

2019 DAILY LEGISLATIVE UPDATE

Daily activity is highlighted in **bold** with **RED** font.

SENATE1. SB 23 [J. Carroll](#)

Establish KRS Chapter 239 and create new sections to define "amateur athletics," "collegiate sports contest," "commission," "principal," "professional sports contest," "sports wager," and "sports wagering"; create the Kentucky Gaming Commission; establish membership to be appointed by the Governor with the advice and consent of the Senate; establish the commission's responsibilities and authority; require the Governor to appoint an executive director and establish the executive director's responsibilities; require the commission to promulgate administrative regulations relating to sports wagering conducted by the Kentucky Lottery Corporation, racing associations licensed under KRS Chapter 230, and other locations; establish licensing fees; prohibit persons from wagering on an event in which they are a participant; **establish the sports wagering distribution trust fund and the uses of the fund**; establish penalties for tampering with the outcome of a sporting event and wagering on a sporting event by a participant; create a new section of KRS Chapter 138 to impose an excise tax on sports wagering at 25 percent of net sports wagering receipts; amend KRS 138.1817 to permit the Department of Revenue to work with the commission to restrict licensure in the event that sports wagering taxes are not paid; amend KRS 154A.010 to revise the definition of "amateur sports contest," and to define "collegiate sports contest," "professional sports contest," "sports wager," and "sports wagering"; amend KRS 154A.030 to conform and to prohibit the director or family member from being a part owner of a professional team or a board member of a college or university that engages in collegiate sports upon which sports wagers may be placed; amend KRS 154A.050 to include sports wagering; amend KRS 154A.060 to include sports wagering and to include contracts for the purchase of goods and services necessary for sports wagering; require monthly and annual reports to be submitted to the Kentucky Gaming Commission; amend KRS 154A.063 to permit sports wagering on collegiate and professional sports contests; amend KRS 154A.065 to prohibit accepting sports wagers on the outcomes of contests involving horses; amend KRS 154A.070 to include sports wagering and require contracts to be in accord with administrative regulations of the Lottery Corporation and the Kentucky Gaming Commission; amend KRS 154A.090 to stipulate that sports wagering retailers aggrieved by a decision of the board may appeal to the Kentucky Gaming Commission;

amend KRS 154A.110 to include sports wagering; stipulate that unclaimed sports wagering prize money be added to the sports wagering distribution trust fund; to prohibit sports wagers from being accepted from members or coaches of professional or collegiate team; amend 154A.120 to include sports wagering; amend KRS 154A.130 to specify net sports wagering receipts collected by lottery to be used for expenses and moneys in excess of expenses shall be dedicated to the sports wagering distribution trust fund; amend KRS 154A.400 to include sports wagering and stipulate the criteria for selecting sports wagering retailers shall be developed in consultation with the Kentucky Gaming Commission; amend KRS 154A.420 to include sports wagering and permit the Lottery Corporation to require a retailer to establish separate sports wagering electronic funds transfer accounts; amend KRS 154A.430, 154A.440, 154A.600, and 154A.650 to include sports wagering; amend KRS 230.225 to permit the Kentucky Horse Racing Commission to oversee sports wagering at licensed racing associations; amend KRS 230.370 to require administrative regulations relating to sports wagering to be developed in consultation with the Kentucky Gaming Commission; amend KRS 243.500 to exempt the conduct of sports wagering licensed or permitted under KRS Chapter 239; amend KRS 12.020 to administratively attach the Kentucky Gaming Commission to the Public Protection Cabinet.

11/09/18 Prefiled by the sponsor(s).
 01/08/19 introduced in Senate
 01/09/19 to Appropriations & Revenue (S)

2. SB 105 [M. McGarvey, J. Adams](#)

Propose to amend Section 226 of the Constitution of Kentucky to authorize the General Assembly to define, permit, oversee, and regulate all forms of otherwise permissible gaming; provide for the oversight and control of gaming by an administrative body funded by license fees and taxes levied on gaming; prior to July 2040, require 100% of gaming proceeds, in excess of the amount used to pay for an oversight administrative body of gaming, to go to the retirement systems; provide ballot language; submit to voters for ratification or rejection.

02/05/19 introduced in Senate

HOUSE1. HB 12 [D. Keene, A. Gentry](#)

Create a new section of KRS Chapter 154A to require the Kentucky Lottery Corporation to institute a sports wagering system; amend KRS 154A.010 to define "collegiate sports contest," "net sports wagering receipts," "professional sports contest," and "sports wagering"; amend KRS 154A.030 to prohibit owners of professional sports teams from serving on the board; amend KRS 154A.050 and 154A.060 to include sports wagering; amend 154A.063 to allow the corporation to accept wagers on collegiate and professional sports contests; amend KRS 154A.065 to prohibit sports wagers on horse racing; amend KRS 154A.070 to include sports wagering; amend KRS 154A.090 to include sports wagering retailers; amend KRS 154A.110 to prohibit sales of sports wagers to persons under 18 years of age, provide for the allocation of unclaimed sports wager prize money, and restrict owners, coaches players, and others involved in a sporting contest from placing sports wagers; create new sections of KRS Chapter 154A to permit sports wagering at lottery retailers, horse racing tracks, and simulcast facilities; require the corporation to promulgate administrative regulations needed to establish and oversee sports wagering and prohibit participants in sporting events from placing wagers on games in which they are participating; **create new sections of KRS Chapter 154A to establish the sports wagering distribution trust fund and a problem gambling awareness and treatment fund and limit uses of the sports wagering revenue to administrative costs, problem gambler treatment funding, and pension system funding**; amend KRS 154A.120 to include sports wagering; amend KRS 154A.130 to exempt sports wagering receipts and specify that sports wagering receipts shall be deposited in the sports wagering distribution trust fund; amend KRS 154A.400 and 154A.410 to include sports wagering; amend KRS 154A.420 to include sports wagering and allow the corporation to require a retailer to establish a separate sports wagering electronic funds transfer account, where available; amend KRS 154A.430 to include sports wagering; amend KRS 154A.440 to require retailers to accept sports wagers only at the location listed on their contract; amend KRS 154A.600 and 154A.650 to include sports wagering; amend KRS 154A.990 to establish penalties for selling a sports wager to anyone under 18 years of age, to establish the crime of tampering with the outcome of a sporting event, to prohibit participants from wagering on a sporting event, and establish penalties; APPROPRIATION.

09/07/18 Prefiled by the sponsor(s).
 01/08/19 introduced in House
 01/10/19 to Appropriations & Revenue (H)

2. HB 15 [J. Blanton](#), [R. Brenda](#), [C. Howard](#), [P. Pratt](#), [S. Riley](#), [R. Rothenburger](#), [W. Thomas](#),
[S. Westrom](#)

Amend KRS 141.019 to increase the pension income exclusion from \$31,110 to \$41,110; declare this Act to apply retroactively for taxable years beginning on or after January 1, 2018; require the Department of Revenue to automatically issue refunds; APPROPRIATION; EMERGENCY.

09/20/18 Prefiled by the sponsor(s).
01/08/19 introduced in House
01/10/19 to Appropriations & Revenue (H)

3. HB 55 [J. Miller](#), [P. Pratt](#)

Amend KRS 61.637 to provide that if an elected official participating in one of the systems administered by Kentucky Retirement Systems retires and is elected to the same office within 12 months of retiring, his or her retirement shall be voided.

10/15/18 Prefiled by the sponsor(s).
01/08/19 introduced in House
01/10/19 to State Government (H)
02/05/19 posted in committee

4. HB 56 [R. Goforth](#)

Amend KRS 78.625 and 61.675 to require the Kentucky Retirement Systems to notify state and local employers and employees if retirement contributions are not timely made, to list the potential consequences that may result, and to post on the systems' Web site the employer's name and the amount of delinquent contributions.

10/05/18 Prefiled by the sponsor(s).
01/08/19 introduced in House
01/10/19 to State Government (H)

5. HB 58 [R. Huff](#), [R. Brenda](#), [K. Flood](#), [D. Frazier](#), [S. Lewis](#), [P. Pratt](#), [S. Riley](#), [C. Stevenson](#)

Amend KRS 141.019 to increase the pension income exclusion from \$31,110 to \$41,110; apply retroactively for taxable years beginning on or after January 1, 2018; require the Department of Revenue to automatically issue refunds; APPROPRIATION; EMERGENCY.

09/13/18 Prefiled by the sponsor(s).
 01/08/19 introduced in House
 01/10/19 to Appropriations & Revenue (H)

KENTUCKY RETIREMENT SYSTEMS HOUSEKEEPING BILL:

6. HB 80 [J. Miller](#)

Amend KRS 61.645 to allow the Kentucky Retirement Systems board to promulgate administrative regulation to conduct trustee elections by electronic ballot; retain option to use paper ballot; delete language relating to prior court orders that are now moot. Synchronize the election of the trustees from the County Employees Retirement System during 2021.

11/26/18 Prefiled by the sponsor(s).
 01/08/19 introduced in House
 01/10/19 to State Government (H)
02/05/19 posted in committee

7. HB 126 [L. Willner](#), [R. Adkins](#), [T. Bojanowski](#), [C. Booker](#), [T. Branham Clark](#), [G. Brown Jr](#), [T. Burch](#), [M. Cantrell](#), [A. Gentry](#), [J. Glenn](#), [J. Graviss](#), [C. Harris](#), [K. Hinkle](#), [C. Howard](#), [N. Kulkarni](#), [M. Marzian](#), [R. Meeks](#), [R. Meyer](#), [P. Minter](#), [R. Palumbo](#), [J. Raymond](#), [D. Schamore](#), [A. Scott](#), [M. Sorolis](#), [C. Stevenson](#), [A. Tackett Laferty](#), [B. Wheatley](#)

Amend KRS 21.540, 61.650, and 161.430 to require the state-administered retirement systems to follow the state Model Procurement Code when contracting for investment management

services; amend KRS 61.645 to grant the Attorney General concurrent jurisdiction to investigate and prosecute violations of the ethical and fiduciary duties of trustees and investment managers for the Kentucky Retirement Systems; amend KRS 161.250 to grant the Attorney General concurrent jurisdiction to investigate and prosecute violations of the ethical and fiduciary duties of trustees and investment managers for the Teachers' Retirement System; amend KRS 61.990 and 161.990 to provide that a knowing violation of the ethical and fiduciary duties of trustees and investment managers for the Kentucky Retirement Systems and the Teachers' Retirement System shall be a Class D felony.

01/08/19 introduced in House
01/10/19 to State Government (H)

8. HB 175 [A. Koenig](#), [A. Gentry](#), [M. Dossett](#), [K. Flood](#), [M. Koch](#), [D. Lewis](#), [C. Massey](#), [C. McCoy](#), [J. Miller](#), [K. Moser](#), [J. Nemes](#), [S. Santoro](#), [J. Sims Jr](#), [D. St. Onge](#)

Establish KRS Chapter 239 and create new sections to define “adjusted gross revenue,” “beginner,” “cabinet,” “commission,” “confidential information,” “entry fee,” “fantasy contest,” “fantasy contest operator, or operator,” “fantasy contest participant, or participant,” “highly experienced player,” “immediate family,” “location percentage,” “person,” “principal stockholder,” “registered fantasy contest operator,” “script,” “secretary,” and “wager”; establish requirements for registration as a fantasy contest operator; require the cabinet to promulgate administrative regulations for the operation of fantasy contests; **establish the wagering administration fund and direct the uses of that fund**; establish the Kentucky problem gamblers assistance account and direct the uses of that fund; require an annual audit of fantasy contest registrants; establish requirements for fantasy contest procedures; amend KRS 230.210 to define sports wagering; create a new section of KRS Chapter 230 to require the racing commission to institute a system of sports wagering at tracks and other specified locations; create a new section of KRS Chapter 230 to limit the types of events upon which wagers may be placed; amend KRS 230.215 to declare the intent to allow citizens to enjoy sports wagering and allow the racing commission to promulgate administrative regulations prescribing conditions

under which sports wagering is to be conducted; amend KRS 230.225, KRS 230.240, and KRS 230.260 to include sports wagering; create a new section of KRS Chapter 230 to establish sports wagering licensure requirements; amend KRS 230.320 to conform; amend KRS 230.361 to include sports wagering; amend KRS 230.3615 to conform; create a new section of KRS Chapter 138 to define “adjusted gross income” and impose a tax on sports wagering; amend KRS 230.362, KRS 230.363, KRS 230.364, KRS 230.365, KRS 230.366, KRS 230.369, KRS 230.371, KRS 230.372, KRS 230.373, KRS 230.374; and KRS 230.750 to conform; create a new section of KRS Chapter 230 to prohibit participants from wagering on events in which they participate and to prohibit tampering with the outcome of a sporting event; amend KRS 230.990 to provide penalties for participants who wager on sporting events and tampering with the outcome of a sporting event; amend KRS Chapter 154A.010 to define “net poker revenue,” “online poker,” and “rake”; amend KRS 154A.050 and KRS 154A.060 to include conducting online poker games; amend KRS 154A.063 to delete restriction on playing cards; amend KRS 154A.070 to include online poker; amend 154A.110 to prohibit anyone under 18 from placing a wager through an online poker game; amend KRS 154A.120 to include online poker; create a new section of KRS Chapter 154A to require licensure for online poker, require the Lottery Corporation to promulgate requirements for providers through administrative regulations, establish licensing fees, and impose a gaming fee on providers; establish a new section of KRS Chapter 154A to establish the Kentucky lottery corporation online poker account and provide for the uses of the funds deposited therein; amend KRS 154A.600 to include online poker; amend KRS 243.500 to exempt sports wagering and online poker; amend KRS 525.090 to exempt sports wagering; amend KRS 528.010 to exempt fantasy sports, sports wagering, and online poker and the devices used in the conduct of those forms of wagering; amend KRS 528.020, KRS 528.070, and KRS 528.080 to exempt fantasy sports, sports wagering, and online poker.

02/05/19 introduced in House

9. HB 186 [P. Pratt](#)

Create a new section of KRS 6.145 to 6.237 to allow individuals who become members of the General Assembly on or after August 1, 2019, to make a one-time irrevocable election to not participate in the Legislators' Retirement Plan or the Kentucky Employees Retirement System for their service to the General Assembly; allow members of the General Assembly who began contributing to the Legislators' Retirement Plan or the Kentucky Employees Retirement System on or after December 31, 2014, but prior to August 1, 2019, to make a one-time irrevocable election by December 31, 2019, to discontinue participation in the Legislators' Retirement Plan or the Kentucky Employees Retirement System for their service to the General Assembly and receive a refund of accumulated contributions; provide that the election to not participate or discontinue participation in the Legislators' Retirement Plan or the Kentucky Employees Retirement System applies to all future service of the General Assembly; amend KRS 6.505, 61.510, and 61.525 to make technical and conforming changes.

02/05/19 **introduced in House**

10. HB 190 [D. Keene](#)

Create a new section of KRS Chapter 154A to state the findings of the General Assembly; amend KRS 154A.010 to define, "authorizing location," "casino," "county," "county legislative body," "department," "full casino gaming," "gaming licensee," "gross gaming revenue," "handle," "licensee," "limited casino gaming," and "principal"; amend KRS 154A.030 to expand the Lottery Corporation board membership and duties; amend KRS 154A.040 to include casino licensees; amend 154A.063 to remove prohibition against casino gaming; create new sections of KRS Chapter 154A to require a local option election in any precinct wanting to host a casino; describe the duties of the county clerk and sheriff in a casino gaming local option election; state requirements for local option elections held on a day other than a regular election day; require the corporation to advertise an invitation to bid for casinos; require the corporation to evaluate all proposals for full casinos; establish initial licensing fees for full casinos at \$50 million with an

initial licensing period of ten years and annual renewal thereafter at \$6 million per year; permit limited casino gaming at horse racing tracks licensed under KRS Chapter 230; establish requirements for limited casinos; establish requirements for any track holding a limited casino license; establish requirements for principals of any corporation granted a casino license; create license application requirements for casino, manufacturer's, or supplier's licenses; prohibit anyone not licensed from selling, leasing, or otherwise furnishing gaming supplies; prohibit anyone under the age of 21 from participating in casino gaming; require the Lottery Corporation to determine occupations related to casino gaming that require licensure and establish criteria for occupational licensing; permit the corporation to initiate disciplinary action against applicants and license holders; establish an appeal process; create new sections of KRS Chapter 138 to establish wagering and admissions taxes to be remitted by gaming licensees and full and limited casinos; **create new sections of KRS Chapter 154A to establish the casino gaming revenue distribution trust fund and limit that money to the benefit of the state retirement systems for the first ten years**; establish the regional tourism and infrastructure development fund and provide criteria for projects seeking money from the fund; waive 15 U.S.C. secs. 1172, 1173, and 1174 for devices authorized by this Act; require the corporation to promulgate administrative regulations to define and limit games and devices permitted for gaming in casinos; provide guidelines for exclusion or ejection of certain persons; define "cheat" and provide penalties for those who cheat at casino games; amend KRS 243.500 to exempt limited or full casino gaming; amend KRS 525.090 to exempt persons engaged in casino gaming; amend KRS 528.010 to exempt gambling activity and devices licensed under KRS Chapter 154A; amend KRS 528.020 to conform; amend KRS 528.070 to exempt activity licensed under KRS Chapter 154A; amend KRS 528.080 to exempt those with the appropriate license required under KRS Chapter 154A; amend KRS 528.100 to exempt limited or full casino gaming licensed under KRS Chapter 154A; APPROPRIATION; EFFECTIVE DATE DELAYED.

02/05/19 **introduced in House**

11. HB 229 [D. Frazier, J. Blanton](#)

Amend KRS 16.601 and 61.621 to provide that payments to the surviving spouse of a member of the state-administered retirement systems who dies in the line of duty shall not be reduced upon remarriage; provide that surviving spouses of a member who died in the line of duty who subsequently remarried shall have their benefit increased to the amount specified by KRS 16.601 and 61.621.

02/05/19 **introduced in House**

12. HB 230 [J. Graviss](#)

Amend KRS 61.645 to require the Kentucky Retirement Systems (KRS) to follow the state Model Procurement Code when contracting for investment management services; provide that, in addition to removal upon a conviction of a felony or violation of the Executive Branch Ethics Code, a KRS board member shall also be removed for a violation of fiduciary duties or conflict of interest; provide that a KRS board member shall not be considered as acting in good faith if he or she fails to disclose a conflict of interest; grant the Attorney General concurrent jurisdiction to investigate and prosecute violations of the ethical and fiduciary duties of trustees and investment managers for the Kentucky Retirement Systems; specify investment fee and commission reporting to include underlying fund of funds fees; require investment managers failing to disclose investment holdings, fees, and commissions to forfeit any fees or commission paid by KRS; subject investment contracts made by the Kentucky Retirement System to full public disclosure; amend KRS 61.650 to require investment managers to formally adopt the CFA Institute's codes of conduct; require that failure to adhere to the CFA Institute's codes of conduct shall result in the forfeiture of any fees or commissions paid by the Kentucky Retirement Systems; make conforming amendments; amend KRS 61.655 to repeal, reenact, and amend conflict-of-interest provisions to prohibit a trustee and employees of the Kentucky Retirement Systems from having a contractual agreement with or interest in any entities providing services to the systems and from receiving, directly or indirectly, any interest, fees, or

profit from entities that provide services to the Kentucky Retirement Systems; require trustees and employees of the Kentucky Retirement Systems to file annual conflict-of-interest statements with the Kentucky Retirement Systems beginning on August 1, 2019; amend KRS 61.990 to provide that a knowing violation of the ethical and fiduciary duties of trustees and investment managers for the Kentucky Retirement Systems is a Class D felony.

02/05/19 **introduced in House**