverboat
19 casino in an occupation for which a license is required unless the individual
20 possesses an occupational license authorizing the employment.

21 (3) The corporation may issue an occupational license to an applicant if:

22 (a) The applicant applies to the corporation on a form furnished by the
23 corporation and the corporation determines that the application is complete
24 and materially accurate;

25 (b) The corporation determines that the applicant is qualified to possess the
26 license for the occupation in which the applicant has sought employment;

27 (c) The applicant is at least twenty-one (21) years of age;

1 (d) The applicant is not an unauthorized alien as defined in 8 U.S.C. sec.
2 1324a(h)(3); and

3 (e) The license fee is paid to the corporation at the time of application. The
4 license fee required under this section:

5 1. Shall be paid in the amount established by the corporation through
6 administrative regulation; and

7 2. Is nonrefundable unless the corporation does not issue the requested
8 license.

9 (4) An application for an occupational license shall contain at a minimum the
10 following information:

11 (a) The name, residence, address, telephone number, Social Security number,
12 and date of birth of the applicant;

13 (b) A statement as to whether the applicant possesses or has possessed an
14 occupational license in Kentucky or in any other state or foreign country
15 authorizing the applicant to work in an occupation related to casino
16 gaming;

17 (c) A statement as to whether the applicant has ever had any occupational
18 license or other grant of authority referred to in paragraph (b) of this
19 subsection revoked, denied, or not renewed, together with a description of
20 the reasons for the loss of license or grant of authority;

21 (d) A statement as to whether the applicant has been indicted for or convicted
22 of a crime in Kentucky, any other state, a federal court, or a foreign
23 country. If so, an applicant shall provide documentation detailing:

24 1. The charges;

25 2. Dates of charges;

26 3. The prosecuting authorities;

27 4. Disposition of the charges; and

1 5. Sentencing; and

2 (e) Any other information the corporation may require.

3 (5) Applicants for or holders of occupational licenses shall report to the corporation
4 concerning any changes in information required to be submitted in an
5 application within thirty (30) days after becoming aware of the change.

6 (6) The corporation shall issue an occupational license within thirty (30) days of
7 receipt of a completed application accompanied by the required fee and upon a
8 determination that the applicant qualifies for the license.

9 (7) The corporation shall deny an occupational license if the applicant does not
10 qualify for the license.

11 (8) (a) The corporation may issue a temporary occupational license if it has
12 received a completed application accompanied by the required fees, has
13 initially determined the application to be materially accurate, and is unable
14 to issue the license within thirty (30) days after receipt due to circumstances
15 that are not the fault of the applicant.

16 (b) A temporary occupational license shall be valid for a period of ninety (90)
17 days and shall not be renewed.

18 (c) If the corporation determines the applicant is unqualified for an
19 occupational license upon or before the expiration of the applicant's
20 temporary occupational license, it shall deny the applicant's license.

21 (9) An applicant working under the authority of a temporary occupational license
22 shall cease his or her employment upon receipt of written notice of license denial,
23 or upon expiration of the temporary license, whichever is earlier.

24 (10) All notices of license denial issued under this section shall be in writing, and:

25 (a) Service of the notice shall be accomplished in the same manner as service of
26 process in civil actions, or by certified mail, return receipt requested, to the
27 address provided by the applicant in the license application; and

1 (b) A copy of the notice shall be mailed by certified mail, return receipt
2 requested, to the applicant's employer or prospective employer.

3 (11) Unless an occupational license is suspended, expired, or is revoked, it may be
4 renewed annually upon:

5 (a) Payment of license and renewal fees in the amount and manner as
6 promulgated by the corporation in administrative regulations; and

7 (b) A determination by the corporation that the licensee is in compliance with
8 this chapter.

9 (12) The corporation may investigate an occupational licensee at any time it
10 determines that an investigation is necessary to ensure that the licensee is in
11 compliance with this chapter.

12 (13) An applicant is disqualified from possessing an occupational license under this
13 chapter if he or she has been:

14 (a) Convicted of a felony in Kentucky, any other state, or a federal court; or

15 (b) Convicted of any illegal gaming-related activity in Kentucky, any other
16 state, or a federal court, unless at least two (2) years have elapsed from the
17 date that the applicant was discharged from probation, imprisonment, or
18 parole, whichever was later.

19 (14) An applicant who has been found to have violated this chapter or any
20 administrative regulation promulgated thereunder is disqualified from possessing
21 an occupational license under this chapter, unless at least two (2) years have
22 elapsed since the violation.

23 (15) Notwithstanding subsection (13) of this section, an applicant may apply to the
24 corporation for a waiver of the disqualification. The corporation may waive
25 disqualification if the disqualifying offense is not related to:

26 (a) Theft under KRS Chapter 514;

27 (b) Bribery under KRS Chapter 521;

1 (c) Perjury under KRS Chapter 523;

2 (d) Robbery under KRS Chapter 515;

3 (e) Gambling under KRS Chapter 528;

4 (f) Forgery under KRS Chapter 516;

5 (g) Offenses under KRS Chapter 517 or 506; or

6 (h) Identify theft offenses under KRS 514.160 and 514.170.

7 (16) An applicant aggrieved by the corporation's denial of a license application under
8 this section may request an appeal in accordance with KRS 230.320.

9 ➔SECTION 13. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
10 READ AS FOLLOWS:

11 In accordance with 15 U.S.C. sec. 1172, the General Assembly hereby declares that:

12 (1) 15 U.S.C. sec. 1172 shall not apply to any electronic gaming device or other
13 gambling device found in the Commonwealth where the transportation of that
14 device is specifically authorized by, and done in compliance with, the provisions
15 of this chapter or any other applicable Kentucky statute and any administrative
16 regulation promulgated thereunder; and

17 (2) Any device described in subsection (1) of this section transported in compliance
18 with state law and administrative regulations shall be exempt from the provisions
19 of 15 U.S.C. sec. 1172.

20 ➔SECTION 14. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
21 READ AS FOLLOWS:

22 All shipments of electronic gaming devices to gaming licensees located in Kentucky,
23 the registering, recording, and labeling of which have been duly made by the
24 manufacturer, supplier, or dealer in accordance with 15 U.S.C. secs. 1173 and 1174,
25 shall be deemed legal shipments in the Commonwealth.

26 ➔SECTION 15. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
27 READ AS FOLLOWS:

1 (1) The corporation shall, through the promulgation of administrative regulations,
2 define and limit:

3 (a) The gambling games and devices permitted for use in licensed casinos;

4 (b) The method of operation of these games and devices; and

5 (c) The percentage range of the payout of electronic gaming devices.

6 (2) The gambling games and devices permitted for gaming operations shall be
7 uniform for all casino gaming licensees.

8 (3) The payout of all electronic gaming devices shall be determined by the casino
9 gaming licensee within the range set by the corporation under this section.

10 ➔SECTION 16. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
11 READ AS FOLLOWS:

12 (1) The General Assembly hereby declares that the exclusion or ejection of certain
13 persons from licensed casinos may be necessary to effectively maintain the strict
14 regulation of licensed gaming.

15 (2) (a) Each casino gaming licensee shall compile a list of persons who are to be
16 excluded or ejected from any licensed casino.

17 (b) The list shall include any person whose presence in the casino is determined
18 by the licensee to pose a threat to the interests of this state or to licensed
19 gaming, or both.

20 (c) These lists shall be filed annually with the corporation or any time a name
21 is added or deleted from a list.

22 (3) The corporation shall promulgate administrative regulations regarding the
23 compilation of the lists required under this section to guide gaming licensees in
24 determining what persons are to be placed on the lists. Gaming licensees shall
25 consider the following:

26 (a) Prior conviction of a crime that is a felony in this state, any other state, or
27 under the laws of the United States;

1 (b) Prior conviction of a crime that is a violation of the gaming-related laws of
2 any state;

3 (c) Violation of, or conspiracy to violate, this chapter relating to:

4 1. The failure to disclose an interest in a casino or racing association
5 gaming establishment for which the person is required to obtain a
6 license; or

7 2. Willful evasion of fees or taxes;

8 (d) Notorious or unsavory reputation that would adversely affect public
9 confidence and trust that the gaming industry is free from criminal or
10 corruptive elements; or

11 (e) A written order of a governmental agency which authorizes the exclusion or
12 ejection of the person from a casino.

13 (4) Race, color, creed, national origin, ancestry, religion, or sex shall not be grounds
14 for placing the name of a person on the list.

15 (5) The amount a person has legally won at a casino in this state, any other state, or
16 any other country shall not be grounds for placing the name of a person on the
17 list.

18 (6) Whenever the name and description of any person is placed on a list under this
19 section, the corporation shall serve notice of this fact to the person by:

20 (a) Personal service; or

21 (b) Certified mail to the last known address of the person.

22 (7) Within thirty (30) days after service in person or by mail, the person named may
23 demand a hearing with the corporation under KRS Chapter 13B and show cause
24 why the person should have his or her name removed from the list.

25 (8) If, upon completion of the hearing, a determination has been made that:

26 (a) Exclusion or ejection does not or should not apply to the person so listed,
27 the corporation shall provide notice of the determination to casino gaming

1 licensees and to the person who requested the hearing; or
2 (b) Placing the person on the exclusion or ejection list was proper, the
3 corporation shall enter in its minutes an order to that effect.

4 ➔SECTION 17. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
5 READ AS FOLLOWS:

6 (1) As used in this section, "cheat" means to alter the selection of criteria that
7 determines:

8 (a) The result of a gambling game; or

9 (b) The amount or frequency of payment in a gambling game.

10 (2) A person shall be guilty of a Class D felony if he or she knowingly or
11 intentionally does any of the following:

12 (a) Uses, or possesses with the intent to use, a device to assist in:

13 1. Projecting the outcome of a game;

14 2. Keeping track of playing cards;

15 3. Analyzing the probability of the occurrence of an event relating to a
16 gambling game; or

17 4. Analyzing the strategy for playing or betting to be used in the game,
18 except as permitted by the corporation;

19 (b) Cheats at a gambling game;

20 (c) Manufactures, sells, or distributes any cards, chips, dice, game, or device
21 that is intended to be used in a manner that violates this section;

22 (d) Alters or misrepresents the outcome of a gambling game on which wagers
23 have been made after the outcome is made sure but before the outcome is
24 revealed to the players;

25 (e) Places a bet on the outcome of a gambling game after acquiring knowledge
26 that:

27 1. Is not available to all players; and

1 2. Concerns the outcome of the gambling game that is the subject of the
2 bet;

3 (f) Aids a person in acquiring the knowledge described in paragraph (e) of this
4 subsection for the purpose of placing a bet contingent on the outcome of a
5 gambling game;

6 (g) Claims, collects, takes, or attempts to claim, collect, or take money or
7 anything of value in or from a gambling game by cheating;

8 (h) Uses or possesses counterfeit chips or tokens used in a gambling game;

9 (i) Possesses a key or device designed for:

10 1. Opening, entering, or affecting the operation of a gambling game,
11 drop box, or an electronic or a mechanical device connected with a
12 gambling game; or

13 2. Removing coins, tokens, chips, or other contents of a gambling game;
14 or

15 (j) Possesses materials used to manufacture a slug or device intended to be
16 used in a manner that violates this section.

17 (3) Subsection (2)(i) of this section shall not apply to a licensee or an employee of a
18 licensee acting in the course of the employee's employment.

19 (4) A person shall be guilty of a Class A misdemeanor if he or she knowingly or
20 intentionally does any of the following:

21 (a) Makes a false statement on an occupational, manufacturer's, supplier's, or
22 gaming license application;

23 (b) Permits a person under twenty-one (21) years of age to make a wager on a
24 gambling game at a casino or horse racing track; or

25 (c) Being under twenty-one (21) years of age, enters or attempts to enter a
26 casino or an area of a horse racing track where electronic gaming devices
27 are operated.

1 ➔ SECTION 18. A NEW SECTION OF KRS CHAPTER 138 IS CREATED TO
2 READ AS FOLLOWS:

3 (1) As used in this section:

4 (a) "Casino gaming licensee" has the same meaning as in Section 1 of this Act;

5 (b) "Department" means Department of Revenue;

6 (c) "Full casino" has the same meaning as in Section 1 of this Act;

7 (d) "Gross gaming revenue" means the handle less the total value of cash,
8 vouchers, tokens, or other indicators of value redeemed as winnings by
9 players, excluding any promotional free play credits or tokens;

10 (e) "Handle" means the total dollar value of cash, vouchers, tokens, or other
11 indicators of value wagered by players;

12 (f) "Limited casino" has the same meaning as in Section 1 of this Act;

13 (g) "Riverboat casino" has the same meaning as in Section 1 of this Act; and

14 (h) "Taxpayer" means any person liable for tax under this section.

15 (2) (a) An excise tax is imposed on the gross gaming revenue received from
16 gaming operations at all full casinos, limited casinos, and riverboat casinos
17 at a rate of twenty-one percent (21%). This tax shall be paid by the casino
18 gaming licensee to the department.

19 (b) Taxes received by the department under this subsection shall be deposited in
20 the general fund.

21 (3) (a) A tax is imposed on admissions to a full casino and a riverboat casino at a
22 rate of three dollars (\$3) for each person admitted to the casino each day.
23 This tax shall be paid by the casino gaming licensee to the department.

24 (b) The tax imposed under this subsection is in addition to the excise tax
25 imposed under subsection (2) of this section, and may be passed on to
26 casino patrons through an admissions fee.

27 (c) Taxes received by the department under this subsection shall be deposited in

1 the general fund.

2 (4) The department shall enforce, and collect the tax and penalties imposed under,
3 this section with the general powers and duties granted it in KRS Chapters 131
4 and 135, including but not limited to the power to enforce by an action in the
5 Franklin Circuit Court the collection of the taxes, penalties, and other payments
6 imposed under this section.

7 (5) The excise and admissions taxes imposed under this section are due and payable
8 to the department monthly and shall be remitted on or before the twentieth day of
9 the next succeeding calendar month. If a taxpayer's gross gaming revenue for a
10 month is a negative number, the taxpayer may carry over the negative amount to
11 the return filed for the subsequent month. However, no amount shall be carried
12 over in any period more than twelve (12) months after the month in which the
13 amount carried over was originally due.

14 (6) (a) Payment shall be accompanied by a return on a form prescribed by the
15 department.

16 (b) The return form shall report, at a minimum:

17 1. The number of daily admissions and total amount of admissions tax
18 due;

19 2. Total handle;

20 3. Prizes paid;

21 4. Gross gaming revenue; and

22 5. Total excise tax due.

23 (7) Excise and admissions taxes shall be paid via electronic funds transfer. The
24 taxpayer shall provide the department with all protocol documentation and
25 electronic funds transfer data necessary to facilitate the timely transfer of funds.

26 (8) Any taxpayer who violates this section shall be subject to the uniform civil
27 penalties imposed under KRS 131.180, and interest at the tax interest rate as

1 defined in KRS 131.010.

2 (9) The Kentucky Horse Racing and Gaming Corporation may suspend, revoke, or
3 decline to renew a license upon a taxpayer's failure to timely report or submit
4 payment of taxes due under this section or administrative regulations
5 promulgated by the department.

6 ➔SECTION 19. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
7 READ AS FOLLOWS:

8 (1) As used in this section:

9 (a) "Adjusted gross revenue" means the total sum of entry fees collected by a
10 fantasy contest operator from all participants entering a fantasy contest, less
11 winnings paid to participants in the contest, multiplied by the resident
12 percentage; and

13 (b) "Resident percentage" means the percentage of the total entry fees for each
14 fantasy contest collected from participants located in the Commonwealth
15 divided by the total entry fees collected from all participants in the fantasy
16 contest, rounded to the nearest tenth of a percent (0.1%).

17 (2) No fantasy contest operator shall offer a fantasy contest to residents of the
18 Commonwealth without a valid registration issued by the corporation, except that
19 fantasy contest operators with fewer than one hundred (100) participants located
20 in the Commonwealth in a calendar year shall be exempt from this requirement.

21 (3) Any person seeking to be registered as a fantasy contest operator shall submit an
22 application to the corporation on a form prescribed by the corporation as
23 promulgated in an administrative regulation, accompanied by payment of the
24 required fee established in subsection (5) of this section.

25 (4) The fantasy contest operator applicant shall provide the following information to
26 the corporation as a prerequisite for registration:

27 (a) The name of the applicant;

- 1 (b) The location of the applicant's principal place of business;
- 2 (c) A disclosure of ownership of the applicant, including all directors, partners,
- 3 officers, and principal stockholders;
- 4 (d) A designation of the responsible party who is the agent for the contest
- 5 operator for all communications with the corporation;
- 6 (e) Any other documentation the corporation may require; and
- 7 (f) If the applicant or any of its directors, partners, officers, or principal
- 8 stockholders has been convicted of or has entered a plea of nolo contendere
- 9 or guilty to a felony which may render the applicant ineligible for
- 10 registration or renewal as a fantasy contest operator.
- 11 (5) (a) The initial registration fee for a fantasy contest operator shall be five
- 12 thousand dollars (\$5,000).
- 13 (b) The annual renewal fee for a fantasy contest operator shall be an amount
- 14 equal to the greater of:
- 15 1. Six percent (6%) of the adjusted gross revenue for the prior calendar
- 16 year; or
- 17 2. Five thousand dollars (\$5,000).
- 18 (c) The initial registration fee and the annual renewal fee shall be deposited in
- 19 the general fund.

20 ➔SECTION 20. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO

21 READ AS FOLLOWS:

- 22 (1) (a) The corporation shall promulgate administrative regulations for the
- 23 operation of fantasy contests to enforce this section and Sections 19 and 21
- 24 of this Act, but the corporation shall not promulgate administrative
- 25 regulations limiting or regulating the:
- 26 1. Rules or administration of an individual fantasy contest or contests;
- 27 2. Statistical makeup of a fantasy contest or contests; or

1 3. Digital platform of an operator.

2 (b) The corporation shall promulgate administrative regulations listing the
3 requirements for registration as a fantasy contest operator within thirty (30)
4 days of the effective date of this Act.

5 (2) The corporation shall consider all applications for registration and shall issue a
6 valid registration to an applicant that meets the criteria set forth in Section 19 of
7 this Act and administrative regulations promulgated by the corporation.

8 (3) (a) The corporation shall have thirty (30) days after receiving an initial
9 application to issue a registration or deny the application.

10 (b) The corporation shall prepare and issue a written statement setting forth the
11 reasons why an application for registration has been denied.

12 (4) All fantasy contest operators who meet the requirements for registration shall be
13 registered on or before January 15, 2026.

14 (5) The corporation may revoke, deny, or suspend the registration of a fantasy
15 contest operator if it finds that:

16 (a) Any partner, officer, principal stockholder, or director of the operator has
17 been convicted of a felony in this state, a felony in another state which
18 would be a felony if committed in this state, or a felony under the laws of
19 the United States. As used in this paragraph, the term "convicted" means
20 having been found guilty, regardless of adjudication of guilt, as a result of a
21 jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere; or

22 (b) The fantasy contest operator has:

23 1. Violated any order of the corporation or any provisions of this
24 chapter;

25 2. Failed to meet the requirements for registration under this chapter; or

26 3. Used fraud, misrepresentation, or deceit in applying for or attempting
27 to apply for registration or otherwise in operating or offering to

1 operate a fantasy contest.

2 (6) If it appears to the corporation, based upon credible evidence presented in a
3 written complaint, that a person is operating or offering to operate a fantasy
4 contest without being registered, the corporation may issue an order to cease and
5 desist the activity.

6 (7) The corporation shall set forth in the order:

7 (a) The statutes and administrative regulations alleged to have been violated;

8 (b) The facts alleged to have constituted the violation; and

9 (c) The requirement that all unauthorized practices immediately cease.

10 (8) (a) Within ten (10) days after service of the order to cease and desist, the person
11 may request a hearing on the question of whether acts or practices in
12 violation of this section have occurred. The hearing shall be conducted in
13 accordance with KRS Chapter 13B.

14 (b) The person may appeal the final order of the corporation to the Franklin
15 Circuit Court within thirty (30) days of the hearing.

16 ➔SECTION 21. A NEW SECTION OF KRS CHAPTER 230 IS CREATED TO
17 READ AS FOLLOWS:

18 (1) A fantasy contest operator shall implement commercially reasonable procedures
19 for the conduct of fantasy contests requiring an entry fee that are intended to:

20 (a) Prevent the operator, its employees, and the immediate family of employees
21 from competing in any public fantasy contest with a cash prize offered by
22 any fantasy contest operator;

23 (b) Prevent sharing of confidential information with third parties that could
24 affect fantasy contest play until that information is made publicly available;

25 (c) Verify that each fantasy contest participant in each fantasy contest is
26 eighteen (18) years of age or older;

27 (d) Prevent an individual who is a participant or game official in an actual

1 sporting event or competition from participating in any fantasy contest that
2 is determined in whole or in part on the performance of that individual, the
3 individual's actual team, or the accumulated statistical results of the
4 sporting event or competition in which the individual is a participant or
5 contest official;

6 (e) Allow an individual, upon request, to exclude himself or herself from
7 entering a fantasy contest and provide reasonable steps to prevent that
8 individual from entering the fantasy contests offered by the fantasy contest
9 operator;

10 (f) Disclose the number of entries that a participant may submit to each fantasy
11 contest;

12 (g) Provide reasonable steps to prevent participants from submitting more than
13 the allowable number of entries;

14 (h) 1. In any fantasy contest involving more than one hundred (100) entries,
15 prevent a participant from submitting more than the lesser of:

16 a. Three percent (3%) or more of all entries; or

17 b. One hundred fifty (150) entries.

18 2. Notwithstanding subparagraph 1. of this paragraph, an operator may
19 establish contests in which there are no restrictions on the number of
20 entries if:

21 a. The registrant clearly discloses that there are no limits on the
22 number of entries by each participant in the contest; and

23 b. The entry fee is fifty dollars (\$50) or more per entry;

24 (i) Segregate participants' funds from operational funds or maintain a reserve
25 in the form of cash, cash equivalents, payment processor reserves, payment
26 processor receivables, an irrevocable letter of credit, a bond, an escrow
27 account approved by the corporation, or a combination thereof, in the

1 amount of the deposits in participants' accounts for benefit and protection
2 of the funds held in those accounts;

3 (j) Distinguish highly experienced players and beginner players and ensure
4 that highly experienced players are conspicuously identified to all
5 participants;

6 (k) Prohibit the use of external scripts in fantasy contests that give a participant
7 an unfair advantage over other participants and make all authorized scripts
8 readily available to all fantasy contest participants;

9 (l) Clearly and conspicuously disclose all rules that govern its contests,
10 including the material terms of each promotional offer at the time the offer
11 is advertised; and

12 (m) Use technologically reasonable measures to limit each fantasy contest
13 participant to one (1) active account with that operator.

14 (2) An operator shall not conduct, operate, or offer a fantasy contest that:

15 (a) Utilizes:

16 1. Video or mechanical reels or symbols or any other depictions of slot
17 machines, poker, blackjack, craps, or roulette; or

18 2. Any device that qualifies as or replicates contest activities that
19 constitute gaming; or

20 (b) Includes a university, college, high school, or youth athletic contest or
21 event.

22 (3) Officers and directors of operators along with their immediate family are
23 prohibited from competing in any fantasy contest offered by any fantasy contest
24 operator in which the operator offers a cash prize.

25 (4) (a) Any person who knowingly violates this section or Section 19 or 20 of this
26 Act shall:

27 1. For the first offense, be liable for a civil penalty of not less than one

thousand dollars (\$1,000) nor more than five thousand dollars (\$5,000) for each act or omission that constitutes a violation; or

2. For a second or subsequent offense:

a. Be liable for a civil penalty of not less than five thousand dollars (\$5,000) nor more than twenty-five thousand dollars (\$25,000);

or

b. Revocation of registration at the discretion of the corporation.

(b) A civil penalty assessed under this subsection shall accrue to the Commonwealth and may be recovered in a civil action brought by the corporation.

(c) Nothing in this chapter shall deprive an aggrieved participant of any personal right of redress.

➔Section 22. KRS 68.182 is amended to read as follows:

(1) Occupational license fees levied under KRS 67.083, 68.180, and 68.197 by the fiscal court of a county, consolidated local government, urban-county government, charter county government, or unified local government may apply to racetrack extensions.

(2) As used in this section:

(a) "Historical horse race" has the same meaning as in KRS 138.511; and

(b) 1. "Racetrack extension" means any facility:

a. Owned, leased, or purchased by an association licensed by the Kentucky Horse Racing and Gaming Corporation under KRS 230.300;

b. That meets the definition of "track" under KRS 230.210(55)(c); and

c. Where pari-mutuel wagering on historical horse races is conducted on terminals approved by the Kentucky Horse Racing and Gaming

1 Corporation.

2 2. "Racetrack extension" does not include a facility or real property used
3 for training horses or at which live horse races are run for stakes, purses,
4 or prizes under the jurisdiction of the Kentucky Horse Racing and
5 Gaming Corporation.

6 ➔Section 23. KRS 91.202 is amended to read as follows:

7 (1) Occupational license fees levied under KRS 91.200 by the legislative body of a city
8 of the first class may apply to racetrack extensions.

9 (2) As used in this section:

10 (a) "Historical horse race" has the same meaning as in KRS 138.511; and

11 (b) 1. "Racetrack extension" means any facility:

12 a. Owned, leased, or purchased by an association licensed by the
13 Kentucky Horse Racing and Gaming Corporation under KRS
14 230.300;

15 b. That meets the definition of "track" under KRS
16 230.210(55)(35)(c); and

17 c. Where pari-mutuel wagering on historical horse races is conducted
18 on terminals approved by the Kentucky Horse Racing and Gaming
19 Corporation.

20 2. "Racetrack extension" does not include a facility or real property used
21 for training horses or at which live horse races are run for stakes, purses,
22 or prizes under the jurisdiction of the Kentucky Horse Racing and
23 Gaming Corporation.

24 ➔Section 24. KRS 92.282 is amended to read as follows:

25 (1) Occupational license fees levied under KRS 92.281 by the legislative body of a city
26 may apply to racetrack extensions.

27 (2) As used in this section:

- 1 (a) "Historical horse race" has the same meaning as in KRS 138.511; and
- 2 (b) 1. "Racetrack extension" means any facility:
- 3 a. Owned, leased, or purchased by an association licensed by the
- 4 Kentucky Horse Racing and Gaming Corporation under KRS
- 5 230.300;
- 6 b. That meets the definition of "track" under KRS
- 7 230.210(55)~~[(35)]~~(c); and
- 8 c. Where pari-mutuel wagering on historical horse races is conducted
- 9 on terminals approved by the Kentucky Horse Racing and Gaming
- 10 Corporation.
- 11 2. "Racetrack extension" does not include a facility or real property used
- 12 for training horses or at which live horse races are run for stakes, purses,
- 13 or prizes under the jurisdiction of the Kentucky Horse Racing and
- 14 Gaming Corporation.

15 ➔Section 25. KRS 230.215 (Effective July 1, 2025) is amended to read as

16 follows:

- 17 (1) (a) It is the policy of the Commonwealth of Kentucky, in furtherance of its
- 18 responsibility to foster and to encourage legitimate occupations and industries
- 19 in the Commonwealth and to promote and to conserve the public health,
- 20 safety, and welfare, and it is hereby declared the intent of the Commonwealth
- 21 to foster and to encourage the horse breeding industry within the
- 22 Commonwealth and to encourage the improvement of the breeds of horses.
- 23 (b) Further, it is the policy and intent of the Commonwealth to foster and to
- 24 encourage the business of legitimate horse racing with pari-mutuel wagering
- 25 thereon in the Commonwealth on the highest possible plane. Further, it hereby
- 26 is declared the policy and intent of the Commonwealth that all racing not
- 27 licensed under this chapter is a public nuisance and may be enjoined as such.

- 1 (c) Further, it is hereby declared the policy and intent of the Commonwealth that
2 the conduct of horse racing, or the participation in any way in horse racing, or
3 the entrance to or presence where horse racing is conducted, is a privilege and
4 not a personal right; and that this privilege may be granted or denied by the
5 corporation or its duly approved representatives acting in its behalf.
- 6 (d) Further, it is hereby declared the policy and intent of the Commonwealth that
7 citizens shall be allowed to enjoy wagering on sporting events in a controlled
8 environment that protects the citizens from cheating and fraud, and that such
9 wagering shall be best controlled and overseen by the Kentucky Horse Racing
10 and Gaming Corporation, which has demonstrated a long and successful
11 history of regulating wagering.
- 12 (e) Further, it is hereby declared the policy and intent of the Commonwealth that
13 charitable gaming conducted by charitable organizations is an important
14 method of raising funds for legitimate charitable purposes and is in the public
15 interest. The intent of this chapter and KRS Chapter 238 is to prevent the
16 commercialization of charitable gaming, to prevent participation in charitable
17 gaming by criminal and other undesirable elements, and to prevent the
18 diversion of funds from legitimate charitable purposes, and that charitable
19 gaming shall be best controlled and overseen by the Kentucky Horse Racing
20 and Gaming Corporation.
- 21 (2) (a) It is hereby declared the purpose and intent of this chapter in the interest of
22 the public health, safety, and welfare, to vest in the corporation forceful
23 control of horse racing in the Commonwealth with plenary power to
24 promulgate administrative regulations prescribing conditions under which all
25 legitimate horse racing and wagering thereon is conducted in the
26 Commonwealth so as to encourage the improvement of the breeds of horses in
27 the Commonwealth, to regulate and maintain horse racing at horse race

1 meetings in the Commonwealth of the highest quality and free of any corrupt,
2 incompetent, dishonest, or unprincipled horse racing practices, and to regulate
3 and maintain horse racing at race meetings in the Commonwealth so as to
4 dissipate any cloud of association with the undesirable and maintain the
5 appearance as well as the fact of complete honesty and integrity of horse
6 racing in the Commonwealth.

7 (b) In addition, it is hereby declared the purpose and intent of this chapter to vest
8 in the corporation exclusive jurisdiction over sports wagering, casino gaming,
9 and fantasy contests in the Commonwealth, with plenary power to
10 promulgate administrative regulations prescribing conditions under which all
11 sports wagering, casino gaming, and fantasy contests are~~[-is]~~ to be
12 conducted.

13 (c) In addition to the general powers and duties vested in the corporation by this
14 chapter, it is the intent hereby to vest in the corporation the power to eject or
15 exclude from association grounds or any part thereof any person, licensed or
16 unlicensed, whose conduct or reputation is such that his or her presence on
17 association grounds may, in the opinion of the corporation, reflect on the
18 honesty and integrity of horse racing or interfere with either the orderly
19 conduct of horse racing or the orderly conduct of sports wagering.

20 (d) In addition, it is hereby declared the purpose and intent of this chapter to vest
21 in the corporation exclusive jurisdiction over charitable gaming in the
22 Commonwealth, with plenary power to promulgate administrative regulations
23 prescribing conditions under which all charitable gaming is to be conducted.

24 (e) In addition to the general powers and duties vested in the corporation by this
25 chapter, it is the intent hereby to vest in the corporation the power to eject or
26 exclude from charitable gaming facilities or any part thereof any person,
27 licensed or unlicensed, whose conduct or reputation is such that his or her

1 presence at a charitable gaming facility may, in the opinion of the corporation,
2 reflect on the honesty and integrity of charitable gaming or interfere with the
3 orderly conduct of charitable gaming.

4 ➔Section 26. KRS 230.225 is amended to read as follows:

5 (1) There is hereby created and established the Kentucky Horse Racing and Gaming
6 Corporation to regulate all forms of live horse racing, pari-mutuel wagering, sports
7 wagering, casino gaming, fantasy contests, breed integrity and development, and
8 on and after July 1, 2025, charitable gaming, in the Commonwealth, exclusive of
9 the state lottery established under KRS Chapter 154A. It shall be an independent, de
10 jure municipal corporation and political subdivision of the Commonwealth of
11 Kentucky which shall be a public body corporate and politic. The corporation shall
12 be deemed a public agency within the meaning of KRS 61.805 and 61.870. The
13 corporation shall be managed in such a manner that enables the people of the
14 Commonwealth to benefit from its actions and to enjoy the best possible racing and
15 gaming experiences. The General Assembly hereby recognizes that the operations
16 of racing and gaming are unique activities for state government and that a corporate
17 structure will best enable racing and gaming to be managed in a businesslike
18 manner. It is the intent of the General Assembly that the Kentucky Horse Racing
19 and Gaming Corporation shall be accountable to the Governor, the General
20 Assembly, and the people of the Commonwealth.

21 (2) (a) The Auditor of Public Accounts shall perform an annual audit of the
22 corporation, a copy of which shall be sent to the Governor and the Legislative
23 Research Commission.

24 (b) The corporation shall submit a written annual report to the Governor and the
25 Legislative Research Commission on or before July 1 of each year. The first
26 report shall be due July 1, 2025. The corporation shall file any additional
27 reports requested by the Governor or the Legislative Research Commission.

1 The annual report shall include the following information:

2 1. The receipts and disbursements of the corporation; and

3 2. Actions taken by the corporation.

4 (c) The corporation may submit any additional information and recommendations
5 that the corporation considers useful or that the Governor or the Legislative
6 Research Commission requests.

7 (3) The Kentucky Horse Racing and Gaming Corporation shall be administered by a
8 board of directors to regulate the conduct of:

9 (a) Live horse racing;

10 (b) Pari-mutuel wagering;

11 (c) Sports wagering;

12 (d) Casino gaming;

13 (e) Fantasy contests;

14 (f) Charitable gaming on and after July 1, 2025;

15 (g)~~[(e)]~~ Breed integrity and development; and

16 (h)~~[(f)]~~ Related activities within the Commonwealth of Kentucky.

17 (4) (a) The corporation shall establish and maintain a general office for the
18 transaction of its business and may, in its discretion, establish a branch office
19 or offices.

20 (b) The corporation may hold meetings at any of its offices or at any other place
21 at its convenience.

22 (c) A majority of the voting members of the corporation shall constitute a quorum
23 for the transaction of its business or exercise of any of its powers.

24 (5) Except as otherwise provided, the corporation shall be responsible for the
25 following:

26 (a) Developing and implementing programs designed to ensure the safety and
27 well-being of horses, jockeys, and drivers;

- 1 (b) Developing programs and procedures that will aggressively fulfill its
2 oversight and regulatory role on such matters as medical practices and
3 integrity issues;
- 4 (c) Recommending tax incentives and implementing incentive programs to ensure
5 the strength and growth of the equine industry;
- 6 (d) Designing and implementing programs that strengthen the ties between
7 Kentucky's horse industry and the state's universities, with the goal of
8 significantly increasing the economic impact of the horse industry on
9 Kentucky's economy, improving research for the purpose of promoting the
10 enhanced health and welfare of the horse, and other related industry issues;
- 11 (e) Developing and supporting programs which ensure that Kentucky remains in
12 the forefront of equine research;
- 13 (f) Designing and implementing programs that support and ensure breed integrity
14 and development;
- 15 (g) Developing monitoring programs to ensure the highest integrity of sporting
16 events and sports wagering;
- 17 (h) Developing a program to share wagering information with sports governing
18 bodies upon which sports wagering may be conducted. The program shall be
19 designed to assist the corporation in determining potential problems or
20 questionable activity and provide reports to sports governing bodies
21 effectively;
- 22 (i) Developing programs and procedures that will aggressively fulfill its
23 oversight and regulatory role to ensure the highest integrity in charitable
24 gaming;
- 25 (j) Developing programs and procedures that will aggressively provide oversight
26 and regulation for all current and future forms of gaming and wagering; and
- 27 (k) Ensuring that the correct responsibilities are assigned to each of its offices as

1 established in KRS 230.232.

2 (6) (a) The corporation shall:

3 1. Conduct all procurements in accordance with procedures which are not
4 inconsistent with the provisions of KRS Chapter 45A and this chapter;
5 provided, however, that this chapter shall control if and to the extent that
6 any provision in this chapter is expressly inconsistent with any provision
7 of KRS Chapter 45A; or

8 2. Promulgate administrative regulations establishing its procurement
9 procedures. If the corporation elects to promulgate administrative
10 regulations establishing its procurement procedures rather than conduct
11 procurements in accordance with KRS Chapter 45A, the corporation
12 may include sections of KRS Chapter 45A as part of its administrative
13 regulations.

14 (b) Major procurements for personal service contracts shall not be subject to the
15 requirements of KRS 45A.695(2)(b) due to the unique operational activities
16 conducted for state government by the corporation. The corporation's
17 procurement procedures or administrative regulations shall be designed to
18 provide for the purchase of supplies, equipment, services, and construction
19 items that provide the greatest long-term benefit to the state and the greatest
20 integrity for the corporation and the public.

21 (c) In its bidding and negotiation processes, the corporation may do its own
22 bidding and procurement, or may utilize the services of the Finance and
23 Administration Cabinet, or a combination thereof. The president of the
24 corporation may, in lieu of the secretary of the Finance and Administration
25 Cabinet, declare an emergency for purchasing purposes.

26 (7) Corporation records shall be open and subject to public inspection in accordance
27 with KRS 61.870 to 61.884 unless:

- 1 (a) A record is exempted from inspection under KRS 61.878;
- 2 (b) A record involves a trade secret or other legally protected intellectual property
- 3 or confidential proprietary information of the corporation or of an applicant,
- 4 licensee, individual, or entity having submitted information of such character
- 5 to the corporation, in which case, the portion of the record relating to these
- 6 subjects may be closed; or
- 7 (c) The disclosure of the record could impair or adversely affect the operational
- 8 security of the corporation in the regulation of matters within its jurisdiction
- 9 or could impair or adversely impact the operational security of applicants or
- 10 licensees.
- 11 (8) Meetings of the corporation through its board of directors shall be open to the
- 12 public in accordance with KRS 61.800 to 61.850 unless the exceptions set forth in
- 13 KRS 61.810 apply or the meeting addresses trade secrets, confidential or
- 14 proprietary information, or operational security issues as described in subsection
- 15 (7)(c) of this section. If this is the case, the corporation may meet in closed session
- 16 and shall follow the procedures set forth in KRS 61.815.
- 17 (9) (a) The corporation is hereby authorized to accept and expend such moneys as
- 18 may be appropriated by the General Assembly or such moneys as may be
- 19 received from any source for effectuating its purposes, including without
- 20 limitation the payment of the initial expenses of administration and operation
- 21 of the corporation.
- 22 (b) After the transfer to the corporation of any funds appropriated in fiscal year
- 23 2024-2025 and fiscal year 2025-2026 for the administration of this chapter
- 24 and KRS Chapter 238, the corporation shall be self-sustaining and self-funded
- 25 and moneys in the state general fund shall not be used or obligated to pay the
- 26 expenses of the corporation.
- 27 (10) On July 1, 2024:

- 1 (a) The Kentucky Horse Racing and Gaming Corporation shall assume all
2 responsibilities of the Kentucky Horse Racing Commission;
- 3 (b) The Kentucky Horse Racing Commission shall be abolished and all
4 employees of the Kentucky Horse Racing Commission are transferred to the
5 corporation; and
- 6 (c) All personnel, equipment, and funding shall be transferred from the Kentucky
7 Horse Racing Commission to the Kentucky Horse Racing and Gaming
8 Corporation.

9 (11) On July 1, 2025:

- 10 (a) The office regulating charitable gaming in the Kentucky Horse Racing and
11 Gaming Corporation shall assume all responsibilities of the Department of
12 Charitable Gaming;
- 13 (b) The Department of Charitable Gaming shall be abolished and all employees
14 of the Department of Charitable Gaming are transferred to the corporation;
15 and
- 16 (c) All personnel, equipment, and funding shall be transferred from the
17 Department of Charitable Gaming to the Kentucky Horse Racing and Gaming
18 Corporation.

19 (12) Notwithstanding any other law to the contrary, nothing in this chapter shall
20 authorize the corporation to:

- 21 (a) Regulate or control horse sales;
- 22 (b) Require the licensure of horse breeders in their capacity as breeders; or
- 23 (c) Exercise jurisdiction over matters within the exclusive national authority of
24 entities designated by the laws of the United States of America.

25 ➔Section 27. KRS 230.232 is amended to read as follows:

- 26 (1) The president of the Kentucky Horse Racing and Gaming Corporation shall
27 establish offices within the corporation. Each office shall have specific duties

1 assigned by the president. Topics addressed by the offices shall include but not be
2 limited to the following:

- 3 (a) Pari-mutuel wagering;
- 4 (b) Live horse racing;
- 5 (c) Breed development and integrity;
- 6 (d) Sports wagering;
- 7 (e) Casino gaming;
- 8 (f) Fantasy contests;
- 9 (g) Licensing, compliance, and investigations; and
- 10 (h)~~[(f)]~~ Charitable gaming.

11 (2) Each office shall be led by an office manager, and the president shall appoint the
12 manager of each office.

13 (3) Each office may propose the promulgation of administrative regulations related to
14 its area of jurisdiction, but the corporation shall have final authority to promulgate
15 administrative regulations under this chapter and on and after July 1, 2025, final
16 authority to promulgate administrative regulations under KRS Chapter 238.

17 ➔Section 28. KRS 243.500 (Effective July 1, 2025) is amended to read as
18 follows:

19 Any license may be revoked or suspended for the following causes:

- 20 (1) Conviction of the licensee or the licensee's agent, servant, or employee for selling
21 any illegal alcoholic beverages on the licensed premises.
- 22 (2) Making any false, material statements in an application or renewal application for a
23 license or supplemental license.
- 24 (3) Conviction of the licensee or any of the licensee's agents, servants, or employees of:
 - 25 (a) Two (2) violations of the terms and provisions of KRS Chapters 241 to 244,
 - 26 or any act regulating the manufacture, sale, and transportation of alcoholic
 - 27 beverages within two (2) consecutive years;

1 (b) Two (2) misdemeanors directly or indirectly attributable to the use of
2 alcoholic beverages within two (2) consecutive years; or

3 (c) Any felony.

4 (4) Failure or default of a licensee to pay an excise tax or any part of the tax or any
5 penalties imposed by or under the provisions of any statutes, ordinances, or Acts of
6 Congress relative to taxation, or for a violation of any related administrative
7 regulations promulgated by the Department of Revenue.

8 (5) Revocation of any license or permit provided in KRS 243.060, 243.070, 243.600,
9 and 243.610, or granted under any Act of Congress relative to the regulation of the
10 manufacture, sale, and transportation of alcoholic beverages.

11 (6) Setting up, conducting, operating, or keeping, on the licensed premises, any
12 gambling game, device, machine, contrivance, lottery, gift enterprise, handbook, or
13 facility for betting or transmitting bets on horse races; or permitting to be set up,
14 conducted, operated, kept, or engaged in, on the licensed premises, any gambling
15 game, device, machine, contrivance, lottery, gift enterprise, handbook, or facility.

16 This subsection shall not apply to:

17 (a) The sale of lottery tickets sold under the provisions of KRS Chapter 154A;

18 (b) The operation of a pari-mutuel system for betting, or the operation of sports
19 wagering, where authorized by law;

20 (c) The conduct of charitable gaming by a charitable organization licensed or
21 permitted under KRS Chapters 230 and 238;~~[-or]~~

22 (d) Special temporary raffles of alcoholic beverages under KRS 243.036;

23 (e) The conduct and operation of full casino, limited casino, and riverboat
24 casino gaming or the possession of electronic gaming devices or supplies or
25 equipment used in the conduct of casino gaming permitted under KRS
26 Chapter 230; or

27 (f) The conduct of fantasy contests under KRS Chapter 230.

- 1 (7) Conviction of the licensee, the licensee's agents, servants, or employees for:
- 2 (a) The trafficking or possession upon the licensed premises of controlled or
- 3 illegal substances described in KRS Chapter 218A, including synthetic drugs;
- 4 (b) Knowingly permitting the trafficking or possession by patrons upon the
- 5 licensed premises of controlled or illegal substances described in KRS
- 6 Chapter 218A, including synthetic drugs; or
- 7 (c) Knowingly receiving stolen property upon the licensed premises.
- 8 (8) Failure to comply with the terms of a final order of the board.

9 ➔Section 29. KRS 525.090 is amended to read as follows:

- 10 (1) A person is guilty of loitering when the person:
- 11 (a) Loiters or remains in a public place for the purpose of gambling with cards,
- 12 dice, or other gambling paraphernalia, except that the provisions of this
- 13 section shall not apply if the person is participating in charitable gaming
- 14 defined by KRS 238.505, or is engaged in sports wagering, casino gaming, or
- 15 fantasy contests licensed under KRS Chapter 230;
- 16 (b) Loiters or remains in a public place for the purpose of unlawfully using a
- 17 controlled substance;
- 18 (c) Loiters or remains in or about a school, college, or university building or
- 19 grounds, not having any reason or relationship involving custody of or
- 20 responsibility for a pupil or student or any other specific legitimate reason for
- 21 being there and not having written permission from anyone authorized to
- 22 grant the same; or
- 23 (d) Loiters or remains in any transportation facility, unless specifically authorized
- 24 to do so, for the purpose of soliciting or engaging in any business, trade, or
- 25 commercial transactions involving the sale of merchandise or services.

- 26 (2) Loitering is a violation.

27 ➔Section 30. KRS 528.010 (Effective July 1, 2025) is amended to read as

1 follows:

2 The following definitions apply in this chapter unless the context otherwise requires:

3 (1) (a) "Advancing gambling activity" means ~~["A person "advances gambling~~
4 ~~activity" when, acting other than as a player, he or she engages in]~~ conduct a
5 person engages in other than as a player that materially aids any form of
6 gambling activity not authorized under KRS Chapter 230.

7 (b) "Advancing gambling activity" includes ~~["The conduct shall include,]~~ but is
8 not limited to ~~["]~~ conduct directed toward the:

- 9 1. Establishment of the particular game, contest, scheme, device, or
10 activity involved; ~~["toward the"]~~
- 11 2. Acquisition or maintenance of premises, paraphernalia, equipment, or
12 apparatus therefor; ~~["toward the"]~~
- 13 3. Solicitation or inducement of persons to participate therein; ~~["toward the~~
14 ~~"]~~
- 15 4. Actual conduct of the playing phases thereof; and ~~["toward the"]~~
- 16 5. Arrangement of any of its financial or recording phases or toward any
17 other phase of its operation.

18 (c) A person who gambles at a social game of chance on equal terms with other
19 participants does not otherwise advance gambling activity by performing acts,
20 without remuneration or fee, directed toward the arrangement or facilitation of
21 the game, such as inviting persons to play, permitting the use of premises
22 therefor and supplying equipment used therein;

23 (2) "Bookmaking" means advancing gambling activity by unlawfully accepting bets
24 upon the outcome of future contingent events from members of the public as a
25 business not authorized under KRS Chapter 230;

26 (3) "Charitable gaming" means games of chance conducted by charitable organizations
27 licensed and regulated under the provisions of KRS Chapters 230 and 238;

- 1 (4) (a) "Coin-operated amusement machine" means a lawful machine or device that
2 requires the direct or indirect payment of consideration, including but not
3 limited to the insertion of a coin, currency, ticket, token, or similar object, or
4 the depositing of funds with the operator or owner of the device, and that
5 contains no material element of chance and automatically, by or through some
6 mechanical operation, affords music or amusement of some character with or
7 without vending any merchandise, but in addition to any merchandise.
- 8 (b) A coin-operated amusement machine shall not deliver or entitle the person
9 playing or operating the game to receive cash, cash equivalents, gift cards, or
10 vouchers, billets, tickets, tokens, electronic credits or any item that can be
11 exchanged for cash, cash equivalents, gift cards, merchandise, or something of
12 value, unless otherwise provided under this section.
- 13 (c) A coin-operated amusement machine may entitle the person playing to a
14 noncash, merchandise prize or a voucher, billet, ticket, token, or electronic
15 credit redeemable only for a noncash, merchandise prize under the following
16 rules:
- 17 1. The wholesale value of a merchandise prize awarded as a result of the
18 single play of a machine, either directly or as a result of redemption of a
19 redeemable voucher, does not exceed twenty-five dollars (\$25);
- 20 2. Redeemable vouchers are not redeemable for any merchandise prize that
21 has a wholesale value of more than twenty-five dollars (\$25) times the
22 fewest number of single plays necessary to accrue the redeemable
23 vouchers required to obtain that prize; and
- 24 3. Any redeemable vouchers or merchandise prizes are distributed at the
25 site of the coin-operated amusement machine at the time of play.
- 26 (d) The noncash merchandise prize shall not be:
- 27 1. An alcoholic beverage;

- 1 2. Eligible for purchase or repurchase; or
- 2 3. Exchangeable for any cash, cash equivalents, or something of value
- 3 whatsoever;
- 4 (5) (a) "E-sports competition" means a league, competitive circuit, tournament, or
- 5 similar competition in which:
- 6 1. Two (2) or more participants or teams of participants compete directly
- 7 against each other for entertainment and prizes in the same video game
- 8 at the same time, typically for spectators;
- 9 2. Results are determined solely on the basis of the skill of the players;
- 10 3. The number of participants is fixed before the beginning of the
- 11 competition;
- 12 4. Any fee collected to participate in the competition shall be collected
- 13 from all participants before the competition begins;
- 14 5. At least one (1) participant shall receive something of value based on the
- 15 results of the competition; and
- 16 6. The value of any prize shall be predetermined before the competition
- 17 begins.
- 18 (b) E-sports shall not include traditional casino games which include but are not
- 19 limited to poker, roulette, craps, or blackjack;
- 20 (6) (a) "Gambling" means staking or risking something of value upon the outcome of
- 21 a contest, game, gaming scheme, or gaming device which is based upon an
- 22 element of chance, in accord with an agreement or understanding that
- 23 someone will receive something of value in the event of a certain outcome.
- 24 "Gambling" includes playing or offering for play any game, contest, or
- 25 competition utilizing a gambling device.
- 26 (b) "Gambling" does not include:
- 27 1. A contest or game in which eligibility to participate is determined by

- 1 chance and the ultimate winner is determined by skill;
- 2 2. Charitable gaming which is licensed and regulated under the provisions
- 3 of KRS Chapter 238;
- 4 3. E-sports competitions;
- 5 4. Skill-based contests;~~{or}~~
- 6 5. The use or operation of any devices or machines that are described in
- 7 subsection (7)(b) of this section;
- 8 **6. Casino gaming licensed under KRS Chapter 230; or**
- 9 **7. Fantasy contests regulated under KRS Chapter 230.**

10 (7) (a) "Gambling device" means:

- 11 1. Any so-called slot machine or any other machine or mechanical device
- 12 which when operated may deliver, as a result of the application of any
- 13 element of chance, any money or property, or by the operation of which
- 14 a person may become entitled to receive, as the result of the application
- 15 of any element of chance, any money or property;
- 16 2. Any mechanical or electronic device permanently located in a business
- 17 establishment, including a private club, that is offered or made available
- 18 to a person to play or participate in a simulated gambling program in
- 19 return for direct or indirect consideration, including but not limited to
- 20 consideration paid for internet access or computer time, or a
- 21 sweepstakes entry, which when operated may deliver as a result of the
- 22 application of any element of chance, regardless of whether the result is
- 23 also partially or predominantly based on skill, any money or property, or
- 24 by the operation of which a person may become entitled to receive, as
- 25 the result of the application of any element of chance, regardless of
- 26 whether the result is also partially or predominantly based on skill, any
- 27 money or property;

- 1 3. Any other machine or any mechanical, electronic, or other device,
2 including but not limited to roulette wheels, gambling tables and similar
3 devices, designed and manufactured primarily for use in connection with
4 gambling and which when operated may deliver, as the result of the
5 application of any element of chance, any money or property, or by the
6 operation of which a person may become entitled to receive, as the
7 result of the application of any element of chance, any money or
8 property; or
- 9 4. Any electronic, computerized, or mechanical contrivance, terminal,
10 machine, or other device that:
- 11 a. Requires the direct or indirect payment of consideration which
12 may include and shall not be limited to the insertion of a coin,
13 currency, ticket, token, or similar object, or by depositing funds
14 with the operator or owner of the device, to operate, play, or
15 activate a game; and
- 16 b. Offers games the outcomes of which are determined by any
17 element of skill of the player and may deliver or entitle the person
18 playing or operating the device to receive cash, cash equivalents,
19 or gift cards or vouchers, billets, tickets, tokens, or electronic
20 credits to be exchanged for cash or to receive merchandise or
21 something of value, whether the payoff is made automatically
22 from the device or manually.
- 23 (b) The following shall not be considered gambling devices within this definition:
- 24 1. Devices dispensing or selling combination or French pools on licensed,
25 regular racetracks during races on said tracks;
- 26 2. Devices dispensing or selling combination or French pools on historical
27 races at licensed, regular racetracks as lawfully authorized by the

- 1 Kentucky Horse Racing and Gaming Corporation;
- 2 3. Electro-mechanical pinball machines specially designed, constructed, set
- 3 up, and kept to be played for amusement only. Any pinball machine
- 4 shall be made to receive and react only to the deposit of coins during the
- 5 course of a game. The ultimate and only award given directly or
- 6 indirectly to any player for the attainment of a winning score or
- 7 combination on any pinball machine shall be the right to play one (1) or
- 8 more additional games immediately on the same device at no further
- 9 cost. The maximum number of free games that can be won, registered,
- 10 or accumulated at one (1) time in operation of any pinball machine shall
- 11 not exceed thirty (30) free games. Any pinball machine shall be made to
- 12 discharge accumulated free games only by reactivating the playing
- 13 mechanism once for each game released. Any pinball machine shall be
- 14 made and kept with no meter or system to preserve a record of free
- 15 games played, awarded, or discharged. Nonetheless, a pinball machine
- 16 shall be a gambling device if a person gives or promises to give money,
- 17 tokens, merchandise, premiums, or property of any kind for scores,
- 18 combinations, or free games obtained in playing the pinball machine in
- 19 which the person has an interest as owner, operator, keeper, or
- 20 otherwise;
- 21 4. Devices used in the conduct of charitable gaming;
- 22 5. Coin-operated amusement machines;
- 23 6. Devices used for wagering exempted from the application of this chapter
- 24 pursuant to KRS 436.480;
- 25 7. Devices used in e-sports competitions;~~[-or]~~
- 26 8. Devices used in skill-based contests, provided such devices do not meet
- 27 the definition of gambling devices in paragraph (a) of this subsection; **or**

1 **9. Devices used in casino gaming licensed under KRS Chapter 230;**

2 (8) "Lottery and gift enterprise" means:

3 (a) A gambling scheme in which:

4 1. The players pay or agree to pay something of value for chances,
5 represented and differentiated by numbers or by combinations of
6 numbers or by some other media, one (1) or more of which are to be
7 designated the winning ones;

8 2. The ultimate winner is to be determined by a drawing or by some other
9 method based upon the element of chance; and

10 3. The holders of the winning chances are to receive something of value;
11 and

12 (b) A gift enterprise or referral sales plan which meets the elements of a lottery
13 listed in paragraph (a) of this subsection is to be considered a lottery under
14 this chapter;

15 (9) "Mutuel" or "the numbers games" means a form of lottery in which the winning
16 chances or plays are not determined upon the basis of a drawing or other act on the
17 part of persons conducting or connected with the scheme, but upon the basis of the
18 outcome or outcomes of a future contingent event or events otherwise unrelated to
19 the particular scheme;

20 (10) "Player" means a person who engages in any form of gambling solely as a
21 contestant or bettor, without receiving or becoming entitled to receive any profit
22 therefrom other than personal gambling winnings, and without otherwise rendering
23 any material assistance to the establishment, conduct, or operation of the particular
24 gambling activity. A person who engages in "bookmaking" as defined in subsection
25 (2) of this section is not a "player." The status of a "player" shall be a defense to any
26 prosecution under this chapter;

27 (11) "Profiting from gambling activity" **means** ~~A person "profits from gambling~~

1 activity"] when, other than as a player, a person~~he or she~~ accepts or receives or
2 agrees to accept or receive money or other property pursuant to an agreement or
3 understanding with any other person whereby the person~~he or she~~ participates or
4 is to participate in the proceeds of gambling activity not authorized under KRS
5 Chapter 230;

6 (12) "Simulated gambling program" means any method intended to be used by a person
7 playing, participating, or interacting with an electronic device that may, through the
8 application of any element of chance, either deliver money or property or an
9 entitlement to receive money or property;

10 (13) "Skill" means the knowledge, dexterity, or any other ability or expertise of a natural
11 person;

12 (14) "Skill-based contest" means a live, in-person competitive event among two (2) or
13 more individuals or teams of individuals in which the ultimate winner is determined
14 by skill and the competitive event does not utilize a gambling device; and

15 (15) (a) "Something of value" means any money or property, any token, object, or
16 article exchangeable for money or property, or any form of credit or promise
17 directly or indirectly contemplating transfer of money or property or of any
18 interest therein, or involving extension of a service, entertainment, or a
19 privilege of playing at a game or scheme without charge.

20 (b) "Something of value" does not include the award of a free, extended, or
21 continuous play which is awarded as a prize for playing a game or scheme for
22 a charge.

23 ➔Section 31. KRS 528.020 is amended to read as follows:

24 (1) A person is guilty of promoting gambling in the first degree when he or she
25 knowingly advances or profits from unlawful gambling activity by:

26 (a) Engaging in bookmaking to the extent that he or she employs or utilizes three
27 (3) or more persons in a bookmaking activity and receives or accepts in any

- 1 one (1) day bets totaling more than five hundred dollars (\$500); or
- 2 (b) Receiving in connection with a lottery or mutuel scheme or enterprise:
- 3 1. Money or written records from a person other than a player whose
- 4 chances or plays are represented by such money or records; or
- 5 2. More than five hundred dollars (\$500) in any one day of money played
- 6 in the scheme or enterprise; or
- 7 (c) Setting up and operating a gambling device without holding the required
- 8 license under KRS Chapter 230.
- 9 (2) Promoting gambling in the first degree is a Class D felony.
- 10 ➔Section 32. KRS 528.070 is amended to read as follows:
- 11 (1) A person is guilty of permitting gambling when, having possession or control of
- 12 premises which he or she knows are being used to advance gambling activity that is
- 13 not licensed under KRS Chapter 230, he or she fails to halt or abate or attempt to
- 14 halt or abate such use within a reasonable period of time.
- 15 (2) Permitting gambling is a Class B misdemeanor.
- 16 ➔Section 33. KRS 528.080 is amended to read as follows:
- 17 (1) A person is guilty of possession of a gambling device when, with knowledge of the
- 18 character thereof, he or she manufactures, sells, transports, places or possesses a
- 19 gambling device without the appropriate license required under KRS Chapter 230
- 20 or conducts or negotiates any transaction affecting or designed to affect ownership,
- 21 custody or use of any gambling device, believing that it is to be used in the
- 22 advancement of unlawful gambling activity.
- 23 (2) Possession of a gambling device is a Class A misdemeanor.
- 24 ➔Section 34. KRS 528.100 is amended to read as follows:
- 25 (1) Any gambling device or gambling record possessed or used in violation of this
- 26 chapter is forfeited to the state, and shall be disposed of in accordance with KRS
- 27 500.090, except that this section shall not apply to casino gaming authorized

1 under KRS Chapter 230.

- 2 (2) In addition to any other penalty provided by law, any person who conducts,
3 finances, manages, supervises, directs, or owns a gambling device intended for use
4 in the Commonwealth in violation of this chapter shall be subject to a civil penalty
5 not to exceed twenty-five thousand dollars (\$25,000) for each device, payable to the
6 county in which the device was operated.
- 7 (3) The Attorney General, the Commonwealth's attorney for any locality, or the county
8 attorney for any locality may cause an action in equity to be brought in the name of
9 the Commonwealth or of the locality, as applicable, to:
- 10 (a) Enjoin the operation of a gambling device in violation of this section;
11 (b) Request an attachment against all such devices and any moneys within those
12 devices pursuant to KRS 500.090; and
13 (c) Recover the civil penalty not to exceed twenty-five thousand dollars
14 (\$25,000) per device.
- 15 ➔Section 35. This Act takes effect July 1, 2025.