

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 define and permit casino gaming and, if it does so:***

(a) The General Assembly shall:

1. Provide for the oversight and control of casino gaming by an administrative body funded by license fees and taxes levied on casino gaming; and

2. Prior to the fiscal year beginning July 1, 2027:

a. Appropriate ninety percent of the proceeds generated from licensing fees and taxation of casinos and casino gaming in excess of the amount required by subparagraph 1. of this paragraph to the Kentucky Employees Retirement System nonhazardous retirement fund and the Kentucky Teachers' Retirement System pension fund in equal amounts; and

b. Appropriate the remaining amount of the proceeds generated from licensing fees and taxation of casinos and casino gaming in excess of the amount required by subparagraph 1. of this paragraph for the benefit of the horse industry in Kentucky; and

(b) Beginning July 1, 2027, and each fiscal year thereafter, all proceeds generated from licensing fees and taxation of casinos and casino gaming in excess of the amount required by paragraph (a)1. of this subsection shall be appropriated as determined by the General Assembly.

(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. The question to be submitted to the voters regarding this proposed amendment shall read: "Are you in favor of amending the Kentucky Constitution to allow the General Assembly to permit casino gaming if a majority of the proceeds are allocated to the public pension systems for a time certain?".