

286.4-465 Approval of change of control -- Application -- Fees -- Determination of whether proposed transaction constitutes change of control.

- (1) As used in this section, "change of control" means any of the following:
 - (a) A transfer of ownership interest that results in giving a person the power to direct the management or policies of a licensee;
 - (b) For publicly traded licensees, a transfer of at least ten percent (10%) of the outstanding voting stock;
 - (c) For privately held licensees, a transfer of at least twenty-five percent (25%) of the outstanding voting stock; or
 - (d) The acquisition of an existing licensed location or locations by a licensee.
- (2)
 - (a) Except as provided in paragraph (b) of this subsection, a change of control of a licensee or an existing licensed location shall be approved in writing by the commissioner prior to the change.
 - (b) For the following changes of control, a licensee shall file an application with the commissioner within fifteen (15) days after learning of the change of control:
 1. A change of control that results when a person acquires control of a licensee by devise or descent;
 2. A change of control that results when a person acquires authority to act:
 - a. As a personal representative, custodian, guardian, conservator, or trustee;
 - b. As an officer appointed by a court of competent jurisdiction; or
 - c. By operation of law;
 3. A change of control that results from the public offering of securities; and
 4. A change of control that has been exempted by regulation or order of the commissioner, if the commissioner makes a finding that it is in the public interest to do so.
- (3) The licensee shall make an application to the commissioner for approval of a change of control on a form prescribed by the commissioner.
- (4)
 - (a) For changes of control resulting in an existing licensee obtaining control of an existing licensed location or locations, the application fee shall be one hundred dollars (\$100) per location, except that the total fee for a single application shall not exceed one thousand dollars (\$1,000) regardless of the number of locations acquired.
 - (b) For all other changes of control, the application fee shall be the fees set forth in KRS 286.4-440.
- (5) The commissioner shall approve an application for a change of control if the commissioner determines that the requirements of this subtitle for obtaining a license will be satisfied after the change of control.
- (6)
 - (a) Before filing an application for approval of a change of control, a licensee

may submit a written request for a determination from the commissioner as to whether a proposed transaction constitutes a change of control.

- (b) If the commissioner determines that a proposed transaction would not constitute a change of control, then the commissioner shall respond in writing to that effect, and the licensee shall not be subject to the requirements of this section.
- (c) In the event the commissioner does not make a determination as to whether a proposed transaction would constitute a change of control within sixty (60) days from the date of the request, then no application for a change of control shall be required.

Effective: June 27, 2019

History: Created 2019 Ky. Acts ch. 120, sec. 16, effective June 27, 2019.