

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

- (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 office 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 office, 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. A person shall not 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. A person may serve as volunteer personnel for up to six (6) charitable gaming events or sessions per week. A person engaged in the conduct and administration of charitable gaming shall not receive any compensation for services related to the charitable gaming activities, including tipping. Net receipts derived from charitable gaming shall not 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) A licensed charitable organization shall not 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 office, 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).
- (10) A licensed charitable organization authorized to offer the play of electronic pulltab devices shall restrict access to the area or areas where electronic pulltab devices are located and ensure persons under the age of twenty-one (21) do not access those areas or participate in the play of those activities.
- (11) (a) If a licensed charitable organization is offering for play electronic pulltab devices at premises that are restricted in their entirety to ages twenty-one (21) and over, the charitable organization shall establish one (1) cordoned-off area for all electronic pulltab devices that is readily visible to the chairperson for monitoring the charitable gaming activity.
- (b) If a licensed charitable organization is offering for play electronic pulltab devices at premises where persons under the age of twenty-one (21) are allowed and five (5) or more devices are present, the charitable organization shall:
- 1. Establish one (1) cordoned-off area for all electronic pulltab devices that is readily visible to the chairperson for monitoring the charitable gaming activity;
 - 2. Keep a chairperson, who is employed by the licensed charitable organization, on staff full-time to monitor the entrance of the cordoned-off area to persons twenty-one (21) and over; and
 - 3. Allow patrons access only after identification is checked by the chairperson to confirm the patron is twenty-one (21) years or older.
- (c) If a licensed charitable organization is offering for play electronic pulltab devices at premises where persons under the age of twenty-one (21) are allowed and four (4) or fewer devices are present, the charitable organization shall:
- 1. Establish one (1) cordoned-off area for all electronic pulltab devices that is readily visible to the chairperson for monitoring the charitable gaming activity;
 - 2. Keep a chairperson on staff to monitor the entrance of the cordoned-off area to persons over twenty-one (21) and over; and
 - 3. Allow patrons access only after identification is checked by the chairperson to confirm the patron is twenty-one (21) years or older.

- (d) If a licensed charitable organization violates paragraph (a), (b), or (c) of this subsection, the licensed charitable organization or charitable gaming facility shall be:
 - 1. Fined for:
 - a. The first violation, one thousand dollars (\$1,000); and
 - b. The second violation, two thousand five hundred dollars (\$2,500); and
 - 2. For the third violation within a one (1) year period at the same premises, prohibited from conducting charitable gaming at the premises.
 - (e) The corporation may promulgate administrative regulations in accordance with KRS Chapter 13A that are reasonably necessary to ensure the safety and well-being of minors and the security of the premises in its entirety.
- (12) (a) Notwithstanding this section, a licensed charitable organization may provide reasonable remuneration to a chairperson who is required to attend trainings by the corporation or who is required to check identification to enter a cordoned-off area for the time spent conducting those trainings or identification checks.
- (b) Prior to July 1, 2027, the corporation shall create an online version for the training of chairpersons.

Effective: July 15, 2026

History: Amended 2026 Ky. Acts ch. 184, sec. 30, effective July 15, 2026. -- Amended 2025 Ky. Acts ch. 28, sec. 1, effective July 1, 2025. -- Amended 2024 Ky. Acts ch. 171, sec. 22, effective July 1, 2025. -- 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.