

238.530 Licensing of distributors and manufacturers of supplies and equipment -- Eligibility -- Restrictions.

- (1) No person shall sell, offer to sell, rent, lease, or otherwise furnish charitable gaming supplies or equipment unless the person is licensed by the department as a distributor. The department shall charge a license fee not to exceed one thousand dollars (\$1,000).
- (2) No person shall sell, offer to sell, rent, lease, or otherwise furnish charitable gaming supplies and equipment unless the person is licensed by the department as a manufacturer. The department shall charge a license fee not to exceed one thousand dollars (\$1,000).
- (3) No person who is licensed as a charitable organization, and no owner, officer, employee, or member of the immediate family of an owner, officer, or employee of a licensed charitable gaming facility shall be eligible for licensure as a distributor or manufacturer. No affiliate of an owner, officer, or employee, or member of the immediate family of an owner, officer, or employee of a licensed charitable gaming facility shall be licensed as a distributor or manufacturer. No person who is a licensed wholesaler or distributor of alcoholic beverages shall be licensed as a distributor or manufacturer. No person who is licensed as a distributor shall be licensed as a manufacturer, and no person licensed as a manufacturer shall be licensed as a distributor.
- (4) An applicant for a license as a manufacturer or distributor shall apply for license on forms provided by the department and shall submit as part of the application process the following:
 - (a) The full name, address, date of birth, and Social Security number of the applicant;
 - (b) If the applicant is a corporation or other business entity, the names, addresses, dates of birth, and Social Security numbers of all officers and management personnel;
 - (c) The name, address, date of birth, and Social Security number of any individual who has ten percent (10%) or more financial interest in the applicant organization;
 - (d) Federal employer tax number;
 - (e) A sworn statement by the applicant or the appropriate officer that all information provided is true and correct and that the applicant agrees to comply with the applicable provisions of this chapter and all applicable administrative regulations promulgated thereunder;
 - (f) The name, address, and telephone number of a registered agent within the Commonwealth of Kentucky, if the applicant is not a resident; and
 - (g) Any other information the department deems appropriate.
- (5) Each licensed manufacturer and distributor shall maintain a complete set of records as may be required by the department to document all activities related to the sale, rental, lease, or furnishing of charitable gaming supplies and equipment in the Commonwealth of Kentucky. These records shall be available for inspection by the department at reasonable times, and all records shall be maintained for a minimum of three (3) years. The department may require a licensed manufacturer and distributor to report on its activity, with the content

and frequency of these reports to be prescribed by administrative regulation promulgated by the department.

- (6) A distributor who does not receive payment in accordance with the terms of its sales or lease agreement from a licensed charitable organization within thirty (30) days of the delivery of charitable gaming supplies and equipment shall notify the department of the delinquency in writing in a form and manner prescribed by the department. A manufacturer who does not receive payment in full from a distributor within sixty (60) days of the delivery of charitable gaming supplies and equipment shall notify the department of the delinquency in writing in a form and manner prescribed by the department.
- (7) A licensed manufacturer shall not sell charitable gaming supplies and equipment to any person not licensed as a distributor in the Commonwealth of Kentucky.
- (8) A licensed distributor shall not sell charitable gaming supplies and equipment to any person not licensed as a distributor or a charitable organization in the Commonwealth of Kentucky, unless the organization is exempted from licensure under the provisions of this chapter.
- (9) A licensed distributor shall not purchase charitable gaming supplies and equipment from any person not licensed as a manufacturer or distributor in the Commonwealth of Kentucky.
- (10) No officer, owner, employee, or contractee of a licensed distributor or licensed manufacturer or their affiliates and no member of the immediate family of an owner, officer, employee, or contractee of a licensed distributor or licensed manufacturer or their affiliates, shall, with respect to a licensed charitable organization:
 - (a) Manage or otherwise be involved in the conduct of charitable gaming;
 - (b) Provide bookkeeping or other accounting services related to the conduct of charitable gaming;
 - (c) Handle any moneys generated in the conduct of charitable gaming;
 - (d) Advise a licensed charitable organization on the expenditure of net receipts;
 - (e) Provide transportation services in any manner to patrons of a charitable gaming activity;
 - (f) Provide advertisement or marketing services in any manner to a licensed charitable organization;
 - (g) Provide, coordinate, or solicit the services of personnel or volunteers in any manner;
 - (h) Provide training or consulting on the conduct of charitable gaming, except in connection with the use of its own equipment or supplies;
 - (i) Store its charitable gaming equipment or supplies in or on the premises of a licensed charitable gaming facility; or
 - (j) Donate or give any prize to be awarded in the conduct of charitable gaming.

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Amended 2000 Ky. Acts ch. 374, sec. 7, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 232, sec. 5, effective April 1, 1998. -- Amended 1996 Ky. Acts ch. 331, sec. 6, effective April 10, 1996. -- Created 1994 Ky. Acts ch. 66, sec. 7, effective March 16, 1994.