

AN ACT proposing an amendment to Section 226 of the Constitution of Kentucky relating to casino gaming.

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

➔Section 1. It is proposed that Section 226 of the Constitution of Kentucky be amended to read as follows:

(1) The General Assembly may establish a Kentucky state lottery and may establish a state lottery to be conducted in cooperation with other states. Any lottery so established shall be operated by or on behalf of the Commonwealth of Kentucky.

(2) The General Assembly may by general law permit charitable lotteries and charitable gift enterprises and, if it does so, it shall:

(a) Define what constitutes a charity or charitable organization;

(b) Define the types of charitable lotteries and charitable gift enterprises which may be engaged in;

(c) Set standards for the conduct of charitable lotteries and charitable gift enterprises by charitable organizations;

(d) Provide for means of accounting for the amount of money raised by lotteries and gift enterprises and for assuring its expenditure only for charitable purposes;

(e) Provide suitable penalties for violation of statutes relating to charitable lotteries and charitable gift enterprises; and

(f) Pass whatever other general laws the General Assembly deems necessary to assure the proper functioning, honesty, and integrity of charitable lotteries and charitable gift enterprises, and the charitable purposes for which the funds are expended.

(3) ***The General Assembly may by general law permit casino gaming and, if it does so, it shall:***

***(a) Define what constitutes casino gaming;***

***(b) Limit the number and location of casinos within the Commonwealth to ensure that:***

1. There shall be no more than six casino licenses approved and operating at any time, and only one casino license shall be approved and operating in any congressional district at any time;

2. Casinos shall be limited to counties with a population of at least eighty-five thousand; and

3. A casino shall not be approved for placement within a county unless the county has previously conducted a local option election where the question of casino placement in the county has received approval from a majority of the votes cast;

(c) Set standards for the conduct of casino gaming;

(d) Assign the responsibility for oversight and control of casino gaming to the Kentucky Lottery Corporation, which may exercise that oversight and control either directly or by contracting with a third party;

(e) Direct that a state casino tax be imposed and revenue derived from the casino tax be dedicated to the following purposes:

1. Ten percent of the revenue derived from casino gaming shall be dedicated to improving the horse racing industry in Kentucky by providing funds to enhance racing purses at racing associations licensed under KRS Chapter 230 that maintain at least the minimum number of race days established by the Kentucky Horse Racing Commission;

2. Sixty percent of the fund shall be dedicated to elementary and secondary education; and

3. Thirty percent of the fund shall be dedicated to higher education, except that no funds for higher education shall be made available until a four-year public university has been established in each congressional district; and

(f) Permit the government of a county containing a casino to impose:

1. A licensing fee not to exceed the casino licensing fee imposed by the state;  
and

**2. An occupational tax not to exceed three percent of wages and salaries of employees at the casino.**

(4) Except as provided in this section, lotteries and gift enterprises are forbidden, and no privileges shall be granted for such purposes, and none shall be exercised, and no schemes for similar purposes shall be allowed. The General Assembly shall enforce this section by proper penalties. All lottery privileges or charters heretofore granted are revoked.

→Section 2. This amendment shall be submitted to the voters of the Commonwealth for their ratification or rejection at the time and in the manner provided for under Sections 256 and 257 of the Constitution and under KRS 118.415.