

1 AN ACT relating to the Kentucky problem gambling assistance fund, making an  
2 appropriation therefor, and declaring an emergency.

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

4 ➔SECTION 1. KRS CHAPTER 239 IS ESTABLISHED AND A NEW  
5 SECTION THEREOF IS CREATED TO READ AS FOLLOWS:

6 *There is established in the State Treasury a revolving account to be known as the*  
7 *Kentucky problem gambling assistance fund.*

8 *(1) The fund shall be administered by the Kentucky Problem Gambling Assistance*  
9 *Board established in Section 2 of this Act.*

10 *(2) Notwithstanding KRS 45.229, moneys remaining in the fund at the close of a*  
11 *fiscal year shall not lapse but shall carry forward into the succeeding fiscal year*  
12 *for the purposes established in this section. Interest earned on any moneys in the*  
13 *fund shall accrue to the account.*

14 *(3) Except for administrative expenses of the board relating to the fund, which shall*  
15 *be limited to one hundred fifty thousand dollars (\$150,000) per year, all moneys*  
16 *in the fund are appropriated for, and shall be used exclusively for:*

17 *(a) Providing support to agencies, groups, organizations, and persons that*  
18 *provide education, assistance, and counseling to persons and families*  
19 *experiencing difficulty as a result of addiction to alcohol or drugs or*  
20 *addictive or compulsive gambling;*

21 *(b) Promoting public awareness of and providing education about addictions;*

22 *(c) Establishing and funding programs to certify addiction counselors;*

23 *(d) Promoting public awareness of assistance programs for addicts; and*

24 *(e) Paying the costs and expenses associated with the treatment of addictions.*

25 *(4) Moneys deposited in the fund shall not be appropriated or transferred by the*  
26 *General Assembly for any other purposes.*

27 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 239 IS CREATED TO

1 READ AS FOLLOWS:

2 *The Kentucky Problem Gambling Assistance Board is hereby created as an*  
3 *independent entity within state government. The purpose of the board shall be to*  
4 *administer, organize, invest, and distribute funds from the Kentucky problem gambling*  
5 *assistance fund. The board shall be attached to the Public Protection Cabinet for*  
6 *administrative purposes.*

7 *(1) The board shall consist of five (5) members appointed as follows:*

8 *(a) One (1) at-large member appointed by the Governor from a list of three (3)*  
9 *nominees submitted by the Speaker of the House;*

10 *(b) One (1) at-large member appointed by the Governor from a list of three (3)*  
11 *nominees submitted by the President of the Senate;*

12 *(c) One (1) at-large member appointed by the Governor;*

13 *(d) One (1) member from the Kentucky Council on Problem Gambling, Inc.,*  
14 *appointed by the Governor; and*

15 *(e) One (1) member appointed by the Governor with an extensive background*  
16 *in the psychiatric or psychological aspects of problem gambling, selected*  
17 *from among three (3) nominees recommended by the president of the*  
18 *University of Kentucky and three (3) nominees recommended by the*  
19 *president of the University of Louisville.*

20 *(2) The board shall select from among its membership a chair to serve for a two (2)*  
21 *year term. The chair may serve for additional terms as determined by the board.*  
22 *Each board member term shall be for four (4) years, and a board member may*  
23 *only serve for two (2) consecutive terms. A majority of the board membership*  
24 *shall constitute a quorum.*

25 *(3) The board members shall not receive a salary, but shall be reimbursed for any*  
26 *reasonable expenses relating to board duties.*

27 *(4) Any vacancy on the board shall be filled for the unexpired term as provided in the*

1 original appointment.

2 (5) The board may hire an executive director to manage its day-to-day operations  
3 and coordinate the work of the board.

4 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 239 IS CREATED TO  
5 READ AS FOLLOWS:

6 (1) The board shall promulgate administrative regulations in accordance with KRS  
7 Chapter 13A to establish criteria for the expenditure of funds from the Kentucky  
8 problem gambling assistance fund established by Section 1 of this Act. The  
9 administrative regulations shall:

10 (a) Establish standards for the types of agencies, groups, organizations, and  
11 persons eligible to receive funding;

12 (b) Establish standards for the types of activities eligible for funding;

13 (c) Establish standards for the appropriate documentation of past performance  
14 and the activities of agencies, groups, organizations, and persons requesting  
15 funding;

16 (d) Establish standards for the development of performance measures or other  
17 evidence of successful expenditure of awarded funds;

18 (e) Set forth procedures for the submission, evaluation, and review of  
19 applications for funding;

20 (f) Set forth procedures for awarding funds to requesting entities who have  
21 demonstrated the capability to efficiently and effectively provide the  
22 necessary services;

23 (g) Establish requirements and procedures for the monitoring of funds  
24 awarded, including requirements for the submission of reports and  
25 documentation supporting expenditures; and

26 (h) Include any other provisions related to funding or the administration of the  
27 fund as determined by the board.

1 (2) The board shall invest money from the fund in a manner to create a return on  
2 investment sufficient to maintain the fund in perpetuity.

3 (3) The board shall develop an annual research agenda related to social, economic,  
4 psychological, and other impacts of problem gambling and all forms of addiction.

5 The board may direct its own studies and may accept and review outside studies  
6 from academic, scientific, and governmental entities. The board may also review  
7 laws, policies, and practices of the federal government and other jurisdictions.

8 (4) On or before October 1, 2023, and every October 1 thereafter, the board chair  
9 shall submit an annual report detailing activities and expenditures associated  
10 with the Kentucky problem gambling assistance fund for the preceding fiscal  
11 year. The annual report shall be submitted to:

12 (a) The Legislative Research Commission; and

13 (b) The Governor.

14 ➔Section 4. The initial terms of the Kentucky Problem Gambling Assistance  
15 Board shall be as follows: The members appointed by the Governor upon nomination by  
16 the Speaker of the House and the President of the Senate shall serve four year terms, the  
17 member appointed by the Governor with an extensive background in the psychiatric or  
18 psychological aspects of problem gambling and the member from the Kentucky Council  
19 on Problem Gambling appointed by the Governor shall serve three year terms, and the at-  
20 large member appointed by the Governor shall serve a two year term. All subsequent  
21 board terms shall be for four years.

22 ➔Section 5. There is hereby appropriated general fund moneys in the amount of  
23 \$225,000,000 in fiscal year 2022-2023 to the Kentucky problem gambling assistance fund  
24 for the purposes set forth in Section 1 of this Act.

25 ➔Section 6. Whereas, addictive or compulsive gambling is a growing problem in  
26 the Commonwealth, and assistance to those experiencing this problem is vitally  
27 important, an emergency is declared to exist, and this Act takes effect upon its passage

1 and approval by the Governor or upon its otherwise becoming a law.