

CHAPTER 157**(SB 74)**

AN ACT relating to charitable gaming.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

Section 1. KRS 238.570 is amended to read as follows:

- (1) A fee is imposed on charitable gaming in the amount of *fifty-three hundredths*~~[four tenths]~~ of one percent (**0.53%**)~~{(0.4%)}~~ of gross receipts derived from all charitable gaming conducted by charitable organizations required to be licensed in the Commonwealth of Kentucky. Each licensed charitable organization shall remit to the department all moneys due on a quarterly basis. Failure by a licensed charitable organization to timely remit the fee required under this subsection upon notice of delinquency shall constitute grounds for disciplinary action in accordance with KRS 238.560.
- (2) The charitable gaming regulatory account is hereby created as a revolving account within the agency revenue fund and under the control of the Public Protection and Regulation Cabinet. All revenues generated from the fee levied in subsection (1) of this section from license fees and from administrative fines imposed by the department shall be deposited in this account. Moneys in this account shall be expended by the department only in the administration and enforcement of provisions of this chapter. No later than July of each odd-numbered year, the department shall assess the amount of funds raised by all fees levied in this chapter and shall make recommendations to the Legislative Research Commission concerning legislative amendments to adjust fee rates as indicated by the assessment.
- ~~{(3) If the provision of subsection (1) of this section that imposes a fee of four tenths of one percent (0.4%) of all gross receipts derived from all charitable gaming conducted by licensed charitable organizations is declared unconstitutional in a final decision of the highest appellate court of the Commonwealth of Kentucky, for the privilege of conducting charitable gaming in the Commonwealth of Kentucky, there is hereby levied upon the use, sale, rental, lease, or distribution by sale or by gift of charitable gaming supplies and equipment a fee of ten percent (10%) of the value of all supplies and equipment used, sold, rented, leased, or otherwise distributed by a licensed distributor to any licensed charitable organization in the Commonwealth of Kentucky.~~
 - ~~(a) Every distributor of charitable gaming supplies and equipment shall pay and report the fee levied pursuant to this subsection on or before the twentieth day of the calendar month next succeeding the month in which possession of the charitable gaming supplies and equipment is transferred from the distributor to the licensed charitable organization, in accordance with administrative regulations promulgated by the department.~~
 - ~~(b) The department may require a bond from distributors in accordance with the administrative regulations promulgated by the department.~~
- ~~(4) If the alternative license fee schedule as provided in subsection (3) of this section is activated due to a final decision of the highest appellate court in the Commonwealth of Kentucky as provided in subsection (3) of this section, the distributor's license fee as provided in KRS 238.530(1) shall become inapplicable.]~~

Section 2. The amendment to subsection (1) of KRS 238.570 in Section 1 of this Act is retroactive to July 1, 2004.

Approved March 18, 2005.