

238.538 Restrictions on location of certain charitable gaming -- Transfer of charitable gaming facility licenses held on July 15, 2026 -- Events leading to loss of additional license.

- (1) (a) A licensed charitable organization shall only offer the play of electronic charity game tickets and electronic pulltab devices at one (1) of the following locations as approved and authorized by the corporation:
 1. The office location of the charitable organization;
 2. The location where the charitable organization is licensed to conduct bingo; or
 3. The location where charity fundraising events as defined in this chapter are authorized.
- (b) In addition to one (1) of the locations in paragraph (a) of this subsection, a licensed charitable organization may have one (1) additional location that offers the play of electronic charity game tickets and electronic pulltab devices in either the same county or a county that is contiguous to the charitable organization's office location.
- (2) (a)
 1. Within ninety (90) days after July 15, 2026, a charitable gaming facility licensed prior to July 15, 2026, shall initiate transfer of its charitable gaming facility license.
 2. The charitable gaming facility licensed prior to July 15, 2026, shall first transfer its license to one (1) of the licensed charitable organizations it was affiliated with as of January 1, 2026, and which transfer is not inconsistent with the applicable provision of KRS Chapter 238, and next to any licensed charitable organization.
 3. The charitable gaming facility licensed prior to July 15, 2026, shall transfer its license by submitting to the corporation, in order, information for the first licensed charitable organization as required in subparagraph 2. of this paragraph and the next choice of licensed charitable organization if the first declines the transfer or is not approved by the corporation to receive the transfer.
- (b) The licensed charitable organization shall:
 1. Be notified by the corporation of the charitable gaming facility's intent to transfer; and
 2. Apply with the corporation to receive the license by transfer under paragraph (a) of this subsection.
- (c) The corporation shall:
 1. Not unreasonably withhold its approval of the licensed charitable organization seeking approval under paragraph (b) of this subsection; and
 2. Accept or deny the transfer within ninety (90) days of receiving the application.
- (3) A charitable gaming facility may transfer no more than three (3) licenses under this section from locations where persons twenty-one (21) years of age and under are

permitted to locations where only persons twenty-one (21) years of age and older are permitted, within ninety (90) days of July 15, 2026.

- (4) (a) Notwithstanding subsection (1) of this section, a licensed charitable organization offering the play of electronic charity game tickets or electronic pulltab devices at more than one (1) additional location as provided in subsection (1) of this section on July 1, 2025, may continue to offer those activities at an additional location. Authorization to offer the play of electronic charity game tickets and electronic pulltab devices at an additional location shall be lost and forfeited, and those activities ceased at an additional location, upon occurrence of any of the following:
 - 1. Change of ownership or transfer of the charitable organization, or the charitable organization's permanent cessation of charitable gaming;
 - 2. Failure to maintain a valid lease due to expiration and termination of lease agreements;
 - 3. Failure by the licensee to comply with all charitable gaming requirements;
 - 4. Failure or inability of the existing facility or location to restrict access to persons twenty-one (21) years of age or older;
 - 5. Failure to timely report changes to the additional location or to update the information submitted to the corporation as part of the licensing process; or
 - 6. Failure to provide information as requested or ordered by the corporation, related to the conduct of charitable gaming at the additional location.
- (b)
 - 1. A licensed charitable organization shall not be required to cease activities and may move to a new location that is restricted to ages twenty-one (21) and older, if any of the following occurs:
 - a. A sale or transfer of ownership of any part of the property where the additional location is located;
 - b. A sale or transfer of ownership of the business where the additional location is located; or
 - c. Any closure of the location for ninety (90) days or more, which shall include any closures due to an act of God.
 - 2. A licensed charitable organization shall not be required to cease activities and may rebuild at the same location if there is a closure due to an act of God.
- (5) Notwithstanding subsection (1) of this section, a licensed charitable organization that offers the play of electronic charity game tickets or electronic pulltab devices at more than one (1) additional location as provided in subsection (1) of this section on July 1, 2025, shall lose, forfeit, and cease those activities at all additional locations upon occurrence of any of the following:
 - (a) Suspension or revocation of a license due to a violation;
 - (b) Failure by the licensee to timely reapply for licensure or pay all required

licensure fees; or

- (c) Engagement in activities that would pose a threat to the public interest or the effective regulation of charitable gaming in Kentucky, or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of charitable gaming or in the operation of the business and financial arrangements incidental thereto.
- (6) (a) Beginning April 15, 2026, until April 15, 2027, the Kentucky Horse Racing and Gaming Corporation shall not authorize locations for the play of electronic charity game tickets beyond the office location of the charitable organization, the location where the charitable organization is licensed to conduct bingo, and the location where pre-approved charitable fundraising events are authorized.
- (b) Paragraph (a) of this subsection shall not:
 - 1. Prevent electronic charity game ticket activities and electronic charity game ticket locations operating prior to April 15, 2026, from being resupplied or updated; or
 - 2. Apply if the corporation promulgates administrative regulations in accordance with KRS Chapter 13A that regulate electronic charity game tickets.

Effective: July 15, 2026

History: Repealed and reenacted 2026 Ky. Acts ch. 184, sec. 29, effective July 15, 2026. -- Created 2025 Ky. Acts ch. 124, sec. 23, effective July 1, 2025.