

238.540 Restrictions on location for charitable gaming -- Display of license -- Conduct and management -- Prohibited donated prizes -- Advertising.

- (1) Charitable gaming shall be conducted by a licensed charitable organization at the location, date, and time which shall be stated on the license. The licensee shall request a change in the date, time, or location of a charitable gaming event by mail, electronic mail, or facsimile transmission, and shall submit a lease and an original signature of an officer. The department shall process this request and issue or deny a license within ten (10) days.
- (2) All premises or facilities on which or in which charitable gaming is conducted shall meet all applicable federal, state, and local code requirements relating to life, safety, and health.
- (3) A license to conduct charitable gaming shall be prominently displayed on or in the premises where charitable gaming is conducted, in a conspicuous location that is readily accessible to gaming patrons as well as employees of the department, law enforcement officials, and other interested officials.
- (4) At least one (1) chairperson who is listed on the application for licensure shall be at each charitable gaming activity conducted by the charitable organization and shall be responsible for the administration and conduct of the charitable gaming activity. No person shall serve as chairperson for more than one (1) charitable organization. The chairperson shall be readily identifiable as the chairperson and shall be present on the premises continuously during the charitable gaming activity. Charitable gaming shall be conducted and administered solely by officers, members, and bona fide employees of the licensed charitable organization. Volunteer personnel, who may or may not be members of the licensed charitable organization, may be utilized if each volunteer is readily identifiable as a volunteer. No person engaged in the conduct and administration of charitable gaming shall receive any compensation for services related to the charitable gaming activities, including tipping. No net receipts derived from charitable gaming shall inure to the private benefit or financial gain of any individual. Any effort or attempt to disguise any other type of compensation or private inurement shall be considered an unauthorized diversion of funds and shall be actionable under KRS 238.995.
- (5) No licensed charitable organization shall contract with, or otherwise utilize the services of, any management company, service company, or consultant in managing or conducting any aspect of charitable gaming.
- (6) A licensed charitable organization shall not purchase or lease charitable gaming supplies and equipment from any person not licensed as a distributor in the Commonwealth of Kentucky.
- (7) A licensed charitable organization shall not accept any merchandise prizes donated by any owner, officer, employee, or contractee of a licensed manufacturer, distributor, charitable gaming facility, or any of their affiliates, or any member of their immediate families.
- (8) (a) Each organization's gaming supplies shall be maintained in a location separate from another organization's gaming supplies.

- (b) This location shall also be locked and access shall be controlled.
 - (c) Unless otherwise directed by the department, an organization's supplies and equipment remain the property of the organization regardless of where they are stored and must be accessible to the organization at all reasonable times upon request.
- (9) Any advertisement of charitable gaming, regardless of the medium used, shall contain the name of the charitable organization conducting the charitable gaming and its license number. An advertisement for a bingo session or sessions shall not advertise a bingo prize in excess of the limitation of five thousand dollars (\$5,000) per twenty-four (24) hour period set forth in KRS 238.545(1).

Effective: June 24, 2015

History: Amended 2015 Ky. Acts ch. 45, sec. 4, effective June 24, 2015; and ch. 59, sec. 3, effective June 24, 2015. -- Amended 2010 Ky. Acts ch. 24, sec. 542, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 120, sec. 8, effective June 26, 2007. -- Amended 2000 Ky. Acts ch. 165, sec. 2, effective July 14, 2000; and ch. 374, sec. 10, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 232, sec. 8, effective April 1, 1998. -- Amended 1996 Ky. Acts ch. 331, sec. 8, effective April 10, 1996. -- Created 1994 Ky. Acts ch. 66, sec. 9, effective March 16, 1994.

Legislative Research Commission Note (6/24/2015). This statute was amended by 2015 Ky. Acts chs. 45 and 59, which do not appear to be in conflict and have been codified together.