

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2017 REGULAR SESSION**

**MEASURE**

2017 BR NUMBER **1598**

**HOUSE** BILL NUMBER **468**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to charitable gaming.**

**SPONSOR** **Representative Kay**

**NOTE SUMMARY**

FISCAL ANALYSIS:  IMPACT       NO IMPACT       INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT:  STATE       LOCAL       FEDERAL

BUDGET UNIT(S) IMPACT: **Department of Charitable Gaming**

FUND(S) IMPACT:  GENERAL     ROAD     FEDERAL     RESTRICTED AGENCY Charitable Gaming Fund  OTHER

**FISCAL SUMMARY**

FISCAL ESTIMATES	2016-2017	2017-2018	ANNUAL IMPACT AT FULL IMPLEMENTATION
<b>REVENUES</b>		(\$177,000)	(\$177,000)
<b>EXPENDITURES</b>			
<b>NET EFFECT</b>		(\$177,000)	(\$177,000)

( ) indicates a decrease/negative

**MEASURE'S PURPOSE:** The measure allows certain charitable organizations that only conduct raffles and charitable fundraising events without special limited games or bingo to be exempt from the charitable gaming statutes. Also, changes are made to how raffles can be conducted and requirements regarding the deposit of receipts are changed.

**PROVISIONS/MECHANICS:** Section 1 amends KRS 238.535 to add language exempting a 501(c)(3) charitable organization or a chapter of that organization from the requirements of KRS Chapter 238 if that organization only conducts raffles and charitable fundraising events without special limited games or bingo. The qualifications for licensure are expanded to include a chapter of an organization that possesses a tax exempt status under 26 U.S.C. sec. 501(c)(3). The chapter does not need to meet the qualifications of KRS Chapter 238 if the parent organization meets the requirements.

Section 2 amends KRS 238.545 regarding raffle tickets. Also, language is added prohibiting the department from promulgating or enforcing any administrative regulation affecting raffle tickets that is more restrictive than the provisions of the statute.

Section 3 amends KRS 238.550 to delete the requirement that receipts must be deposited within 2 business days. Language is added that clarifies who can make deposits and who can sign checks.

**FISCAL EXPLANATION:** Based on the current number of organizations licensed by the Department of Charitable Gaming and their charitable gaming activity in 2015, the measure would result in a loss of approximately \$12,000 in licensing fees, and a loss of \$165,000 in revenue from the gaming fee.

**DATA SOURCE(S):** Department of Charitable Gaming

**PREPARER:** Greg Troutman **NOTE NUMBER:** 125 **REVIEW:** JRS **DATE:** 2/23/2017