

1 AN ACT relating to the regulation of game machines.

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

3 ➔Section 1. KRS 528.010 is amended to read as follows:

4 The following definitions apply in this chapter unless the context otherwise requires:

5 (1) (a) "Advancing gambling activity" ***means***~~—A person "advances gambling~~
 6 ~~activity" when, acting other than as a player, he engages in~~ conduct ***a person***
 7 ***engages in other than as a player*** that materially aids any form of gambling
 8 activity.

9 (b) ***"Advancing gambling activity" includes***~~The conduct shall include, but is~~
 10 ~~not limited to,~~ conduct directed toward the:

11 ***1.*** Establishment of the particular game, contest, scheme, device, or activity
 12 involved;~~toward the~~

13 ***2.*** Acquisition or maintenance of premises, paraphernalia, equipment, or
 14 apparatus therefor;~~toward the~~

15 ***3.*** Solicitation or inducement of persons to participate therein;~~toward the~~
 16 †

17 ***4.*** Actual conduct of the playing phases thereof; ***or***~~toward the~~

18 ***5.*** Arrangement of any of its financial or recording phases or toward any
 19 other phase of its operation.

20 (c) A person who gambles at a social game of chance on equal terms with other
 21 participants does not otherwise advance gambling activity by performing acts,
 22 without remuneration or fee, directed toward the arrangement or facilitation of
 23 the game, ***such*** as inviting persons to play, permitting the use of premises
 24 therefor, and supplying equipment used therein;

25 (2) "Bookmaking" means advancing gambling activity by unlawfully accepting bets
 26 upon the outcome of future contingent events from members of the public as a
 27 business;

1 (3) "Charitable gaming" means games of chance conducted by charitable organizations
2 licensed and regulated under the provisions of KRS Chapter 238;

3 (4) (a) "Gambling" means staking or risking something of value upon the outcome of
4 a contest, game, gaming scheme, or gaming device which is based upon an
5 element of chance, in accord with an agreement or understanding that
6 someone will receive something of value in the event of a certain outcome. A
7 contest or game in which eligibility to participate is determined by chance and
8 the ultimate winner is determined by skill shall not be considered to be
9 gambling.

10 (b) Gambling shall not include:~~mean~~

11 1. Any contest, gaming, or wager that is licensed, authorized, permitted,
12 or regulated by:

13 a. The Kentucky Lottery Corporation under KRS Chapter 154A;

14 b. The Kentucky Horse Racing Commission under KRS Chapter
15 230;

16 c. The Department of Charitable Gaming under KRS Chapter 238;
17 or~~Charitable gaming which is licensed and regulated under the~~
18 ~~provisions of KRS Chapter 238~~

19 d. Amendment to the Kentucky Constitution or action of the
20 General Assembly after January 1, 2022; or

21 2. The use or operation of any devices or machines that are excluded
22 from subsection (5) of this section;

23 (5) "Gambling device" means:

24 (a) Any so-called slot machine or any other machine or mechanical device an
25 essential part of which is a drum or reel with insignia thereon, and which
26 when operated may deliver, as a result of the application of an element of
27 chance, any money or property, or by the operation of which a person may

1 become entitled to receive, as the result of the application of an element of
2 chance, any money or property;

3 (b) Any mechanical or electronic device permanently located in a business
4 establishment, including a private club, that is offered or made available to a
5 person to play or participate in a simulated gambling program in return for
6 direct or indirect consideration, including but not limited to consideration paid
7 for Internet access or computer time, or a sweepstakes entry, which when
8 operated may deliver as a result of the application of an element of chance,
9 any money or property, or by the operation of which a person may become
10 entitled to receive, as the result of the application of an element of chance, any
11 money or property; or

12 (c) Any other machine or any mechanical or other device, including but not
13 limited to roulette wheels, gambling tables and similar devices, designed and
14 manufactured primarily for use in connection with gambling and which when
15 operated may deliver, as the result of the application of an element of chance,
16 any money or property, or by the operation of which a person may become
17 entitled to receive, as the result of the application of an element of chance, any
18 money or property;

19 (d) ~~But,~~ The following shall not be considered gambling devices within this
20 definition:

- 21 1. Devices dispensing or selling combination or French pools on licensed,
22 regular racetracks during races on said tracks;
- 23 2. Devices dispensing or selling combination or French pools on historical
24 races at licensed, regular racetracks as lawfully authorized by the
25 Kentucky Horse Racing Commission;
- 26 3. Electro-mechanical pinball machines specially designed, constructed, set
27 up, and kept to be played for amusement only. Any pinball machine

1 shall be made to receive and react only to the deposit of coins during the
 2 course of a game. The ultimate and only award given directly or
 3 indirectly to any player for the attainment of a winning score or
 4 combination on any pinball machine shall be the right to play one (1) or
 5 more additional games immediately on the same device at no further
 6 cost. The maximum number of free games that can be won, registered,
 7 or accumulated at one (1) time in operation of any pinball machine shall
 8 not exceed thirty (30) free games. Any pinball machine shall be made to
 9 discharge accumulated free games only by reactivating the playing
 10 mechanism once for each game released. Any pinball machine shall be
 11 made and kept with no meter or system to preserve a record of free
 12 games played, awarded, or discharged. Nonetheless, a pinball machine
 13 shall be a gambling device if a person gives or promises to give money,
 14 tokens, merchandise, premiums, or property of any kind for scores,
 15 combinations, or free games obtained in playing the pinball machine in
 16 which the person has an interest as owner, operator, keeper, or
 17 otherwise;~~or~~

18 4. Devices used in the conduct of charitable gaming; *or*

19 5. Any device used and authorized by KRS Chapter 154A, 230, or 238;

20 (6) "Lottery and gift enterprise" means:

21 (a) A gambling scheme in which:

22 1. The players pay or agree to pay something of value for chances,
 23 represented and differentiated by numbers or by combinations of
 24 numbers or by some other media, one (1) or more of which are to be
 25 designated the winning ones; and

26 2. The ultimate winner is to be determined by a drawing or by some other
 27 method based upon the element of chance; and

- 1 3. The holders of the winning chances are to receive something of value;
2 and
- 3 (b) A gift enterprise or referral sales plan which meets the elements of a lottery
4 listed in paragraph (a) of this subsection is to be considered a lottery under
5 this chapter;
- 6 (7) "Mutuel" or "the numbers games" means a form of lottery in which the winning
7 chances or plays are not determined upon the basis of a drawing or other act on the
8 part of persons conducting or connected with the scheme, but upon the basis of the
9 outcome or outcomes of a future contingent event or events otherwise unrelated to
10 the particular scheme;
- 11 (8) "Player" means a person who engages in any form of gambling solely as a
12 contestant or bettor, without receiving or becoming entitled to receive any profit
13 therefrom other than personal gambling winnings, and without otherwise rendering
14 any material assistance to the establishment, conduct, or operation of the particular
15 gambling activity. A person who engages in "bookmaking" as defined in subsection
16 (2) of this section is not a "player." The status of a "player" shall be a defense to any
17 prosecution under this chapter;
- 18 (9) "Profiting from gambling activity" means ~~— A person "profits from gambling~~
19 ~~activity"~~ when, other than as a player, the person ~~he~~ accepts or receives or agrees
20 to accept or receive money or other property pursuant to an agreement or
21 understanding with any other person whereby the person ~~he~~ participates or is to
22 participate in the proceeds of gambling activity;
- 23 (10) "Simulated gambling program" means any method intended to be used by a person
24 playing, participating, or interacting with an electronic device that may, through the
25 application of an element of chance, either deliver money or property or an
26 entitlement to receive money or property; and
- 27 (11) "Something of value" means any money or property, any token, object, or article

1 exchangeable for money or property, or any form of credit or promise directly or
2 indirectly contemplating transfer of money or property or of any interest therein, or
3 involving extension of a service, entertainment, or a privilege of playing at a game
4 or scheme without charge.

5 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 528 IS CREATED TO
6 READ AS FOLLOWS:

7 *(1) The Kentucky State Police shall establish a task force dedicated to the removal of*
8 *any gambling devices not authorized by law.*

9 *(2) (a) The Justice and Public Safety Cabinet shall promulgate administrative*
10 *regulations establishing membership, procedures, privileges, duties, and*
11 *reporting requirements; and*

12 *(b) Any reports generated by the task force shall be submitted to the Legislative*
13 *Research Commission, the Interim Joint Committee on Judiciary, and the*
14 *Interim Joint Committee on Licensing, Occupations, and Administrative*
15 *Regulations.*