

**238.555 Charitable gaming facility license -- Lease agreements for use of facility -- Quarterly reports -- Number of events that may be held -- Display of license and charitable organization's name.**

- (1)
  - (a) No person or organization shall operate a charitable gaming facility unless the person or organization is licensed under the provisions of this chapter, except that facilities that are utilized by two (2) or fewer charitable organizations for the purpose of conducting charitable gaming, and facilities that only host charity fundraising events, shall be exempt from licensure.
  - (b) The department shall charge a license fee not to exceed two thousand five hundred dollars (\$2,500). Specific license fees to be charged shall be:
    1. Prescribed in a graduated scale promulgated by administrative regulation; and
    2. Based on the number of sessions which the facility holds per week or other applicable factors or combination of factors.
  - (c) Charitable gaming may be conducted in a charitable gaming facility only by a licensed charitable organization in accordance with the provisions of this chapter.
- (2) In the application process, an applicant for a charitable gaming facility license shall submit the following information:
  - (a) The address of the facility;
  - (b) A description of the facility to include square footage of the gaming area, capacity levels, and available parking;
  - (c) The names, addresses, dates of birth, and Social Security numbers of all individuals employed by or contracted with the applicant to manage the facility or provide other authorized services;
  - (d) The name, address, date of birth, and Social Security number of any individual who has a ten percent (10%) or greater financial interest in the facility;
  - (e) A copy of the lease agreement used by the applicant; and
  - (f) Any other information the department deems appropriate.
- (3) No owner, officer, employee, or contractee of a licensed charitable gaming facility or an affiliate, or any member of the immediate family of any officer, employee, or contractee of a licensed charitable gaming facility or an affiliate shall, concerning a lessee:
  - (a) Manage or otherwise be involved in the conduct of charitable gaming;
  - (b) Provide bookkeeping or other accounting services related to the conduct of charitable gaming;
  - (c) Handle any moneys generated in the conduct of charitable gaming;
  - (d) Advise a licensed charitable organization on the expenditure of net receipts;
  - (e) Provide transportation services in any manner to patrons of a charitable gaming activity;
  - (f) Provide advertisement or marketing services in any manner to a licensed

- charitable organization;
- (g) Provide, coordinate, or solicit the services of personnel or volunteers in any manner;
  - (h) Influence or require a licensed charitable organization to use a certain distributor or any particular gaming supplies; or
  - (i) Donate or give any prize to be awarded in the conduct of charitable gaming.
- (4) A licensed charitable gaming facility shall execute a lease agreement with each licensed charitable organization that desires to conduct charitable gaming at the facility. The amount of rent, goods, and services charged shall be reasonable and shall be based on prevailing market values in the general locality for the goods and services to be provided. The amount charged to rent a charitable gaming facility, whether the facility is licensed or unlicensed, shall not be based in whole or in part on a percentage of gross receipts, net proceeds derived from the conduct of charitable gaming, or by reference to the number of people in attendance. A licensed charitable gaming facility shall file a copy of each signed lease agreement with the department.
- (5) The number of bingo sessions conducted at a charitable gaming facility shall be limited to the following:
- (a) No more than eighteen (18) sessions per week if the charitable gaming facility is located in one (1) of the following:
    - 1. A city containing a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census;
    - 2. An urban-county government;
    - 3. A consolidated local government;
    - 4. A charter county government; or
    - 5. A county containing a city of the first class or a city containing a population equal to or greater than twenty thousand (20,000) based upon the most recent federal decennial census; or
  - (b) No more than eight (8) sessions per week if the charitable gaming facility is located in a city other than those listed in paragraph (a) of this subsection, or in a county that does not contain a city that is listed in paragraph (a) of this subsection.
- (6) A licensed charitable gaming facility shall report at least quarterly to the department and shall provide any information concerning its operation that the department may require.
- (7) A charity fundraising event at which special limited charitable games are played may be conducted at a licensed charitable gaming facility, but no licensed charitable gaming facility shall be permitted to hold more than one (1) such event per week or more than seven (7) per year.
- (8) A licensed charitable gaming facility shall conspicuously display a sign bearing the name and the license number of the charitable organization that is conducting charitable gaming activities in the facility.
- (9) The license to operate the charitable gaming facility shall be prominently

displayed on or in the premises where charitable gaming activity is being 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.

**Effective:** April 8, 2021

**History:** Amended 2021 Ky. Acts ch. 200, sec. 3, effective April 8, 2021. -- Amended 2014 Ky. Acts ch. 92, sec. 283, effective January 1, 2015. -- Amended 2010 Ky. Acts ch. 24, sec. 545, effective July 15, 2010. -- Amended 2002 Ky. Acts ch. 346, sec. 213, effective July 15, 2002. -- Amended 2000 Ky. Acts ch. 374, sec. 13, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 232, sec. 12, effective April 1, 1998. -- Amended 1996 Ky. Acts ch. 331, sec. 11, effective April 10, 1996. -- Created 1994 Ky. Acts ch. 66, sec. 12, effective March 16, 1994.