

**KENTUCKY HORSE COMMISSION**  
**MINUTES OF THE SPECIAL MEETING**

Date: April 23, 2024 at 1:30 p.m.

Place: Kentucky Horse Racing Commission Conference Room, 4047 Iron Works Parkway, Lexington, Kentucky 40511

Members Present: Chair Jonathan Rabinowitz, Vice-Chair Charles O’Connor, Commissioner Mike Berry, Commissioner Dr. Tiffany Daniels, Commissioner Michael F. Dudgeon, Commissioner Terry Finley, Commissioner Frank Shoop, Commissioner Greg Harbut, Commissioner Lesley Howard, Commissioner William L.S. Landes, Commissioner Catherine Parke, Commissioner Naveed Chowhan

Ex-officio Members Present: Secretary Ray Perry, Sydney Montgomery as Secretary Jeff Noel’s proxy and Secretary Lindy Casebier

<b>AGENDA ITEM</b>	<b>TRANSCRIPT PAGE NUMBER(S)</b>	<b>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</b>	<b>ACTION TAKEN</b>
<b>I. Call to Order and Roll Call</b>	3 - 5  5	Chair Rabinowitz called the meeting of the Kentucky Horse Racing Commission (KHRC) to order and performed the roll call. A quorum was recognized.  Chair Rabinowitz congratulated Commissioner O’Connor on being the new Vice Chair.	No action taken.
<b>II. New Business</b> <b>Tab 1: Approve minutes of the February 27, 2024 Kentucky Horse Racing Commission Meeting</b>	5 - 50 5 - 7	Chair Rabinowitz requested a motion from the Commission to approve minutes of the February 27, 2024 Kentucky Horse Racing Commission Meeting. Motion by Commissioner Shoop. Second by Commissioner Landes.  Executive Director Jamie Eads was assigned the floor and explained that behind tab one were the minutes from the February 27, 2024 meeting. KHRC staff recommended approval.	Chair Rabinowitz called for a vote to approve minutes of the February 27, 2024 Kentucky Horse Racing Commission Meeting. Motion carried with no objections or abstentions.

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<b>Tab 2: Kentucky Proud Series Location Change Request</b>	7 - 10	<p>Chair Rabinowitz requested a motion from the Commission to approve the Kentucky Proud Series Location Change Request. Motion by Commissioner Landes, second by Commissioner Howard.</p> <p>KHRC General Counsel Jennifer Wolsing was assigned the floor and explained that the Purchase District Fair requested approval to hold the Kentucky Proud Series on June 1<sup>st</sup> at the LaCenter Fair Ground facility due to staffing concerns. Approval was recommended by KHRC staff.</p>	Chair Rabinowitz called for a vote to approve the Kentucky Proud Series Location Change Request. Motion carried with no objections or abstentions.
<b>Tab 3: Ratification of Executive Director's Approval of Xpressbet and Bet365 Racing Affiliate Agreement</b>	10 - 12	<p>Chair Rabinowitz requested a motion from the Commission to ratify the Executive Director's Approval of Xpressbet and Bet365 Racing Affiliate Agreement. Motion by Commissioner O'Connor and second by Commissioner Howard.</p> <p>KHRC Resource Management Analyst II Joanna Ricci was assigned the floor and explained that a request was received from Xpressbet to conduct advanced deposit wagering operations with Hillside Fantasy, LLC doing business as Bet365 Racing. As Xpressbet's affiliate pursuant to 810 KAR Chapter 3, Subsection 40, under this agreement, Bet365 Racing is to be a separate and distinct product from Bet365 Sportsbook.</p> <p>KHRC staff recommended ratification of the Executive Director's approval of Xpressbet and Bet365 affiliate agreement.</p>	Chair Rabinowitz called for a vote to ratify the Executive Director's Approval of Xpressbet and Bet365 Racing Affiliate Agreement. Motion carried with no objections or abstentions.

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<b>Tab 4: Ratification of Executive Director's Approval of Grover Gaming Historical Horse Racing Pari-Mutuel Wagering Pools</b>	12 - 14	<p>Chair Rabinowitz requested a motion from the Commission to ratify the Executive Director's Approval of Grover Gaming Historical Horse Racing Pari-Mutuel Wagering Pools. Motion by Commissioner Daniels. Second by Commissioner Parke.</p> <p>KHRC Resource Management Analyst II Joanna Ricci was assigned the floor and explained that Grover Gaming submitted a request to offer new historical horse racing pari-mutuel pools. The Grover Gaming HHR System and related mutual wagering pools have been tested by Gaming Laboratories International (GLI) and a compliance report provided by GLI has been reviewed. If ratified, any licensed association may submit a request to the Division of Pari-Mutuel Wagering Compliance for a change to their game floor in addition to these pools. KHRC staff recommended approval.</p>	Chair Rabinowitz called for a vote to ratify Executive Director's Approval of Grover Gaming Historical Horse Racing Pari-Mutuel Wagering Pools. Motion carried with no objections or abstentions.
<b>Tab 5: KQHPAA Development Fund Proposed Bonus to Registered Kentucky-Breds that Raced at Sandy's Racing &amp; Gaming's 2024 Race Meet</b>	14 - 18	<p>Chair Rabinowitz requested a motion from the Commission to approve KQHPAA Development Fund Proposed Bonus to Registered Kentucky-Breds that Raced at Sandy's Racing &amp; Gaming's 2024 Race Meet. Motion by Commissioner Howard, second by Commissioner Berry.</p> <p>KHRC Incentives &amp; Development Director Drew Conners was assigned the floor and explained KQHPAA would like to propose all funds to move up a level and award a bonus per 810 KAR 7:060 for their 2024 race meet. Then is a second-place finisher would instead be awarded the money originally allocated for the first-place finisher and so on. Any Kentucky-Bred finishing fifth through last would be awarded \$500. The awards would total \$17,000 from the fund to all eligible Kentucky-Breds that raced. KHRC staff recommended approval.</p>	Chair Rabinowitz called for a vote to approve KQHPAA Development Fund Proposed Bonus to Registered Kentucky-Breds that Raced at Sandy's Racing & Gaming's 2024 Race Meet. Motion carried with no objections or abstentions.

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<p><b>Tab 6: Backside Improvement Fund Request Pertaining to Ellis Entertainment, LLC</b></p>	<p>18 - 20</p>	<p>Chair Rabinowitz requested a motion from the Commission to approve Backside Improvement Fund Request Pertaining to Ellis Entertainment, LLC. Motion by Commissioner Parke, second by Commissioner Berry.</p> <p>KHRC Incentives &amp; Development Director, Drew Conners, was assigned the floor and explained that Ellis Park is seeking permission to use backside improvement funds to replace approximately 60 air-conditioning units in their backside dormitories. The total cost would be \$10,426.72. The project will be inspected once complete, and all records will remain on file for the commission. The Kentucky HBPA and the KTA/KTOB recommend approval as well as KHRC staff.</p>	<p>Chair Rabinowitz called for a vote to approve Backside Improvement Fund Request Pertaining to Ellis Entertainment, LLC. Motion carried with no objections or abstentions.</p>
<p><b>Tab 7: KTDF Requests Pertaining to Ellis Entertainment, LLC's 2024 Race Meet</b></p>	<p>20 - 23</p>	<p>Chair Rabinowitz requested a motion from the Commission to approve KTDF Requests Pertaining to Ellis Entertainment, LLC's 2024 Race Meet. Motion by Commissioner Howard, second by Commissioner Landes.</p> <p>KHRC Incentives &amp; Development Director Drew Conners was assigned the floor and explained that the KTDF advisory committee considered a request for Ellis Park's 2024 race meet. The KTDF purse structure will consist of 25 racing days beginning Thursday, July 4<sup>th</sup> and ending Sunday, August 26<sup>th</sup>. Ellis Park is proposing KTDF purses in the range of \$5.75 to \$6.25 million dollars. These projections are based on a KTDF earned balance of \$585,884 at the conclusion of their 2023 race meet. Ellis Park is projecting additional earnings of \$2.1 million at the conclusion of their race meet from historical horse racing at their facility. To support purses, Ellis Park is also seeking the use of a \$2.25</p>	<p>Chair Rabinowitz called for a vote to approve KTDF Requests Pertaining to Ellis Entertainment, LLC's 2024 Race Meet. Motion carried with no objections or abstentions.</p>

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		<p>million dollar KTDF transfer from Kentucky Downs, LLC and a \$1.3 million KTDF transfer from Oak Grove. Ellis Park is also requesting to use \$60,000 in KTDF advertising to promote, enhance, improve and encourage the further and continued development of the Kentucky thoroughbred breeding industry in Kentucky.</p> <p>The KTDF Advisory Committee along with Kentucky HBPA, the KTA/KTOB, and the KHRC staff recommended approval.</p>	
<p><b>Tab 8: KTDF Requests Pertaining to Kentucky Downs, LLC's 2024 Race Meet</b></p>	<p>23 - 27</p>	<p>Chair Rabinowitz requested a motion from the Commission to approve KTDF Requests Pertaining to Kentucky Downs, LLC's 2024 Race Meet. Motion by Commissioner Harbut, second by Commissioner Dudgeon.</p> <p>KHRC Incentives &amp; Development Director Drew Conners was assigned the floor and explained that a request was reviewed from Kentucky Downs' 2024 race meet. The KTDF purse structure will consist of seven racing days beginning August 29<sup>th</sup> and ending September 11<sup>th</sup>. Kentucky Downs is proposing KTDF purses ranging from \$14.3 to \$15.1 million dollars. These projections are based on an earned balance of \$20.5 million at the end of March 2024. Kentucky Downs is projecting additional earnings of \$9.1 million by the end of September 2024 with historical horse racing at their Mint Gaming facilities in Franklin and Bowling Green being the primary driver. Kentucky Downs is also including within this request the use of up to \$464,500 in KTDF advertising to promote, enhance, improve, and encourage the further and continued development of the Kentucky Thoroughbred breeding industry.</p> <p>The KTDF Advisory Committee along with Kentucky HBPA, the KTA/KTOB, and the KHRC staff recommended approval.</p>	<p>Chair Rabinowitz called for a vote to approve KTDF Requests Pertaining to Kentucky Downs, LLC's 2024 Race Meet.</p> <p>Motion carried with no objections or abstentions.</p>

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<b>Tab 9: Kentucky Proud Series' Proposed 2024 Race Meet Officials</b>	27 - 29	<p>Chair Rabinowitz requested a motion from the Commission to approve Kentucky Proud Series' Proposed 2024 Race Meet Officials. Motion by Commissioner Parke, second by Commissioner Shoop.</p> <p>KHRC Presiding Judge Patricia Cooksey was assigned the floor and presented the County Fair Boards request approval of the rosters of racing officials listed to preside over the conduct of racing during the 2024 Kentucky Proud Harness meet on the dates previously approved by the Commission. All race officials have been accredited by the Rading Officials Accreditation Program. KHRC Staff recommended approval.</p>	<p>Chair Rabinowitz called for a vote to approve Kentucky Proud Series' Proposed 2024 Race Meet Officials. Motion carried with no objections or abstentions.</p>
<b>Tab 10: Ellis Entertainment, LLC's Proposed 2024 Race Meet Officials and Date Preference System</b>	29 - 31	<p>Chair Rabinowitz requested a motion from the Commission to approve Ellis Entertainment, LLC's Proposed 2024 Race Meet Officials and Date Preference System. Motion by Commissioner Berry, second by Commissioner Landes.</p> <p>KHRC Chief State Steward Barbara Borden was assigned the floor and presented the roster of racing officials and the date preference system submitted by Ellis Park. The racing officials have all performed these duties in the past; there is one position that needs to be filled and that name will be provided to Executive Director Jamie Eads. There were no changes to the date preference system. KHRC staff recommended approval.</p>	<p>Chair Rabinowitz called for a vote to approve Ellis Entertainment, LLC's Proposed 2024 Race Meet Officials and Date Preference System. Motion carried with no objections or abstentions.</p>
<b>Division Reports</b> <b>a. Thoroughbred Rulings</b>	31 - 50 31 - 32	<p>Chief State Steward Barbara Borden presented the total rulings included in the materials for 2024 since the last meeting and the report for the total rulings by category.</p>	<p>No action taken. Informational purposes only.</p>

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<b>b. Quarter Horse Rulings</b>	32 - 40	<p>Commissioner Landes inquired to the Turfway report asking if it could be called a “relatively clean report.” Ms. Borden agreed and further explained that there were no medication violations and that the medication violations are now handled by HIWU.</p> <p>Executive Director Jamie Eads was assigned the floor and explained that the quarter horse rulings were in the material and that an outstanding ruling would be circulated soon.</p> <p>Commissioner Landes stated that based on the report it appears as though there may be a culture problem with Sandy Ridge based on the contraband violations, the drug violations, and crop violations. Further discussion ensued about writing a letter of concern or visiting Sandy’s to have a meeting. Violations were discussed and how to handle them.</p>	
<b>c. Veterinary Division</b>	40 - 46	<p>Chief Racing Veterinarian Dr. Nick Smith was assigned the floor and explained that the reports provided were from Turfway Park’s winter meet and the second one was Sandy Ridge.</p> <p>For Turfway there were 4,054 starts, 991 post-race samples. 92 total veterinary scratches of which 78 were pre-race and 14 on track. There were 9 ambulance runs and 2 racing fatalities and 3 training fatalities.</p> <p>For Sandy Ridge there were 330 total starts 93 post-race samples and 13 veterinary scratches. No fatalities for the meet.</p>	
<b>d. Pari-mutuel Wagering &amp; Compliance</b>	46 - 48	<p>Resource Management Analyst II Joanna Ricci presented the wagering reports for the months of January and February, as well as the fiscal year-to-date for 2024. January saw \$680,000</p>	

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e. Sports Wagering	48 - 50	<p>wagered on-track at Turfway Park and over \$800,000 wagered in February.</p> <p>Deputy General Counsel Travers Manley was assigned the floor and explained the sports wagering report that includes self-reflected sports wagering numbers through February 2024. The online handle for January 2024 was 246 million and 11 million in retail. For February, the online handle was 198.5 million and 9.8 million retail. The fiscal year-to-date includes numbers from September 2023 to February 2024 with the online handle approximately 1.3 billion dollars and the retail was 57.3 million dollars. Adjusted gross revenue for online and retail combined was approximately 169.3 million resulting in estimated excise taxes of approximately 23.9 million dollars.</p>	
<p><b>III. Executive Session</b></p> <p><b>During the meeting on April 23, 2024 Commissioners convened under closed session pursuant to KRS 61.810(1)(c) to discuss pending litigation (CONFIDENTIAL)</b></p>	50 - 52	<p>Chair Rabinowitz requested a motion from the Commission to convene in closed session to discuss proposed or pending litigation against or on behalf of the agency, as permitted by KRS Chapter 61.810(1)(c). Motion by Commissioner O'Connor, second by Commissioner Landes.</p> <p style="text-align: center;">EXECUTIVE SESSION</p> <p>Chair Rabinowitz requested a motion from the Commission to reconvene in open session. Motion by Commissioner Berry, second by Commissioner O'Connor.</p> <p style="text-align: center;">RECONVENED TO OPEN SESSION</p>	<p>Chair Rabinowitz called for a vote for the Commission to convene in closed session. Motion carried with no objections or abstentions.</p> <p>Chair Rabinowitz called for a vote for the Commission to reconvene in open session. Motion carried</p>

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			with no objections or abstentions.
<b>IV. Adjournment</b>	52 - 54	With no other business, Chair Rabinowitz requested a motion to adjourn the April 23, 2024 special meeting. Motion by Commissioner Berry, second by Commissioner Shoop. Meeting adjourned.	Chair Rabinowitz called for a vote to adjourn. Motion carried with no objections or abstentions.

**NOTE:** The meeting materials and any amendments and/or supplements thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.