GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2015 REGULAR SESSION

HOUSE BILL NO. 165

WEDNESDAY, FEBRUARY 25, 2015

The following bill was reported to the Senate from the House and ordered to be printed.

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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY K. Adler

1 AN ACT relating to Paint horses.

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 racing commission, 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 racing commission to conduct advance deposit account wagering and accept
11 deposits and wagers, issue a receipt or other confirmation to the account holder
12 evidencing such deposits and wagers, and transfer credits and debits to and from
13 accounts;

14 (3) "Appaloosa race" or "Appaloosa racing" means that form of horse racing in which
15 each horse participating in the race is registered with the Appaloosa Horse Club of
16 Moscow, Idaho, and is mounted by a jockey;

17 (4) "Arabian" means a horse that is registered with the Arabian Horse Registry of
18 Denver, Colorado;

19 (5) "Association" means any person licensed by the Kentucky Horse Racing
20 Commission under KRS 230.300 and engaged in the conduct of a recognized horse
21 race meeting;

22 (6) "Harness race" or "harness racing" means trotting and pacing races of the
23 standardbred horses;

24 (7) "Horse race meeting" means horse racing run at an association licensed and
25 regulated by the Kentucky Horse Racing Commission, and may include
26 Thoroughbred, harness, Appaloosa, Arabian, ***Paint,*** and quarter horse racing;

27 (8) "Host track" means the track conducting racing and offering its racing for intertrack

1 wagering, or, in the case of interstate wagering, means the Kentucky track
2 conducting racing and offering simulcasts of races conducted in other states or
3 foreign countries;
4 (9) "Intertrack wagering" means pari-mutuel wagering on simulcast horse races from a
5 host track by patrons at a receiving track;
6 (10) "Interstate wagering" means pari-mutuel wagering on simulcast horse races from a
7 track located in another state or foreign country by patrons at a receiving track or
8 simulcast facility;
9 (11) "Kentucky quarter horse, ***Paint horse,*** Appaloosa, and Arabian purse fund" means a
10 purse fund established to receive funds as specified in ***Section 6 of this Act***[~~KRS~~
11 ~~230.3771~~] for purse programs established in ***Section 3 of this Act***[~~KRS 230.446~~] to
12 supplement purses for quarter horse, ***Paint horse,*** Appaloosa, and Arabian horse
13 races. The purse program shall be administered by the Kentucky Horse Racing
14 Commission;
15 (12) "Kentucky resident" means:
16 (a) An individual domiciled within this state;
17 (b) An individual who maintains a place of abode in this state and spends, in the
18 aggregate, more than one hundred eighty-three (183) days of the calendar year
19 in this state; or
20 (c) An individual who lists a Kentucky address as his or her principal place of
21 residence when applying for an account to participate in advance deposit
22 account wagering;
23 (13) ***"Paint horse" means a horse registered with the American Paint Horse***
24 ***Association of Fort Worth, Texas;***
25 ***(14)*** "Principal" means any of the following individuals associated with a partnership,
26 trust, association, limited liability company, or corporation that is licensed to
27 conduct a horse race meeting or an applicant for a license to conduct a horse race

1 meeting:
2 (a) The chairman and all members of the board of directors of a corporation;
3 (b) All partners of a partnership and all participating members of a limited
4 liability company;
5 (c) All trustees and trust beneficiaries of an association;
6 (d) The president or chief executive officer and all other officers, managers, and
7 employees who have policy-making or fiduciary responsibility within the
8 organization;
9 (e) All stockholders or other individuals who own, hold, or control, either directly
10 or indirectly, five percent (5%) or more of stock or financial interest in the
11 collective organization; and
12 (f) Any other employee, agent, guardian, personal representative, or lender or
13 holder of indebtedness who has the power to exercise a significant influence
14 over the applicant's or licensee's operation;
15 ***(15)***[~~(14)~~] "Quarter horse" means a horse that is registered with the American Quarter
16 Horse Association of Amarillo, Texas;
17 ***(16)***[~~(15)~~] "Racing commission" means the Kentucky Horse Racing Commission;
18 ***(17)***[~~(16)~~] "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 year;
25 ***(18)***[~~(17)~~] "Simulcast facility" means any facility approved pursuant to the provisions of
26 KRS 230.380 to simulcast racing and conduct pari-mutuel wagering;
27 ***(19)***[~~(18)~~] "Simulcasting" means the telecast of live audio and visual signals of horse

1 races for the purpose of pari-mutuel wagering;
2 ***(20)***[~~(19)~~] "Telephone account wagering" means a form of pari-mutuel wagering where
3 an individual may deposit money in an account at a track and may place a wager by
4 direct telephone call or by communication through other electronic media owned by
5 the holder of the account to the track;
6 ***(21)***[~~(20)~~] "Thoroughbred race" or "Thoroughbred racing" means a form of horse racing
7 in which each horse participating in the race is a Thoroughbred, (i.e., meeting the
8 requirements of and registered with The Jockey Club of New York) and is mounted
9 by a jockey; and
10 ***(22)***[~~(21)~~] "Track" means any association duly licensed by the Kentucky Horse Racing
11 Commission to conduct horse racing. "Track" shall include any facility or real
12 property that is owned, leased, or purchased by a track within the same geographic
13 area within a sixty (60) mile radius of a track but not contiguous to track premises,
14 upon racing commission approval, and provided the noncontiguous property is not
15 within a sixty (60) mile radius of another licensed track premise where live racing is
16 conducted and not within a forty (40) mile radius of a simulcast facility, unless any
17 affected track or simulcast facility agrees in writing to permit a noncontiguous
18 facility within the protected geographic area.
19 ➔Section 2. KRS 230.445 is amended to read as follows:
20 (1) There is hereby created a trust and revolving fund for the Kentucky Horse Racing
21 Commission designated the Kentucky quarter horse, ***Paint horse,*** Appaloosa, and
22 Arabian development fund, consisting of money allocated to the fund under ***Section***
23 ***6 of this Act***[~~KRS 230.3771~~] together with any other money contributed to or
24 allocated to the fund from all other sources. For the purposes of this section,
25 "development fund" or "fund" means the Kentucky quarter horse, ***Paint horse,***
26 Appaloosa, and Arabian development fund. Money to the credit of the development
27 fund shall be distributed by the Treasurer for the purposes provided in this section,

1 upon authorization of the Kentucky Horse Racing Commission and upon approval
2 of the secretary of the Finance and Administration Cabinet. Notwithstanding KRS
3 45.229, money to the credit of the fund at the end of the fiscal year shall not lapse
4 but shall be carried forward in the fund to the succeeding fiscal year. Interest
5 earnings of the fund shall become a part of the fund and shall not lapse. Moneys in
6 the fund shall be used and are hereby appropriated for purposes specified in this
7 section.
8 (2) The Kentucky Horse Racing Commission shall use the development fund to
9 promote races and to provide purses for races for horses bred and foaled in the
10 Commonwealth. The commission shall provide for distribution of money to the
11 credit of the development fund to persons, corporations, or associations operating
12 licensed tracks within Kentucky conducting quarter horse, ***Paint horse,*** Appaloosa,
13 or Arabian horse racing, on an equitable basis as determined by the commission and
14 in conformance with subsection (3) of this section.
15 (3) The Kentucky Horse Racing Commission shall:
16 (a) Fix the amount of money to be paid from the development fund to be added to
17 the purse provided for each race by the licensed operator of the track;
18 (b) Fix the dates and conditions of races to be held by licensed tracks; and
19 (c) Promulgate administrative regulations necessary to carry out the provisions of
20 this section.
21 Money from the fund shall be allocated to each breed of horse represented in the
22 fund in an amount equal to the amount the breed has contributed to the fund.
23 (4) The Kentucky Horse Racing Commission shall appoint qualified personnel as
24 necessary to:
25 (a) Supervise registration of, or determine the eligibility of, horses entitled to
26 entry in races which receive a portion of purse money from the development
27 fund; and

1 (b) Assist the commission in determining the conditions, class, and quality of the
2 fund-supported race program established to carry out the purposes of this
3 section.
4 The personnel shall serve at the pleasure of the commission and compensation shall
5 be fixed by the commission with the compensation and necessary expenses of the
6 personnel paid from the development fund.
7 (5) The commission shall promulgate administrative regulations to carry out the
8 provisions of this section and shall administer the Kentucky quarter horse, ***Paint***
9 ***horse,*** Appaloosa, and Arabian development fund in a manner designed to:
10 (a) Promote and aid in the development of the horse industry in Kentucky;
11 (b) Upgrade the quality of racing in Kentucky; and
12 (c) Improve the quality of horses bred in Kentucky.
13 ➔Section 3. KRS 230.446 is amended to read as follows:
14 (1) The Kentucky quarter horse, ***Paint horse,*** Appaloosa, and Arabian purse fund is
15 created as a trust and agency fund to be administered by the Kentucky Horse Racing
16 Commission and shall consist of moneys allocated to the fund under ***Section 6 of***
17 ***this Act***~~[KRS 230.3771]~~ together with any other moneys contributed to or allocated
18 to the fund from all other sources. For the purposes of this section, "purse fund" or"
19 fund" means the Kentucky quarter horse, ***Paint horse,*** Appaloosa, and Arabian
20 purse fund.
21 (2) Notwithstanding KRS 45.229, money to the credit of the fund at the end of the
22 fiscal year shall not lapse but shall be carried forward in the fund to the succeeding
23 fiscal year. Interest earnings of the fund shall become a part of the fund and shall
24 not lapse.
25 (3) Moneys in the fund shall be used and are hereby appropriated for purposes specified
26 in this section.
27 (4) The Kentucky Horse Racing Commission shall use the purse fund to promote racing

1 and to provide purses for races conducted in the Commonwealth as follows:
2 (a) The Kentucky Horse Racing Commission shall provide for distribution of
3 money from the fund to persons, corporations, or associations operating
4 licensed tracks within the Commonwealth conducting quarter horse, ***Paint***
5 ***horse,*** Appaloosa, or Arabian horse racing;
6 (b) Moneys from the purse fund shall be allocated to each breed of horse
7 represented in the fund in proportion to the amount each breed has contributed
8 to the fund; and
9 (c) The Kentucky Horse Racing Commission shall consult with the Kentucky
10 Quarter Horse Racing Association or its successor, the Kentucky Appaloosa
11 Owners Association or its successor, ***the Kentucky Paint Horse Club or its***
12 ***successor,*** and the Kentucky Arabian Horse Association or its successor, to
13 designate the races and the amount of purse money to be provided for
14 designated races for each breed respectively.
15 (5) The Kentucky Horse Racing Commission shall:
16 (a) Fix the dates and conditions of races to be held by licensed tracks;
17 (b) Fix the amount of money to be paid from the fund to be added to the purse
18 provided for each race by the licensed operator of the track; and
19 (c) Promulgate administrative regulations necessary to carry out the provisions of
20 this section.
21 (6) The Kentucky Horse Racing Commission shall carry out the provisions of this
22 section and administer the purse fund in a manner designed to promote and aid in
23 the development of the horse industry in Kentucky and upgrade the quality of horse
24 racing in Kentucky.
25 ➔Section 4. KRS 230.804 is amended to read as follows:
26 (1) There is hereby created in the State Treasury a trust and revolving fund designated
27 as the "Kentucky horse breeders incentive fund." The fund shall be administered by

1 the Kentucky Horse Racing Commission. For tax periods beginning on or after June
2 1, 2005, seven percent (7%) of all receipts collected under KRS 139.531(1)(a) from
3 the sales and use tax on the fees paid for breeding a stallion to a mare in Kentucky
4 shall be deposited in the fund together with any other money contributed,
5 appropriated or allocated to the fund from all other sources. The money deposited in
6 the fund is hereby appropriated for the uses set forth in this section.
7 ***Notwithstanding KRS 45.229,*** any money remaining in the fund at the close of any
8 calendar year shall not lapse but shall be carried forward to the next calendar year.
9 The fund may also receive additional state appropriations, gifts, grants, and federal
10 funds. All interest earned on money in the fund shall be credited to the fund.
11 (2) (a) The Kentucky Horse Racing Commission shall use moneys deposited in the
12 Kentucky horse breeders incentive fund to administer the fund and provide
13 rewards for breeders or owners of horses bred and foaled in Kentucky.
14 (b) The Kentucky Horse Racing Commission shall promulgate administrative
15 regulations establishing the conditions and criteria for the distribution of
16 moneys from the fund.
17 (c) The Department of Revenue may promulgate administrative regulations
18 establishing the procedures necessary to determine the correct allocation of
19 sales tax receipts described in subsection (1) of this section.
20 (d) As soon as practicable after the close of each calendar year, the racing
21 commission shall disburse to breeders of horses moneys in the Kentucky horse
22 breeders incentive fund to be used to promote, enhance, improve, and
23 encourage the further and continued development of the horse industry in
24 Kentucky, under the administrative regulations promulgated pursuant to
25 paragraph (b) of this subsection.
26 ➔Section 5. KRS 138.510 is amended to read as follows:
27 (1) (a) Except as provided in paragraph (d) of this subsection, an excise tax is

1 imposed on all tracks conducting pari-mutuel wagering on live racing under
2 the jurisdiction of the commission as follows:
3 1. For each track with a daily average live handle of one million two
4 hundred thousand dollars ($1,200,000) or above, the tax shall be in the
5 amount of three and one-half percent (3.5%) of all money wagered on
6 live races at the track during the fiscal year; and
7 2. For each track with a daily average live handle under one million two
8 hundred thousand dollars ($1,200,000), the tax shall be one and one-half
9 percent (1.5%) of all money wagered on live races at the track during the
10 fiscal year.
11 (b) Beginning on April 1, 2014, an excise tax is imposed on all tracks conducting
12 pari-mutuel wagering on historical horse races under the jurisdiction of the
13 commission at a rate of one and one-half percent (1.5%) of all money wagered
14 on historical horse races at the track during the fiscal year.
15 (c) Money shall be deducted from the tax paid under paragraphs (a) and (b) of
16 this subsection and deposited as follows:
17 1. An amount equal to three-quarters of one percent (0.75%) of all money
18 wagered on live races and historical horse races at the track for
19 Thoroughbred racing shall be deposited in the Thoroughbred
20 development fund established in KRS 230.400;
21 2. An amount equal to one percent (1%) of all money wagered on live
22 races and historical horse races at the track for harness racing shall be
23 deposited in the Kentucky standardbred development fund established in
24 KRS 230.770;
25 3. An amount equal to one percent (1%) of all money wagered on live
26 races and historical horse races at the track for quarter horse, ***Paint***
27 ***horse,*** Appaloosa, and Arabian horse racing shall be deposited in the

1 Kentucky quarter horse, ***Paint horse,*** Appaloosa, and Arabian
2 development fund established by ***Section 2 of this Act***[~~KRS 230.445~~];
3 4. An amount equal to two-tenths of one percent (0.2%) of all money
4 wagered on live races and historical horse races at the track shall be
5 deposited in the equine industry program trust and revolving fund
6 established by KRS 230.550 to support the Equine Industry Program at
7 the University of Louisville, except that the amount deposited from
8 money wagered on historical horse races in any fiscal year shall not
9 exceed six hundred fifty thousand dollars ($650,000);
10 5. a. An amount equal to one-tenth of one percent (0.1%) of all money
11 wagered on live races and historical horse races at the track shall
12 be deposited in a trust and revolving fund to be used for the
13 construction, expansion, or renovation of facilities or the purchase
14 of equipment for equine programs at state universities, except that
15 the amount deposited from money wagered on historical horse
16 races in any fiscal year shall not exceed three hundred twenty
17 thousand dollars ($320,000).
18 b. These funds shall not be used for salaries or for operating funds for
19 teaching, research, or administration. Funds allocated under this
20 subparagraph shall not replace other funds for capital purposes or
21 operation of equine programs at state universities.
22 c. The Kentucky Council on Postsecondary Education shall serve as
23 the administrative agent and shall establish an advisory committee
24 of interested parties, including all universities with established
25 equine programs, to evaluate proposals and make
26 recommendations for the awarding of funds.
27 d. The Kentucky Council on Postsecondary Education may

1 promulgate administrative regulations to establish procedures for
2 administering the program and criteria for evaluating and awarding
3 grants; and
4 6. An amount equal to one-tenth of one percent (0.1%) of all money
5 wagered on live races and historical horse races shall be distributed to
6 the commission to support equine drug testing as provided in KRS
7 230.265(3), except that the amount deposited from money wagered on
8 historical horse races in any fiscal year shall not exceed three hundred
9 twenty thousand dollars ($320,000).
10 (d) The excise tax imposed by paragraph (a) of this subsection shall not apply to
11 pari-mutuel wagering on live harness racing at a county fair.
12 (e) The excise tax imposed by paragraph (a) of this subsection, and the
13 distributions provided for in paragraph (c) of this subsection, shall apply to
14 money wagered on historical horse races beginning September 1, 2011,
15 through March 31, 2014, and historical horse races shall be considered live
16 racing for purposes of determining the daily average live handle. Beginning
17 April 1, 2014, the tax imposed by paragraph (b) of this subsection shall apply
18 to money wagered on historical horse races.
19 (2) (a) Except as provided in paragraph (c) of this subsection, an excise tax is
20 imposed on:
21 1. All tracks conducting telephone account wagering;
22 2. All tracks participating as receiving tracks in intertrack wagering under
23 the jurisdiction of the commission; and
24 3. All tracks participating as receiving tracks displaying simulcasts and
25 conducting interstate wagering thereon.
26 (b) The tax shall be three percent (3%) of all money wagered on races as provided
27 in paragraph (a) of this subsection during the fiscal year.

1 (c) A noncontiguous track facility approved by the commission on or after
2 January 1, 1999, shall be exempt from the tax imposed under this subsection,
3 if the facility is established and operated by a licensed track which has a total
4 annual handle on live racing of two hundred fifty thousand dollars ($250,000)
5 or less. The amount of money exempted under this paragraph shall be retained
6 by the noncontiguous track facility, ***Section 6 of this Act***[~~KRS 230.3771~~] and
7 230.378 notwithstanding.
8 (d) Money shall be deducted from the tax paid under paragraphs (a) and (b) of
9 this subsection as follows:
10 1. An amount equal to two percent (2%) of the amount wagered shall be
11 deposited as follows:
12 a. In the Thoroughbred development fund established in KRS
13 230.400 if the host track is conducting a Thoroughbred race
14 meeting or the interstate wagering is conducted on a Thoroughbred
15 race meeting;
16 b. In the Kentucky standardbred development fund established in
17 KRS 230.770, if the host track is conducting a harness race
18 meeting or the interstate wagering is conducted on a harness race
19 meeting; or
20 c. In the Kentucky quarter horse, ***Paint horse,*** Appaloosa, and
21 Arabian development fund established by ***Section 2 of this***
22 ***Act***[~~KRS 230.445~~], if the host track is conducting a quarter horse,
23 ***Paint horse,*** Appaloosa, or Arabian horse race meeting or the
24 interstate wagering is conducted on a quarter horse, ***Paint horse,***
25 Appaloosa, or Arabian horse race meeting;
26 2. An amount equal to one-twentieth of one percent (0.05%) of the amount
27 wagered shall be allocated to the equine industry program trust and

1 revolving fund established by KRS 230.550 to be used to support the
2 Equine Industry Program at the University of Louisville;
3 3. An amount equal to one-tenth of one percent (0.1%) of the amount
4 wagered shall be deposited in a trust and revolving fund to be used for
5 the construction, expansion, or renovation of facilities or the purchase of
6 equipment for equine programs at state universities, as detailed in
7 subsection (1)(c)5. of this section; and
8 4. An amount equal to one-tenth of one percent (0.1%) of the amount
9 wagered shall be distributed to the commission to support equine drug
10 testing as provided in KRS 230.265(3).
11 (3) The taxes imposed by this section shall be paid, collected, and administered as
12 provided in KRS 138.530.
13 ➔Section 6. KRS 230.3771 is amended to read as follows:
14 (1) A Thoroughbred track licensed to conduct Thoroughbred racing may receive
15 interstate simulcasts of Thoroughbred, quarter horse, ***Paint horse,*** Appaloosa, and
16 Arabian horse races, and conduct interstate wagering thereon, subject to the
17 following limitations:
18 (a) A Thoroughbred receiving track may receive interstate simulcasts of
19 Thoroughbred races and conduct interstate wagering thereon at any time of
20 day and during any live Thoroughbred horse race meet conducted in the
21 Commonwealth of Kentucky so long as the Thoroughbred receiving track
22 conducting interstate wagering remits to the Thoroughbred host track
23 conducting a live meet, from the first awarded day of its live meet through the
24 last awarded day of the same live meet, the amounts provided in paragraph (j)
25 of this subsection.
26 (b) A Thoroughbred host track which receives interstate simulcasts and conducts
27 interstate wagering thereon during the period of time from the first awarded

1 day of its live meet through the last awarded day of its live meet shall offer the
2 simulcasts to all Thoroughbred receiving tracks, all harness tracks not subject
3 to the provisions of KRS 230.377(2), and all simulcast facilities through the
4 intertrack wagering system.
5 (c) Except as otherwise prohibited by law, a receiving track shall conduct
6 intertrack wagering on all live races of all Thoroughbred host tracks on any
7 day on which it receives an interstate simulcast for the purpose of conducting
8 interstate wagering.
9 (d) No host track shall require that any receiving track or simulcast facility
10 receive the interstate simulcast.
11 (e) If more than one (1) Thoroughbred track conducts live racing at the same time
12 on the same day, no track or simulcast facility may receive an interstate
13 simulcast of Thoroughbred races unless all Thoroughbred tracks conducting
14 live racing at the same time of day agree upon all interstate simulcasts to be
15 received and the division of the Thoroughbred host track's commission. If
16 more than one (1) Thoroughbred track conducts live racing at different times
17 on the same day, the Thoroughbred host track with the highest average daily
18 handle, based on the preceding year, shall be the host track for purposes of
19 splitting the commissions earned on interstate wagering at receiving tracks
20 within the Commonwealth. For purposes of this subsection, average daily
21 handle includes live handle, intertrack wagering handle, and simulcast facility
22 handle. Also for purposes of this subsection, the time of day during which a
23 host track conducts live racing commences with its first published post time
24 and concludes ten (10) minutes after the published post time of its last race of
25 the day, regardless of actual post times.
26 (f) Each Thoroughbred track which desires to conduct interstate wagering
27 pursuant to the provisions of this subsection shall during each year make

1 application to the racing commission for no less than one hundred percent
2 (100%) of the number of racing days awarded to the track in 1994 and one
3 hundred percent (100%) of the number of races scheduled to be run by the
4 track in 1993.
5 (g) Notwithstanding paragraph (f) of this subsection, any Thoroughbred track may
6 apply for less than one hundred percent (100%) of the number of racing days
7 awarded to the track in 1994 or one hundred percent (100%) of the number of
8 races scheduled to be run by the track in 1993, if written approval is obtained
9 from the Kentucky Horsemen's Benevolent and Protective Association and the
10 Kentucky Thoroughbred Owners and Breeders Association, Inc.
11 (h) A separate accounting on all interstate simulcasting shall be submitted to the
12 racing commission. The accounting shall be submitted in the same format and
13 at the same time that the report for intertrack wagering is submitted.
14 (i) If the only simulcast or simulcasts a track participating as a host track makes
15 available for interstate wagering through this state's intertrack wagering
16 system on any race day are Thoroughbred horse races designated as graded
17 stakes races by the Graded Stakes Committee of the Thoroughbred Owners
18 and Breeders Association, Inc., then the commission of the receiving track on
19 these interstate wagers shall be split as prescribed by KRS 230.378(3);
20 otherwise, the commission of the receiving track shall be split as prescribed by
21 paragraph (j) of this subsection. Interstate simulcasts received by a
22 Thoroughbred host track under the conditions set forth in this paragraph shall
23 not be subject to the conditions set forth in paragraphs (b), (c), (e), and (f) of
24 this subsection.
25 (j) A receiving track's commission on interstate wagering, after deduction of
26 applicable taxes and any amounts required to be paid by contract to the track
27 from which the interstate simulcast originated, shall be split as follows:

1. Twenty-five percent (25%) to the receiving track where the interstate wagering occurs;
2. Twenty-five percent (25%) to the Thoroughbred host track designated by paragraphs (a) and (e) of this subsection. However, if the race does not occur between the first awarded day of a live meet and the last awarded day of the same live meet, an additional twenty-five percent (25%) shall be retained by the receiving track where the interstate wagering occurs;
3. Twenty-five percent (25%) to the purse program of the receiving track where the interstate wagering occurs; and
4. Twenty-five percent (25%) to the purse program of the Thoroughbred host track designated by paragraphs (a) and (e) of this subsection. However, if the race does not occur between the first awarded day of a live meet and the last awarded day of the same live meet, then an additional twenty-five percent (25%) shall be paid to the purse program of the receiving track where the interstate wagering occurs.

(k) A simulcast facility's commission on interstate wagering on Thoroughbred racing, after deduction of applicable taxes and any amounts required to be paid by contract to the track from which the interstate simulcast originated, shall be split as provided in KRS 230.380(9).

(2) A harness track licensed to conduct harness racing may receive interstate simulcasts of harness horse, quarter horse, ***Paint horse,*** Appaloosa, and Arabian horse races and conduct interstate wagering thereon subject to the following limitations:

(a) A harness receiving track may receive interstate simulcasts of harness races, quarter horse races, ***Paint horse races,*** Appaloosa races, and Arabian horse races, and conduct interstate wagering thereon at any time of day and during the course of any live harness horse race meet conducted in the Commonwealth of Kentucky so long as the harness receiving track conducting

1 interstate wagering remits to the harness host track conducting a live meet,
2 from the first awarded day of its live meet through the last awarded day of the
3 same live meet, the amounts provided in paragraph (j) of this subsection.
4 (b) A harness host track which receives an interstate simulcast and conducts
5 interstate wagering thereon during its live race meet shall offer the simulcasts
6 to all Thoroughbred receiving tracks not subject to the provisions of KRS
7 230.377(2), all harness tracks, and all simulcast facilities through the
8 intertrack wagering system.
9 (c) Except as otherwise prohibited by law, a harness receiving track or a simulcast
10 facility shall conduct intertrack wagering on all live races of a harness host
11 track on any day it receives an interstate simulcast from a harness host track.
12 (d) No host track shall require that any receiving track or simulcast facility
13 receive the interstate simulcast.
14 (e) If more than one (1) harness track conducts live racing at the same time on the
15 same day, no track or simulcast facility may receive an interstate simulcast on
16 harness races unless all harness tracks conducting live racing at that time of
17 day agree upon the interstate simulcast to be received and the division of the
18 harness host track's commission. If more than one (1) harness track conducts
19 live racing at different times on the same day, the harness host track with the
20 highest average daily handle, based on the preceding year, shall be the host
21 track for purposes of splitting the commissions earned on interstate wagering
22 at receiving tracks within the Commonwealth. For purposes of this subsection,
23 average daily handle includes live handle, intertrack wagering handle, and
24 simulcast facility handle. Also for purposes of this subsection, the time of day
25 during which a host track conducts live racing commences with its first
26 published post time and conclude ten (10) minutes after the published post
27 time of its last race of the day, regardless of actual post times.

1 (f) Each harness track which desires to conduct interstate wagering pursuant to
2 the provisions of this subsection shall during each year make application to
3 the racing commission for no less than one hundred percent (100%) of the
4 number of racing days awarded to the track in 1994 and one hundred percent
5 (100%) of the number of races scheduled to be run by the track in 1993.
6 (g) Notwithstanding paragraph (f) of this subsection, any harness track may apply
7 for less than one hundred percent (100%) of the number of racing days
8 awarded to the track in 1994 or one hundred percent (100%) of the number of
9 races scheduled to be run by the track in 1993, if written approval is obtained
10 from the Kentucky Harness Horsemen's Association, or its successor.
11 (h) A separate accounting on all interstate simulcasting shall be submitted to the
12 racing commission. This accounting shall be submitted in the same format and
13 at the same time that the report for intertrack wagering is submitted.
14 (i) If the only simulcast or simulcasts a track participating as a harness host track
15 makes available for interstate wagering through this state's intertrack wagering
16 system on any race day are harness horse races (both final and elimination)
17 having a final purse in excess of seventy-five thousand dollars ($75,000), then
18 the commission of the receiving track on these interstate wagers shall be split
19 as prescribed by KRS 230.378(3); otherwise, the commission of the receiving
20 track shall be split as prescribed by paragraph (j) of this subsection. Interstate
21 simulcasts received by a harness host track under the conditions set forth in
22 this paragraph shall not be subject to the conditions set forth in paragraphs (b),
23 (c), (e), and (f) of this subsection.
24 (j) A receiving track's commission on interstate wagering, after deduction of
25 applicable taxes and any amounts required to be paid by contract to the track
26 from which the interstate simulcast originated, shall be split as follows:
27 1. Twenty-five percent (25%) to the receiving track where the interstate

1 wagering occurs;
2 2. Twenty-five percent (25%) to the harness host track designated by
3 paragraphs (a) and (e) of this subsection. However, if no live meet is
4 occurring, an additional twenty-five percent (25%) shall be retained by
5 the receiving track where the interstate wagering occurs;
6 3. Twenty-five percent (25%) to the purse program of the receiving track
7 where the interstate wagering occurs; and
8 4. Twenty-five percent (25%) to the purse program of the harness host
9 track designated by paragraphs (a) and (e) of this subsection. However,
10 if no live meet is occurring, an additional twenty-five percent (25%)
11 shall be paid to the purse program of the receiving track where the
12 interstate wagering occurs.
13 (k) A simulcast facility's commission on interstate wagering on harness races,
14 after deduction of applicable taxes and any amount required to be paid by
15 contract to the track from which the interstate simulcast originated, shall be
16 split as provided in KRS 230.380(9).
17 (3) A harness track may only receive interstate simulcasts of Thoroughbred horse races
18 and conduct interstate wagering thereon as provided in subsection (1)(b) of this
19 section. A Thoroughbred track may only receive interstate simulcasts of harness
20 horse races and conduct interstate wagering thereon as provided in subsection (2)(b)
21 of this section. A simulcast facility may only receive interstate simulcasts of
22 Thoroughbred and harness horse races and conduct interstate wagering thereon as
23 provided in subsections (1)(b) and (2)(b) of this section.
24 (4) (a) A Thoroughbred track licensed to conduct horse racing may receive interstate
25 simulcasts of quarter horse, ***Paint horse,*** Appaloosa, and Arabian horse races
26 and conduct interstate wagering thereon, subject to the limitations stated in
27 paragraph (b) of this subsection.

1 (b) A receiving track's commission on interstate wagering, after deduction of
2 applicable taxes and any amounts required to be paid by contract to the track
3 from which the interstate simulcast originated, shall be split as follows:
4 1. Twenty-five percent (25%) to the receiving track where the interstate
5 wagering occurs;
6 2. Twenty-five percent (25%) to the host track; and
7 3. Fifty percent (50%) to the Kentucky quarter horse, ***Paint horse,***
8 Appaloosa, and Arabian purse fund established by ***Section 3 of this***
9 ***Act***[~~KRS 230.446~~] to supplement purses for quarter horse, ***Paint horse,***
10 Appaloosa, and Arabian horse races in this state.
11 (5) (a) A harness track licensed to conduct horse racing may receive interstate
12 simulcasts of quarter horse, ***Paint horse,*** Appaloosa, and Arabian horse races
13 and conduct interstate wagering thereon, subject to the limitations stated in
14 paragraphs (b) and (c) of this subsection.
15 (b) A receiving track's commission on interstate wagering, after deduction of
16 applicable taxes and any amounts required to be paid by contract to the track
17 from which the interstate simulcast originated, shall be split as follows:
18 1. Twenty-five percent (25%) to the purse program of the receiving track;
19 2. Twenty-five percent (25%) to the purse program of the host track;
20 3. Twenty-five percent (25%) to the receiving track; and
21 4. Twenty-five percent (25%) to the host track.
22 (c) When a quarter horse, ***Paint horse,*** Appaloosa, or Arabian horse race is run at
23 a Kentucky race track, the commission to the Kentucky quarter horse, ***Paint***
24 ***horse,*** Appaloosa, and Arabian purse fund established by ***Section 3 of this***
25 ***Act***[~~KRS 230.446~~] shall be twenty-two percent (22%) from the host track's
26 purse share.
27 (6) Other provisions of the Kentucky Revised Statutes notwithstanding, any track in a

1 geographic area that contains more than one (1) track within a fifty (50) mile radius
2 of any other track may only receive interstate simulcasts on racing of the same breed
3 of horse as the track was licensed to race on or before July 15, 1998, except any
4 track may receive interstate simulcasts on quarter horse, ***Paint horse,*** Appaloosa, or
5 Arabian horse races.
6 ➔Section 7. KRS 230.750 is amended to read as follows:
7 The commission, including the tax levied in KRS 138.510, deducted from the gross
8 amount wagered by the person, corporation, or association which operates a harness horse
9 track under the jurisdiction of the racing commission at which betting is conducted
10 through a pari-mutuel or other similar system shall not exceed eighteen percent (18%) of
11 the gross amount handled on straight wagering pools and twenty-five percent (25%) of
12 the gross amount handled on multiple wagering pools, plus the breaks, which shall be
13 made and calculated to the dime. Multiple wagering pools shall include daily double,
14 perfecta, double perfecta, quinella, double quinella, trifecta, and other types of exotic
15 betting. An amount equal to three percent (3%) of the total amount wagered and included
16 in the commission of a harness host track shall be allocated by the harness host track in
17 the following manner. Two percent (2%) shall be allocated to the host for capital
18 improvements, promotions, including advertising, or purses, as the host track shall elect.
19 Three-quarters of one percent (3/4 of 1%) shall be allocated to overnight purses. One-
20 quarter of one percent (1/4 of 1%) shall be allocated to the Kentucky standardbred[~~,~~
21 ~~quarterhorse, Appaloosa, and Arabian~~] development fund. This allocation shall be made
22 after deduction from the commission of the pari-mutuel tax but prior to any other
23 deduction, allocation or division of the commission.
24 ➔Section 8. KRS 230.443 is amended to read as follows:
25 Quarter horses, ***Paint horses,*** Appaloosas, and Arabian horses conceived by artificial
26 insemination or other means shall be eligible to race under the provisions of this chapter.

Speaker-House of Representatives

President of Senate

Attest: Chief Clerk of House of Representatives

Approved Governor

Date 3/23/15