

CORRECTIONS IMPACT STATEMENT

SESSION: 23RS BILL # HB 551 GA BR # 812 DOC ID #: xxxx

BILL SPONSOR(S): Rep. M. Meredith, A. Gentry, C. Aull, D. Graham, T. Huff, M. Koch, D. Osborne, R. Palumbo, R. Roberts, C. Stevenson, K. Timoney, N. Wilson AMENDMENT SPONSOR(S): . .

TITLE: AN ACT relating to wagering and making an appropriation therefor.

SUMMARY OF LEGISLATION: Create a new section of KRS Chapter 230 to establish the wagering administration fund from sports wagering taxes and fees; direct use of that fund toward related administrative expenses of the Public Protection Cabinet; deposit all remaining funds in the Kentucky permanent pension fund; create new sections of KRS Chapter 230 to require the racing commission to institute a system of sports wagering at tracks; limit the types of events upon which wagers may be placed; establish sports wagering licensure requirements; prohibit participants from wagering on events in which they participate and from tampering with the outcome of a sporting event; amend KRS 230.210 to define "interactive sports wagering technology and service provider," "sporting event," and "sports wagering"; 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 230.990 to penalize participants or licensee employees who wager on sporting events or any person who tampers with the outcome of a sporting event; create a new section of KRS Chapter 138 to define "adjusted gross income" and impose a tax on sports wagering; amend KRS 243.500, 525.090, 528.010, 528.020, 528.070, and 528.080 to exempt sports wagering; amend KRS 68.182, 91.202, 92.282, 230.225, 230.240, 230.260, 230.310, and 230.361 to conform; add severability clause; APPROPRIATION.

AMENDMENT: HCS 1: Retain original provisions except change the definition of service provider to allow service providers to operate at a licensed facility for sports wagering and simulcast facility; allow sports wagering at a simulcast facility with the track's established service providers; remove the 12 month in person registration requirement; make technical changes; APPROPRIATION.

HFA 5: Retain original provisions; create the Kentucky problem gambling assistance account; allot 2.5% of funds received in the sports wagering administration fund to the Kentucky problem gambling assistance account; add definitions of sporting event and taxpayer; make conforming changes related to the definitions added; make technical corrections; renumber sections and internal cites; delete sections 19 to 22; amend KRS 436.480 to exempt sports wagering from KRS Chapter 528.

This bill amendment committee substitute is expected to:

Have the following Corrections impact Have no Corrections impact

- | | |
|---|--|
| <input checked="" type="checkbox"/> Creates new crime(s) | <input type="checkbox"/> Repeals existing crime(s) |
| <input type="checkbox"/> Increases penalty for existing crime(s) | <input type="checkbox"/> Decreases penalty for existing crime(s) |
| <input checked="" type="checkbox"/> Increases incarceration | <input type="checkbox"/> Decreases incarceration |
| <input type="checkbox"/> Reduces inmate/offender services | <input type="checkbox"/> Increases inmate/offender services |
| <input type="checkbox"/> Increases staff time or positions | <input type="checkbox"/> Reduces staff time or positions |
| <input checked="" type="checkbox"/> Changes elements of offense for existing crime(s) | |
| <input type="checkbox"/> Otherwise impacts incarceration (Explain) . | |

STATE IMPACT: Class A, B, & C felonies are based on an average daily prison rate of \$105.23. Community Custody Class C and most Class D felons are housed in one of seventy-four (74) full service or regional jails for up to five (5) years. Department of Corrections' cost to incarcerate a felony inmate in a jail is \$40.11 per day, which includes \$35.34 per diem, medical costs, & central office administrative costs (substance abuse treatment not included).*

Projected Impact: NONE MINIMAL to MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

Establishing new felony and misdemeanor offenders would impact the number of offenders potentially incarcerated and/or placed on supervision.

While there is no way to predict the number of new convictions this legislation would generate, the number of convictions would likely be few. The expected impact to the Department under this legislation would be very minimal increase to incarceration cost.

Class D felons are housed in a county jail and DOC pays counties a per diem for housing those inmates. A Class D Felony sentence is 1 to 5 years – One (1) Class D Felon costs KY \$14,638.94 to \$73,194.71. Class C felons may still be able to serve their time in a county jail, but only if community custody. A Class C Felony sentence is 5 to 10 years – One (1) Class C Felon costs KY \$192,047.24 to \$384,094.49

LOCAL IMPACT: Local governments are responsible for the cost of incarcerating individuals charged with Class A or B misdemeanors and felony defendants until disposition of the case. The estimated impact will be based on the \$40.11 cost to incarcerate for the Department of Corrections, including \$35.34 per diem and medical that DOC pays jails to house felony offenders. This cost to incarcerate may not be the actual housing cost for the jail.*

Projected Impact: NONE MINIMAL to MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

Establishing new misdemeanor offenses could result in additional county prisoners being housed in county jails, but the impact is expected to be minimal cost increase. Misdemeanor offenders are subject to the jurisdiction and cost of the county.

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PROJECTED IMPACT FROM AMENDMENTS:

NONE MINIMAL to MODERATE (< \$1 million) SIGNIFICANT (> \$1 million)

There is no additional impact from HCS 1.
There is no additional impact from GA version of the bill.

**All projections are based on the daily rate x 365 days x number of years. The cost to incarcerate as calculated by the Department is shown here as rounded to the hundredths. Offenders may have multiple offenses or be incarcerated on other charges unless otherwise noted. Unless otherwise noted, numbers will include inchoate offenses at the underlying offense level.*

The following offices contributed to this Corrections Impact Statement:

Dept. of Corrections Dept. of Kentucky State Police Administrative Office of the Courts Parole Board Other

NOTE: Consideration should be given to the cumulative impact of all bills that increase the felon population, lengthens the term or incarceration, or impose new obligations on state or local governments.

APPROVED BY:  **3/16/2023**
Chief of Staff, Kentucky Department of Corrections Date