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REGULATIONS COMPILER

1 HORSE RACING AND GAMING CORPORATION

2 (Amendment)

3 820 KAR 1:032. Pulltabs.

4 RELATES TO: KRS 238.505, 238.545

5 STATUTORY AUTHORITY: KRS 238.510, KRS 238.515, 238.545, KRS 230.215, KRS 230.260

6 CERTIFICATION STATEMENT: This certifies that this administration regulation complies with  
7 the requirements of 2025 RS HB6, Section 8.

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215 and KRS 230.260 vest in the  
9 Kentucky Horse Racing and Gaming Corporation exclusive jurisdiction over charitable gaming in  
10 the Commonwealth, power to promulgate administrative regulations prescribing conditions under  
11 which all charitable gaming is to be conducted. KRS 238.510 created the Office of Charitable  
12 Gaming as an office within the Kentucky Horse Racing and Gaming Corporation. KRS 238.515  
13 authorizes the Office[Department] of Charitable Gaming ("the Office") to establish and enforce  
14 reasonable standards for the conduct of charitable gaming. KRS 238.545 requires the  
15 Office[department] to establish standards for pulltab construction, distribution, electronic pulltabs,  
16 and rules of play. This administrative regulation establishes those standards.

17 Section 1. Definitions. These definitions shall apply to all administrative regulations relating to  
18 pulltabs or electronic pulltabs.

19 (1) "Bonus round" means a single, new screen, apart from ordinary gameplay, that incrementally  
20 reveals the results of a single electronic pulltab ticket either by simulating the opening of  
21 additional tickets or simulating a prize board from which a player may pick symbols or icons.

1       (2) "Cumulative pulltab game" means a pulltab game consisting of multiple pulltab deals or game  
2       sets that is designed by the manufacturer so that a portion of each deal's predetermined payout is  
3       designated to a prize pool board.

4       (3) "Deal" means each separate game or series of pulltabs that have the same serial number and  
5       that may be composed of multiple packages.

6       (4) "Electronic pulltab system" means:

7           (a) A central computer system, which may be an optional site system;

8           (b) Electronic pulltab devices;

9           (c) Point of sale stations;

10          (d) Secondary components; and

11          (e) Proprietary software that contains reporting and control functions whereby the central  
12       computer system communicates with the electronic pulltab devices for the purpose of  
13       distributing a finite number of electronic pulltabs, a certain number of which, if randomly  
14       selected, entitle a player to prize awards at various levels.

15       (5) "Event game" means a type of pulltab game, with or without a seal card, that is designed by  
16       the manufacturer so that certain prizes are determined by:

17           (a) The draw of a bingo ball; or

18           (b) A method of randomly selecting numbers or symbols that correspond to the numbers or  
19       symbols printed on a paper or electronic pulltab.

20       (6) "Fixedbase electronic pulltab device" means a single personal computing device that has been  
21       loaded with proprietary software by a licensed manufacturer to enable it to function as an  
22       electronic pulltab device.

1       (7) "Flare" means the paper included with a deal of paper pulltabs, or the electronic representation  
2       of a paper flare included with a game set of electronic pulltabs, that identifies the game, the rules  
3       of the game, the payout structure, and other information required by this administrative  
4       regulation.

5       (8) "Form number" means a manufacturer's alphanumeric number that identifies a pulltab payout  
6       structure.

7       (9) "Game set" means the entire deal of finite electronic pulltabs that contains predefined and  
8       randomized game results assigned under a unique serial number.

9       (10) "Game subset" means a division of a game set into equal sizes following randomization,  
10      with each game subset also identified by a unique serial number.

11      (11) "Hand-held electronic pulltab device" means a single tablet or hand-held computer, other  
12      than a mobile phone or similar hand-held device that is either manufactured or customized by the  
13      manufacturer to operate as an electronic pulltab device.

14      (12) "Jackpot prize in a progressive pulltab game" or "progressive jackpot prize" means a prize  
15      in addition to the instant or seal card prizes that is carried over from deal to deal, or game set to  
16      game set, until it is won.

17      (13) "Jar ticket" means a type of pulltab game ticket that is folded, glued, or stapled.

18      (14) "Last sale" means a pulltab game designed by the manufacturer in which a prize is awarded  
19      to the person who bought the last pulltab or electronic pulltab in a deal or game set.

20      (15) "Multipackaged pulltab deal" means a pulltab game consisting of a single deal or game set  
21      of not more than 25,000 tickets that is packed or electronically grouped in subsets and in which  
22      each subset contributes to a prize pool with or without a prize board.

1       (16) "Progressive pulltab game" or "carryover pulltab game" means a pulltab game consisting of  
2       one (1) or more deals or game sets designed by the manufacturer so that a portion of the deal's  
3       predetermined prize payout is designated to a progressive jackpot and the jackpot value may  
4       accumulate from one (1) deal to the next deal until won.

5       (17) "Pulltab" means a charity game ticket as defined by KRS 238.505(5).

6       Section 2. Conformity of Paper Pulltabs.

7       (1) A licensed distributor of charitable gaming supplies and equipment shall distribute in  
8       Kentucky only those paper pulltabs conforming to the requirements of this administrative  
9       regulation.

10      (2) A licensed charitable organization shall sell to the public only those paper pulltabs conforming  
11       to the requirements of this administrative regulation.

12      Section 3. Paper Pulltab Construction Standards.

13      (1) Pulltabs shall be constructed so that the concealed numbers, symbols, or winner protection  
14       features cannot be viewed or determined from the outside of the pulltab using a high intensity  
15       lamp of up to and including 500 watts, with or without utilizing a focusing lens.

16      (2) The deal shall be designed, printed, glued, cut, and assembled in a manner to prevent  
17       determination of a winning or losing ticket without removing the tabs or otherwise uncovering  
18       the symbols or numbers as intended.

19      (3) Each pulltab in a deal shall bear the same serial number. If a seal card is used with a pulltab  
20       deal, the seal card shall bear the same serial number as each pulltab. Only one (1) serial number  
21       shall be used in a deal. A serial number used in a deal of pulltabs shall not be repeated by the  
22       same manufacturer on that same manufacturer's form number within a three (3) year period.

1       (4) If the pulltab utilizes a window, the numbers or symbols on the pulltab shall be fully visible  
2       in the window and shall be placed so that no part of a symbol or number remains covered when  
3       the tab is removed. Displacement of the symbol to the left or right in a window may be used for  
4       increased game security. Additional security devices or methods, including a laminate underneath  
5       a window, may be used by a manufacturer.

6       (5) It shall not be possible to distinguish winning pulltabs from losing pulltabs through variations  
7       in printing graphics or colors, including those involving different printing plates.

8       (6) All winning pulltabs shall have at least one (1) winner protection feature. In addition, all  
9       winning pulltabs that entitle a player to an instant prize of greater than twenty (20) dollars shall  
10      include an additional form of winner protection. Numeral jar tickets with colored winning  
11      numerals shall not be required to have secondary winner protection.

12      (7) All pulltabs shall be glued on the window edges and between each window. The glue shall be  
13      of sufficient strength and type to prevent the separation or delamination of the pulltab. For banded  
14      tickets, the glue shall be of sufficient strength and quality to prevent the separation of the band  
15      from the ticket.

16      (8) The window slits on each break-open ticket shall be perforated on at least three cut sides. The  
17      ties shall be of a sufficient thickness or strength to prevent unauthorized peering under the  
18      windows and so that unauthorized peering under the windows can be detected. It shall not be  
19      possible to isolate winning or potential winning tickets from variations to the size or the  
20      appearance of a cut edge of the pulltab comprising a particular game.

21      (9) Except as provided in subsections (10) and (11) of this section, the minimum information that  
22      shall be printed on an unopened pulltab with an overall area of two and five-tenths (2.5) square  
23      inches or more shall be:

- 1       (a) The name of the manufacturer, or its distinctive logo;
- 2       (b) The name of the game;
- 3       (c) The manufacturer's form number;
- 4       (d) The price per individual pulltab;
- 5       (e) The unique minimum five (5) digit game serial number, printed on the game information
- 6       side of the pulltab; and
- 7       (f) The number of winners and respective winning numbers or symbols, and specific prize
- 8       amounts.

9       (10) A pulltab with an overall area of at least one and six tenths (1.6) square inches unopened but  
10      less than two and five tenths (2.5) square inches unopened shall:

- 11       (a) Have printed on it, at a minimum, the information listed in subsection (9)(a), (b), (c), (d),  
12       and (e) of this section; and
- 13       (b) Not be required to have the information listed in subsection (9)(f) of this section.

14       (11) A pulltab with an overall area of less than one and six-tenths (1.6) square inches unopened  
15      shall:

- 16       (a) Have printed on it, at a minimum, the information listed in subsection (9)(a) and (e) of this  
17       section; and
- 18       (b) Not be required to have the information listed in subsection (9)(b), (c), (d), or (f) of this  
19       section.

20      Section 4. Randomization of Paper Pulltabs. Winning paper pulltabs shall be distributed and mixed  
21      among all other pulltabs in a deal to eliminate any pattern between deals, or portions of deals. The  
22      pulltab deal shall be assembled so that the winning pulltabs cannot be distinguished. Winning

1 tickets shall be randomly distributed throughout the deal. Banded tickets packaged in bags, rather  
2 than boxes, shall be subject to these requirements.

3 Section 5. Packaging and Distribution of Paper Pulltabs.

4 (1)

5 (a) Each paper pulltab deal's package, box, or other container shall be sealed or taped at every  
6 entry point at the manufacturer's factory with a tamper resistant seal or tape.

7 (b) The seal or tape shall be visible under the shrink-wrap or from outside the container and  
8 shall be constructed to guarantee that, if the container is opened or otherwise tampered with,  
9 evidence of the opening or tampering will be easily detected.

10 (c) The seal or tape shall include a warning to the purchaser that the deal may have been  
11 tampered with if the package, box, or other container is received by the purchaser with the seal  
12 or tape broken.

13 (d) If the deal is packaged in a plastic bag, the entry point shall be completely sealed by the  
14 application of heat or adhesive. The warning may be imprinted in the plastic.

15 (2) A deal's serial number shall be clearly and legibly placed on:

16 (a) The outside of the deal's package, box, or other container; or

17 (b) The inside of the deal's package, box, or other container if it is clearly visible from the  
18 outside of the package, box, or other container.

19 (3) Manufacturers shall print on or affix to the outside of the package or container of pulltabs or  
20 include inside the package or container, in bold print of sufficient size to be easily read, a message  
21 that states substantially the following: "tickets shall be removed from this packaging container  
22 and thoroughly mixed prior to sale to the public."

1       (4) Manufacturers shall include with every deal of pulltabs a bar code label that contains at a  
2       minimum the name of the manufacturer or its distinctive logo, the game form number, and the  
3       game serial number. The bar code label shall be visible from the outside of the package, box, or  
4       other container.

5       Section 6. Flares and Seal Cards for Paper Pulltabs.

6       (1) Every deal of pulltabs shall contain a flare or a seal card. The manufacturer shall print directly  
7       on the paper flare or seal card the following information:

8           (a) The name of the game;

9           (b) The manufacturer's name or logo;

10          (c) The manufacturer's form number;

11          (d) The game serial number;

12          (e) The ticket count;

13          (f) The prize structure, including a description of the number of winning pulltabs by  
14       denomination, with their respective winning symbols or number combinations, and amounts  
15       dedicated to the prize pool in a seal card game with a cumulative prize, or a carryover or  
16       progressive prize; and

17          (g) The cost per play.

18       (2) Every deal of pulltabs shall contain instructions on how to play the game.

19       Section 7. Cumulative Games and Carryover or Progressive Games.

20       (1) The rules for cumulative games, carryover, or progressive games shall apply to both paper  
21       and electronic pulltabs.

22       (2) The amount dedicated to a cumulative prize pool or a carryover or progressive jackpot shall  
23       be predetermined by the manufacturer and built into the payout structure for the game.

1       (a) For paper pulltabs, the dedicated amount shall be printed by the manufacturer on either the  
2       flare or seal card for each game or on each ticket in each game.

3       (b) For electronic pulltab games, the dedicated amount shall be included by the manufacturer  
4       on the flare or seal card for each game.

5       (3) All games contributing to the cumulative prize pool or the carryover or progressive jackpot  
6       shall be of the same form number.

7       (4) The paper or electronic flare or seal card for the carryover or progressive jackpot shall contain  
8       an area in which the current amount of the carryover or progressive jackpot can be posted.

9       (5) If a carryover or progressive pulltab game uses a progressive jackpot prize card that is separate  
10      from the jackpot seal, the jackpot card shall contain prize space for the organization to record the  
11      serial numbers of all games contributing to the jackpot prize.

12      (6) If a carryover or progressive pulltab game uses a jackpot prize card that is separate from the  
13      jackpot seal card, each deal of the game shall possess both a seal card and a jackpot prize card  
14      that has the serial number of the deal affixed to it by the manufacturer.

15      (7) In a carryover or progressive pulltab game, the organization shall either start a new jackpot  
16      card with each deal or use the original jackpot card until won. The organization shall maintain  
17      each jackpot card used.

18      (8) A progressive pulltab game shall not be designed by the manufacturer to give any player  
19      initial odds greater than a fifty (50) percent chance to win the progressive jackpot.

20      (9) If a paper pulltab game contributes to a progressive raffle jackpot, a licensed charitable  
21      organization shall not sell a similar version of that paper pulltab game unless it also contributes  
22      to a progressive raffle jackpot. All paper pulltab game tickets that contribute to a progressive

1 raffle jackpot shall be sold for cash and shall not be used as a merchandise prize for any bingo,  
2 pulltab, or door prizes.

3 Section 8. Event Games.

4 (1) The rules for event games shall apply to both paper and electronic pulltabs.  
5 (2) An event game shall not contain a "last sale" feature.  
6 (3) The number of winners and the prize amounts shall be built into the payout structure for the  
7 game by the manufacturer.  
8 (4) An event ticket prize shall not exceed the individual ticket prize limit for a pulltab game.  
9 (5) The prize for an event pulltab game shall not be considered a bingo prize.

10 Section 9. Multipackaged Pulltab Deals.

11 (1) The rules for multipackaged pulltab deals shall apply to both paper and electronic pulltabs.  
12 Every package shall be played for the deal to show the stated profit.  
13 (2) Each package may contain individual winners if desired. If each package contains a winner,  
14 the game shall contain a method of verifying from which package the winner was sold.

15 Section 10. Tracking by Manufacturer. Every manufacturer of paper pulltabs shall maintain records  
16 sufficient to track each deal of paper pulltabs, by serial number and form number, from the  
17 manufacturer to the next point of sale for thirty-six (36) months. The records shall be subject to  
18 inspection by Office[department] staff.

19 Section 11. Tracking by Distributor.

20 (1) Every distributor of paper and electronic pulltabs shall maintain records sufficient to track  
21 each deal of paper and electronic pulltabs, by serial number and form number, from purchase by  
22 the distributor to the next point of sale for thirty-six (36) months. The records shall be subject to  
23 inspection by Office[department] staff.

1       (2) For sales in the Commonwealth of Kentucky or to residents of Kentucky, the records required  
2       under this section shall be sufficient if the distributor records the name of the purchaser and  
3       makes and retains a copy of the Kentucky charitable gaming license or exemption number of the  
4       purchaser at the next point of sale.

5       Section 12. Requirements of Distributor Invoice.

6       (1) Distributors selling paper pulltabs to charitable organizations or other distributors shall  
7       provide the charitable organization or other distributor with an invoice that contains, at a  
8       minimum, the following information:

9           (a) The purchaser's name, address, and license number;

10          (b) The address to which the shipment was delivered;

11          (c) The date of sale or credit;

12          (d) The conditions of the sale or credit;

13          (e) The quantity of pulltabs sold including the number of deals, the name of each deal, the  
14        tickets per deal, and the serial number and form number of the deal;

15          (f) The total invoice amount;

16          (g) The name of the person who ordered the supplies;

17          (h) The name of the person making the delivery;

18          (i) The date of delivery or date the item was picked up for sale or credit;

19          (j) The place or manner of delivery; and

20          (k) The name and signature of the person taking delivery, if any.

21       (2) A distributor may deliver paper pulltabs to an agreed secure location or to an identified person.

22       An invoice not challenged within seven (7) days of delivery shall be determined as accurate. Any

1 challenge to an invoice shall be made in writing to the distributor and a copy shall be sent to the  
2 Office[department].

3 Section 13. Defects.

4 (1) If a defect in packaging or construction of a paper pulltab is discovered by an organization,  
5 the defect shall be reported to the distributor within fifteen (15) days. The distributor shall correct  
6 the defect or replace the defective items within a reasonable time, or, if the product cannot be  
7 replaced or the defect corrected, the distributor shall provide a refund to the organization.

8 (2) If the Office[department], in consultation with the manufacturer, determines that a defect  
9 actually exists, and the defect affects game security or otherwise threatens public confidence in  
10 the game, the Office[department] shall, with respect to paper pulltabs for use in Kentucky, require  
11 the manufacturer to:

- 12 (a) Recall the affected pulltabs that have not been sold at retail to licensed organizations; or
- 13 (b) Issue a total recall of all affected deals.

14 (3) In choosing and directing a particular recall in accordance with subsection (2) of this section,  
15 the Office[department] shall be guided in each circumstance by any combination of the following  
16 factors:

- 17 (a) The nature of the defect;
- 18 (b) Whether the defect affected game security;
- 19 (c) Whether the defect affected game playability;
- 20 (d) Whether the defect was limited to a specific number of deals of a particular form number;
- 21 (e) Whether the defect was easily detectable by a charitable organization;
- 22 (f) Whether the defect was easily detectable by members of the general public;
- 23 (g) Whether the defect threatens public confidence in the game; or

(h) Whether the defect is capable of being used to adversely affect the fair play of the game.

(4) In consultation with the manufacturer, the Office[department] shall determine a specific date for the recall to be completed and whether the manufacturer is required to reimburse the organization or distributor.

## 5 Section 14. Pulltab Dispenser Construction and Use.

(1) A pulltab dispenser shall not be sold, leased, or otherwise furnished to any person in the state unless it has been approved by the Office[~~department~~].

8 (2) Before approval by the Office[department], a dispenser that is identical to the dispenser  
9 intended to be sold, leased, or otherwise furnished shall be certified by an independent testing  
10 laboratory that the dispenser satisfies the manufacturing requirements established in Section 15  
11 of this administrative regulation.

12 (3) If granted, approval shall extend only to the specific dispenser model approved, and any  
13 modification shall first be approved by the Office[department].

14 Section 15. Requirements of Pulltab Dispensers. Each pulltab dispenser shall meet the following  
15 requirements:

16 (1) Contain a three (3) prong ground and surge protector, and shall be capable of withstanding  
17 static electricity;

18 (2) Accommodate nulltabs of different sizes:

19 (3) Be constructed so that customers can see how many pulltabs remain within the dispenser, or  
20 have resettable counters visible to the customer indicating the number of pulltabs left in each  
21 column of the dispenser;

22 (4) Have an outlet or tray to catch dispensed pulltabs:

23 (5) Accurately dispense the correct number of pulltabs:

- 1       (6) Contain one (1) or more player buttons on the front of the dispenser to dispense pulltabs if
- 2       pressed;
- 3       (7) Contain an illuminated electronic display to display the value of money deposited;
- 4       (8) Be capable, if a malfunction occurs or the electrical power is interrupted after the money has
- 5       been validated, of accurately redisplaying the value of the money after the malfunction or power
- 6       is restored;
- 7       (9) Not dispense any credits, or validate, read, or redeem a winning pulltab;
- 8       (10) If using bill acceptors or similar devices that do not return change, clearly disclose that fact
- 9       to the customer;
- 10      (11) Not have a video screen or produce audio sounds except for security alarms;
- 11      (12) Not resemble a slot machine or other gambling device;
- 12      (13) Contain the manufacturer's name, dispenser's serial number and model number, and date of
- 13      manufacture, all of which shall be permanently affixed to the side of the dispenser;
- 14      (14) Have an on/off switch in an inconspicuous location on the exterior of the dispenser;
- 15      (15) Not record test sales of pulltabs or money acceptances on the dispenser's accounting meters;
- 16      (16) Contain a nonresettable accounting meter for total money validated and for the total of
- 17      pulltabs dispensed and shall be capable of retaining this information for six (6) months after
- 18      power has been disconnected;
- 19      (17) Contain an EPROM microchip, microprocessor, or other verifiable electronic program
- 20      storage media which holds the dispenser's programming code and which is identical in all
- 21      respects to the manufacturer's programming code approved by the Office[department];
- 22      (18) Contain a RAM or an EPROM microchip equipped with a RAM microchip, which shall be
- 23      installed with a tamper-proof seal inside the dispenser, or a microprocessor or flash memory

1 microchip, or other verifiable electronic program storage media, which shall maintain the same  
2 information as required in subsection (17) of this section for six (6) months after power has been  
3 disconnected.;

4 (19) Automatically discontinue operation if any nonresettable accounting meter, RAM  
5 microchip, EPROM microchip, microprocessor, or other verifiable electronic program storage  
6 media is disconnected; and

7 (20) Contain at least one (1) electronic money validator that shall:

8 (a) Only validate United States money;

9 (b) Not validate money in denominations in excess of twenty (20) dollars;

10 (c) Transmit the value of validated money to the pulltab dispenser;

11 (d) Be equipped with mechanisms to ensure that pulltabs will not be dispensed unless the money  
12 is validated and retained;

13 (e) Be capable of preventing acceptance of known counterfeit money;

14 (f) Return any invalid money to the player;

15 (g) Have at least one (1) removable stacker box capable of stacking bills or a removable drop  
16 box contained in a separate locked compartment; and

17 (h) Automatically discontinue accepting or validating money if a malfunction occurs or if  
18 electrical power to the dispenser or currency validator is interrupted.

19 Section 16. Pulltab Dispensing Limitations.

20 (1) A charitable organization shall not use a dispenser until the charitable organization that  
21 previously used the dispenser has removed its pulltabs and money from the dispenser.

22 (2) Each charitable organization operating the dispenser shall place upon the dispenser an  
23 identification label that displays the organization's name and license number.

1       (3) The keys to open the locked doors to the dispenser's ticket dispensing area and cash box shall  
2       be solely in the possession and control of the designated chairperson of the charitable  
3       organization conducting the charitable gaming session.

4       (4) The entire deal of pulltabs shall be sold from the dispenser and shall not be sold on the floor.

5       (5) All pulltabs in any one (1) column shall have the same serial number.

6       (6) A licensee shall not display, use, or otherwise furnish a dispenser that has in any manner been  
7       tampered with or that otherwise may deceive the public or affect a person's chances of winning.

8       (7) A pulltab deal shall not be placed in the dispenser until the entire deal of pulltabs previously  
9       in the dispenser has been played out or permanently removed.

10      (8) After placement in the dispenser, a pulltab shall not be removed from the dispenser, except  
11      for those pulltabs:

12      (a) Actually played by consumers;

13      (b) Removed by Office[department] representatives or law enforcement agencies;

14      (c) Temporarily removed during necessary repair, and maintenance; or

15      (d) Removed at the end of the charitable gaming session.

16      (9) At least one (1) chairperson who is listed on the application for licensure shall be present at  
17      all times a pulltab dispenser is in use and shall be responsible for the administration and conduct  
18      of the pulltab dispenser.

19      (10) An organization utilizing a pulltab dispenser at its office location or owned premises shall  
20      only utilize the dispenser during business hours.

21      Section 17. Pulltab Dispenser Inspection. The Office[department] or its authorized representatives  
22      may examine and inspect any automated pulltab dispenser. The examination and inspection shall  
23      include immediate access to the dispenser and unlimited inspection of all parts of the dispenser.

1      Section 18. Pulltab Dispenser Recordkeeping.

2      (1) Each licensed charitable organization shall maintain the following information in connection  
3      with its use of an automated pulltab dispenser:

4      (a) Date of purchase or lease of each dispenser;

5      (b) Model and serial number of each dispenser;

6      (c) Purchase or lease price of each dispenser;

7      (d) Name, address, and license number of the distributor from whom the dispenser was  
8      purchased, leased or otherwise furnished; and

9      (e) A record of all maintenance and repairs relating to the dispenser.

10     (2) Manufacturers and distributors shall maintain the following information in connection with  
11     each sale or lease of a dispenser:

12     (a) Date of sale or lease;

13     (b) Quantity sold or leased;

14     (c) Cost per dispenser;

15     (d) Model and serial number of each dispenser; and

16     (e) Name, address, and license number of the purchaser or lessee.

17     (3) All records, reports, and receipts relating to dispenser sales, maintenance and repairs required  
18     to be maintained shall be retained for a period of three (3) years for examination by the  
19     Office[department].

20     Section 19. Pulltab Dispenser Defects.

21     (1) If the Office[department] detects or discovers any defect or malfunction with the dispenser  
22     that is not temporary in nature or affects the integrity or security of the pulltab game, the  
23     Office[department] shall direct the manufacturer, distributor, or organization to cease the sale,

1 lease, or use of the dispenser, as applicable, and shall require the manufacturer to correct the  
2 defect, malfunction, or problem or recall the dispenser immediately upon notification by the  
3 Office[department] to the manufacturer.

4 (2) If the manufacturer, distributor, or organization detects or discovers any defect or malfunction  
5 with the dispenser that is not temporary in nature, the entity shall immediately remove the  
6 dispenser from use and notify the Office[department] of that action.

7 Section 20. Pulltab Rules of Play.

8 (1) All individuals involved in the sale of pulltabs shall be trained in the proper conduct of the  
9 game and control of funds.

10 (2) The chairperson shall be in full charge of the charitable gaming session, supervise and direct  
11 all volunteers, and be responsible for assuring the proper receipt and recording of gaming funds.

12 (3) More than one (1) charitable organization shall not conduct gaming at the same time and  
13 location as another charitable organization, except for raffles and licensed charity fundraising  
14 events.

15 (4) Each organization's gaming supplies shall be maintained in a location separate from another  
16 organization's gaming supplies. This location shall also be locked and access shall be controlled.

17 (5) Except for a charity fundraising event, a volunteer at any other charitable gaming session at  
18 which pulltabs are sold shall not purchase or play pulltabs at that charitable gaming session. At a  
19 charity fundraising event, a volunteer may purchase or play pulltabs on a day the volunteer does  
20 not work, and from a deal the volunteer does not sell.

21 (6) If the charitable organization has house rules concerning its charitable gaming session, the  
22 house rules shall:

1       (a) Be posted in at least two (2) conspicuous locations at the charitable gaming session and  
2       announced prior to the commencement of the charitable gaming session or be listed on the  
3       program;  
4       (b) Not conflict with KRS Chapter 238 or 820 KAR Chapter 1;  
5       (c) Be followed; and  
6       (d) Include the organization's name and license number.

7       Section 21. Playing.

8       (1) The flare or seal card for paper pulltabs, including a progressive jackpot card relating to a  
9       carryover or progressive prize, or a prize board relating to a game with a cumulative prize, shall  
10      be posted by the licensed charitable organization in the vicinity of the deal and in full and  
11      complete view of the players while the deal is in play, including the time after all tickets have  
12      been sold until all prizes have been claimed, or the time to claim prizes has expired. Electronic  
13      pulltab games shall include an electronic flare or seal card, including a progressive jackpot card  
14      relating to carryover or progressive prizes, that is available for view on the electronic pulltab  
15      device by players at all times while the game set is in play.

16      (2) Paper pulltabs shall not be sold to the public from the original packing box or container. Paper  
17      pulltabs shall be removed from the original box or container and mixed by shuffling together  
18      prior to sale.

19      (3) If a deal of paper pulltabs is packed in more than one (1) box or container, an individual  
20      container shall not designate a winner or contain a disproportionate number of winning or losing  
21      tickets. Each package, box, or container shall be placed out for play at the same time unless the  
22      deal is designed by the manufacturer to be played in subsets. Those subsets may be placed out  
23      for play in succession.

1 (4) Paper pulltabs that have been marked, defaced, altered, tampered with, received in packaging  
2 that is not tamper-resistant, or otherwise constructed in a manner that tends to deceive the public  
3 or affect the chances of winning or losing, shall not be placed into play. The organization shall  
4 notify the Office[department] of Charitable Gaming of the existence of these tickets in writing  
5 within fifteen (15) days.

6 (5) Before placing a deal into play, the charitable organization shall verify that the serial number  
7 on the paper pulltabs within each deal matches the serial number on the flare or seal card  
8 accompanying the deal by conducting a random sampling of pulltabs within each deal. If the  
9 charitable organization determines that serial numbers on tickets within a deal or game set do not  
10 match the serial number on the flare or seal card accompanying the deal or game set, the  
11 organization shall not place the deal or game set into play and shall notify that distributor. If the  
12 distributor does not correct the problem within thirty (30) days, the organization shall notify the  
13 Office[department] in writing.

14 (6) Any licensed charitable organization that sells pulltabs from its office location or from a  
15 pulltab dispenser shall comply with 820 KAR Chapter 1 regarding the play, proper  
16 recordkeeping, and reporting of those sales. The sales shall be reported on the financial report.

17 (7)

18 (a) If a deal or game set is not played to completion and there remain unsold winning pulltabs,  
19 the licensed charitable organization conducting the gaming shall sell the remaining pulltabs on  
20 the next appointed date for charitable gaming activities.

21 (b) If no future date is anticipated, the licensed charitable organization shall consider the deal  
22 or game set closed or completed, declare the winners, and post winning numbers for fifteen (15)

1 days with information directing the method of claiming a prize at its office location. All unsold  
2 pulltabs shall be retained pursuant to subsection (15) of this section.

3 (c) If no winning pulltabs remain in the paper deal, the licensed charitable organization may  
4 consider the deal closed or completed, declare the winners, and shall retain unsold pulltabs  
5 pursuant to subsection (15) of this section.

6 (d) A licensed charitable organization shall not complete play of a deal, game set, or a seal card  
7 it did not initiate.

8 (8) A pulltab shall not be sold to the public at a price different than that generated by the  
9 manufacturer of the pulltab upon the flare or seal card that accompanies the deal or game set.

10 (9) Only authorized representatives of the charitable organization conducting the event at which  
11 pulltabs are sold shall verify the serial numbers and winner protections for all winning pulltabs  
12 redeemed.

13 (10) In playing paper pulltabs that utilize a seal card, a charitable organization shall not award a  
14 prize to the holder of a winning pulltab unless the serial number on the ticket presented for  
15 redemption matches the serial number on the seal card. In a progressive pulltab game, the serial  
16 number on the tickets shall be checked in accordance with Section 6 of this administrative  
17 regulation.

18 (11) A charitable organization shall award prizes to winners of pulltabs only in accordance with  
19 the prize structure indicated on the flare or seal card accompanying the deal or game set of tickets  
20 as designed by the manufacturer. If multiple prize structures are indicated on the flare or seal  
21 card, the charitable organization shall announce to the patrons and circle on the paper flare or  
22 seal card the prize structure to be awarded before placing the deal or game set into play.

1       (12) A holder of a winning pulltab shall have fifteen (15) days to redeem the winning ticket. If  
2       the prize is not claimed within fifteen (15) days, the prize shall be considered unclaimed and be  
3       retained as property of the organization.

4       (13) Once redeemed, the holder of a winning pulltab shall be paid in full no later than five (5)  
5       days from the date of redemption.

6       (14) All winning paper pulltabs shall have the winning symbol or number defaced or punched by  
7       an authorized representative of the charitable organization immediately after redemption.

8       (15)

9           (a) The charitable organization shall retain, in paper or electronic form, for a period of twelve  
10          (12) months, to allow auditing by the staff of the Office[department]:

- 11           1. All winning pulltabs with a prize value of fifty (50) dollars and above;
- 12           2. The flare from all winning pulltabs with a prize value of fifty (50) dollars and above;
- 13           3. All seal cards with a prize value of fifty (50) dollars and above;
- 14           4. All prize boards in cumulative games with a prize value of fifty (50) dollars and above; and
- 15           5. All unsold pulltabs.

16           (b) These records may be maintained at the gaming location.

17       (16) The fair market value of bingo paper, a card-minding device, pulltab, or electronic pulltab  
18       device given away as a merchandise prize shall be the price that a patron would have paid for the  
19       same bingo paper, card-minding device, pulltab, or electronic pulltab device at that charitable  
20       gaming session.

21       (17)

22           (a) If bingo paper is awarded as a merchandise prize, whether as a door prize or game prize, the  
23       patron shall be given a voucher.

1       (b) The voucher shall be completed with:

- 2       1. The name, address, and phone number of the patron redeeming the voucher;
- 3       2. The date on which it was awarded;
- 4       3. The date on which it was redeemed;
- 5       4. The amount of bingo paper given in exchange for the voucher; and
- 6       5. The serial number of the bingo paper.

7       (c) Once the voucher is completed, it shall be redeemed for the bingo paper.

8       (d) The organization shall retain the voucher with its charitable gaming session records.

9       (18)

10      (a) If a card-minding device or electronic pulltab device is awarded as a merchandise prize,  
11      whether as a door prize or game prize, the patron shall be given a voucher.

12      (b) The voucher shall be completed with:

- 13       1. The name, address, and phone number of the patron redeeming the voucher;
- 14       2. The date on which it was awarded;
- 15       3. The date on which it was redeemed; and
- 16       4. The number of card-minding devices and the number of faces loaded on each device, or the  
17       number of electronic pulltab devices and credits loaded on each device, if any, given in  
18       exchange for the voucher.

19      (c) Once the voucher is completed, it shall be redeemed for the card-minding device or  
20      electronic pulltab device. No more than one (1) card-minding device or one (1) electronic  
21      pulltab device may be redeemed per player per charitable gaming session.

22      (d) The organization shall retain the voucher with its charitable gaming session records.

1       (e) There shall be a specific button on the point of sale programmed for each type of voucher  
2       involving a card-minding device and electronic pulltab device.

3       (19) If a paper pulltab or electronic pulltab device is awarded as a promotional item or a door  
4       prize, the amount and description of the pulltab or electronic pulltab device and credits loaded  
5       on each device, if any, shall be listed on the charitable gaming session program with "free" or  
6       "promotional" listed as the price. The point of sale shall have a specifically described discount  
7       button for this promotion.

8       (20) If a paper pulltab or electronic pulltab device is awarded as a bingo prize, the person in  
9       charge of bingo payouts shall purchase the pulltabs or electronic pulltab device and any credits  
10      loaded to the device from the pulltab manager by transfer of cash from bingo payout to pulltab  
11      sales, and it shall be recorded as a sale on the charitable gaming session records.

12      (21) Vouchers shall be redeemed on the same day as awarded.

13      (22) Jar tickets shall be played and prizes awarded as stated on the flare received with each deal.

14      (23) "Last Sale" pulltabs shall only be sold by an organization at its office location and not during  
15      a bingo session.

16      Section 22. Seal Card Games.

17      (1) The organization shall post the paper seal card for the deal in play at the location of the seal  
18      game while the deal is in play. An electronic seal for an electronic game set shall be viewable,  
19      upon player request, on the video screen of the electronic pulltab device while the game set is in  
20      play.

21      (2) If a deal or game set with a seal card is not completed during a charitable gaming session, the  
22      organization shall require the patrons with holders to sign or enter their name electronically on  
23      the seal card and provide a means of contacting them when the winner is declared.

1       (3)

2       (a) The seal for the deal or game set shall be broken, torn open, or otherwise revealed in plain  
3       view of all persons present when:

- 4       1. All tickets from a deal or game set have been sold;
- 5       2. All the winning tickets from a deal or game set have been sold;
- 6       3. All the lines on the sign-up card have been filled;
- 7       4. The deal or game set has been closed because no future date is anticipated; or
- 8       5. Instructed to by the game as designed by the manufacturer.

9       (b) Each winning combination, the name of the game, and the serial number of the deal or game  
10      set shall be announced and posted at the location of the game.

11      (c) The date the seal tab was opened shall be recorded on the seal card.

12      Section 23. Seal Card Games with Carry Over or Progressive Prizes.

13      (1) The prize pool for a progressive pulltab game shall be established only through the play of  
14      deals or game sets of the same game that bear a manufacturer's form number identical to the form  
15      number of any previously-played deals or game sets contributing to the prize pool.

16      (2) Before placing a paper deal into play, the charitable organization shall verify that the serial  
17      number on the pulltabs within each deal match the serial number on the flare or seal card  
18      accompanying the deal by conducting a random sampling of pulltabs within each deal. The serial  
19      number on the tickets shall not be required to match the serial number on the progressive pulltab  
20      jackpot card if the deal is the second or subsequent deal played in the progressive game and one

21      (1) progressive jackpot card is used for more than one (1) deal.

22      (3) After a progressive pulltab game has been started, it shall remain in play continuously until  
23      the progressive jackpot prize is awarded. If the game is begun at a bingo session, it shall be

1 offered at each succeeding bingo session of the licensee. If the game is begun at the office  
2 location, it shall be offered on each succeeding day its office is open. If an organization stops  
3 conducting charitable gaming or wishes to stop playing a progressive pulltab game, the  
4 organization shall, with prior approval from the Office[department], transfer the current jackpot  
5 to another progressive game or determine a method to award the progressive jackpot to the  
6 players. With prior approval from the Office[department], an organization may alter the  
7 suggested rules of the manufacturer to determine a winner.

8 (4) The seal card for each deal or game set in a progressive game shall show, in addition to all  
9 other information required for flares and seal cards, the amount dedicated to the progressive  
10 jackpot prize pool.

11 (5) Every seal card for each deal or game set that has been played or is being played in the course  
12 of a progressive pulltab game, together with any progressive jackpot card, shall be displayed at  
13 all times while the game is in play, until the progressive jackpot prize is won.

14 (6) The serial numbers for each deal or game set contributing to a carryover or progressive  
15 jackpot prize shall be recorded in the charitable gaming session records.

16 (7) A progressive or carryover pulltab game shall be played in accord with the manufacturer's  
17 specifications for the determination of a winner, unless the Office[department] permits otherwise  
18 pursuant to subsection (3) of this section.

19 (8) If a progressive or carryover pulltab game bearing the same manufacturer's form number is  
20 no longer available, the organization shall contact the Office[department] for instructions on how  
21 to proceed.

22 (9)

1       (a) If a progressive prize remains unpaid, a licensed charitable organization shall display, in full  
2       and complete view of the players and at all times either:

- 3       1. The jackpot card being played and each seal card contributing to the jackpot prize pool; or  
4       2. A legible poster identifying by name, serial number, and form number each deal or game  
5       set of pulltabs contributing an amount to the jackpot prize pool.

6       (b) The poster or seal cards shall remain displayed during bingo sessions or other charitable  
7       gaming activities conducted by the organization until the expiration of fifteen (15) calendar  
8       days after the organization awards the prize. For progressive pulltab games played on an  
9       electronic pulltab device, a poster shall be displayed to fulfill this requirement.

10      (c) If a progressive jackpot prize is not awarded, the organization shall continue to display the  
11       poster or seal cards during bingo sessions or other charitable gaming activities it conducts for  
12       at least fifteen (15) calendar days after the date the organization considers the game closed and  
13       retains the prize as its property.

14      (d) If a progressive prize remains unpaid, a licensed charitable organization shall display, in full  
15       and complete view of the players and at all times, the current value of the jackpot.

16      (10) An organization shall not award the jackpot prize in a progressive pulltab game unless the  
17       serial number and form number on the winning ticket match the serial number and form number  
18       on a seal card from a deal or game set of tickets that contributed to the jackpot prize.

19      (11) For jackpot prizes of \$250 or over, the organization shall attach a copy of the valid state  
20       identification card that contains the name, address, date of birth, and state identification number  
21       of the winner to the jackpot prize card.

22      (12) The jackpot prize in a progressive game may accrue in excess of \$2,400. An individual  
23       jackpot prize shall not be paid in excess of \$2,400. The amount of the current jackpot, the amount

1 contributed, the payouts made, and the jackpot carried forward to the next charitable gaming  
2 session at each charitable gaming session shall be recorded in the charitable gaming session  
3 record.

4 (13) Any advertisement regarding the progressive jackpot may state the total amount in the  
5 jackpot prize pool if it also includes the statement that the individual payout shall not exceed  
6 \$2,400.

7 (14) A licensed charitable organization shall report to the Office[department] concerning its play  
8 of seal card games with a progressive prize on the financial report.

9 (15) The jackpot prize pool in a progressive game shall be considered an adjusted gross receipt  
10 that shall be deposited within two (2) business days of the charitable gaming session.

11 Section 24. Seal Card Games with Cumulative Prizes.

12 (1) The prize pool for a cumulative pulltab game shall be established only through the play of  
13 deals or game sets of the same game that bear a manufacturer's form number identical to the form  
14 number of any previously played deals or game sets contributing to the prize pool, unless the  
15 Office[department] permits otherwise pursuant to subsection (3) of this section.

16 (2) Before placing a paper deal into play, the charitable organization shall verify that the serial  
17 number on the pulltabs within each deal matches the serial number on the flare, prize board, or  
18 seal card accompanying the deal by conducting a random sampling of pulltabs within each deal.

19 (3) After a cumulative pulltab game has been started, it shall remain in play continuously until  
20 the cumulative prize pool has been awarded. If that game is begun at a bingo session, it shall be  
21 offered at each succeeding bingo session of the licensee. If the game is begun at the office  
22 location, it shall be offered on each succeeding day their office is open. If an organization stops  
23 conducting charitable gaming or wishes to stop playing a cumulative pulltab game, the

1 organization shall, with prior approval from the Office[department], transfer the current jackpot  
2 to another cumulative game or determine a method to award the cumulative jackpot to the  
3 players. With prior approval from the Office[department], an organization may alter the  
4 suggested rules of the manufacturer to determine a winner.

5 (4) Prizes shall be offered and awarded only in accord with the manufacturer's predesignated  
6 prize structure for the game, unless the Office[department] permits otherwise pursuant to  
7 subsection (3) if this section.

8 (5) The seal card for each deal or game set in a cumulative pulltab game shall show, in addition  
9 to all other information required for flares and seal cards, the amount dedicated to the cumulative  
10 prize pool.

11 (6) Every seal card for each deal or game set that has been played or is being played in the course  
12 of a cumulative pulltab game, together with any prize board, shall be displayed at all times while  
13 the game is in play, until the cumulative prize pool is awarded.

14 (7) The serial numbers for each deal or game set contributing to a cumulative prize pool shall be  
15 recorded in the charitable gaming session records.

16 (8) An organization shall not award the cumulative prize pool unless the serial number and form  
17 number on the winning ticket matches the serial number and form number on a seal card from a  
18 deal or game set of tickets that contributed to the cumulative prize board.

19 (9) A cumulative prize board shall not contain prizes totaling in excess of \$2,400.

20 (10) A licensed charitable organization shall report to the Office[department] concerning its play  
21 of seal card games of cumulative games on the financial report.

22 Section 25. Electronic Pulltab System Construction Standards.

1       (1) An electronic pulltab system's central computer system shall be dedicated to electronic  
2       accounting, reporting, presentation, randomization, and transmission of electronic pulltabs to  
3       electronic pulltab devices. It shall also be capable of generating the data necessary to provide  
4       reports required by administrative regulation or otherwise specified by the Office[department].

5       (2) A player shall purchase or otherwise obtain access to an electronic pulltab device and load  
6       money to a player account for purchase of electronic pulltabs during the current charitable  
7       gaming session from a point of sale station or by inserting currency into the gaming device. The  
8       point of sale station may be stationary, mobile, or self-service.

9       (3) All equipment used to facilitate the distribution, play, or redemption of electronic pulltabs  
10      shall be physically located within the boundaries of the Commonwealth of Kentucky. Electronic  
11      pulltab devices, site system if used, point of sale stations, and all secondary components shall be  
12      located on the premises where the charitable gaming session is being held.

13      (4) A manufacturer, distributor, or charitable organization shall not add to an electronic pulltab  
14      system any software or program unless the software or program has been certified by an  
15      independent testing facility. If the Office[department] detects or discovers an electronic pulltab  
16      system at a playing location that is using a program or software that has not been certified by an  
17      independent testing facility, the electronic pulltab system shall be determined to have an  
18      unauthorized modification and use of the system shall cease immediately.

19      (5) Any element of the central computer system that holds or maintains game data, other than an  
20      electronic pulltab device or point of sale station, shall be kept in a locked and secure enclosure  
21      with limited access to designated personnel. The system shall provide a secure physical and  
22      electronic means for securing the games and game data against alteration, tampering, or  
23      unauthorized access.

1       (6) The central computer system shall include a central server located in the Commonwealth of  
2       Kentucky that is accessible to the Office[department] so the Office[department] has the ability to  
3       remotely verify the operation, compliance, and internal accounting systems of the electronic  
4       pulltab system at any time. The Office[department] shall have real time and complete read-only  
5       access to all data for all systems and devices.

6       (a) The manufacturer shall provide to the Office[department] all current protocols, passwords,  
7       and any other required information needed to access the electronic pulltab system prior to the  
8       operation of the system within Kentucky, and at all times while the system remains operational  
9       within Kentucky.

10      (b) The Office[department] shall be notified of any changes in the protocols, passwords, and  
11       any other required information needed to access the system at least three (3) days prior to the  
12       change.

13      (c) Any reports maintained or generated by the electronic pulltab system shall be capable of  
14       being downloaded or otherwise accessed via the internet by the Office[department].

15      (7) A site system, if used, shall:

16       (a) Be located at the gaming premises;

17       (b) Be operated by the charitable organization;

18       (c) Interface with, connect with, control, or define the operational parameters of the electronic  
19       pulltab devices;

20       (d) Report and transmit the game results as prescribed by the Office department;

21       (e) Provide security and access levels sufficient so that the internal control objectives are met  
22       as prescribed by the Office[department]; and

23       (f) Contain a point of sale station.

- 1       (8) The site system, if used, may include the following components:
  - 2       (a) Required printers;
  - 3       (b) Proprietary executable software;
  - 4       (c) Report generation software; and
  - 5       (d) An accounting system or database.
- 6       (9) The electronic pulltab system shall provide password protection for each organization.
- 7       (10) An electronic pulltab system shall provide a means for terminating a game set if information  
8       about electronic pulltabs in an open game set has been accessed, or if the Office[department]  
9       determines there has been a breach of game security. Traceability of unauthorized access  
10      including time and date, users involved, and any other relevant information shall be available.
- 11      (11) An electronic pulltab system shall not permit the alteration of any accounting or significant  
12      event information. Significant events shall include power resets or failures, communication loss  
13      between an electronic pulltab device and the electronic pulltab system, any award in excess of  
14      the single-win limit for an electronic pulltab, or corruption of the electronic pulltab system  
15      memory or storage. If financial data is changed, an automated audit log shall be capable of being  
16      produced to document the following:
  - 17       (a) Data element altered;
  - 18       (b) Data element value prior to alteration;
  - 19       (c) Data element value after alteration; and
  - 20       (d) Time and date of alteration.
- 21      (12) An electronic pulltab system shall provide password security or other secure means of  
22      ensuring data integrity and enforcing user permissions for all system components, including the  
23      following:

1       (a) All programs and data files shall only be accessible via the entry of a password that shall be  
2       known only to authorized personnel;  
3       (b) The electronic pulltab system shall have multiple security access levels to control and  
4       restrict different privilege levels;  
5       (c) The electronic pulltab system access accounts shall be unique when assigned to the  
6       authorized personnel;  
7       (d) The storage of passwords and PINs shall be in an encrypted, nonreversible form; and  
8       (e) A program or report shall be available that lists all authorized users on the electronic pulltab  
9       system including their privilege level.

10      (13) All components of an electronic pulltab system that allow access to users, other than end-  
11      users for game play, shall have a password sign-on comprised of:  
12       (a) A personal identification number; or  
13       (b) a personal identification code and a personal password.

14      (14) Electronic pulltab system software components shall be verifiable by a secure means at the  
15      system level. An electronic pulltab system shall have the ability to allow for an independent  
16      integrity check of the components from an outside source and is required for all control programs  
17      that may affect the integrity of the electronic pulltab system. This shall be accomplished by being  
18      authenticated by a third-party device, which may be embedded within the electronic pulltab  
19      system software or having an interface or procedure for a third-party application to authenticate  
20      the component. This integrity check shall provide a means for field verification of the electronic  
21      pulltab system components.

22      (15) The electronic pulltab system shall have a medium for securely storing electronic pulltab  
23      game sets that shall be mirrored in real time by a backup medium. The electronic pulltab system

1 shall also provide a means for storing duplicates of the game sets already transmitted to the  
2 electronic pulltab devices so as to reflect, on an ongoing basis, changes in the transmitted game  
3 sets as they occur.

4 (a) All storage shall be through an error checking, nonvolatile physical medium, or an  
5 equivalent architectural implementation, so that if the primary storage medium fails, the  
6 functions of the electronic pulltab system and the process of auditing those functions shall  
7 continue with no critical data loss.

8 (b) The database shall be stored on redundant media so that a single failure of any portion of  
9 the system shall not result in the loss or corruption of data.

10 (c) If there is a catastrophic failure when the electronic pulltab system cannot be restarted in  
11 any other way, it shall be possible to reload the electronic pulltab system from the last viable  
12 backup point and fully recover the contents of that backup, to consist of at least the following  
13 information:

14 1. All significant events;  
15 2. All accounting information; and  
16 3. Auditing information, including all open game sets and the summary of completed game  
17 sets.

18 (16) Connections between all components of the electronic pulltab system shall only be through  
19 use of secure communication protocols that are designed to prevent unauthorized access or  
20 tampering, employing Data Encryption Standards (DES) or equivalent encryption with  
21 changeable seeds or algorithms.

22 (17) An electronic pulltab system's central computer system may be used to record the data used  
23 to verify game play and to configure and perform security checks on electronic pulltab devices,

1 if the functions do not affect the security, integrity, or outcome of any game and meet the  
2 requirements established in this administrative regulation regarding program storage devices.

3 (18) An electronic pulltab system shall not display to the player, the licensed charitable  
4 organization, or the licensed distributor the number of electronic pulltabs that remain in a game  
5 set, or the number of winners or losers that have been drawn or still remain in the game set while  
6 the game set is still open for play. Once a game set has been closed, it shall not be able to be  
7 opened for play.

8 (19) The electronic pulltab system shall render unplayable the electronic pulltabs of a charitable  
9 organization once the organization logs out of the system at the end of the organization's  
10 charitable gaming session and until the organization logs back onto the system at the start of the  
11 organization's next scheduled charitable gaming session. If multiple organizations use the same  
12 electronic pulltab devices and electronic pulltab system, one (1) organization's electronic pulltab  
13 games and data shall not be accessible or played by another organization.

14 (20) An electronic pulltab system may include player tracking software. Player tracking records  
15 shall at all times be the property of the charitable organization and neither the manufacturer nor  
16 the distributor shall utilize or make available to any person, other than the Office[department] or  
17 as otherwise authorized by law, the information contained within the player tracking software  
18 without the express permission of the charitable organization.

19 (21) One (1) or more electronic internal accounting systems shall be required to perform  
20 recordkeeping, reporting, and other functions in support of an electronic pulltab system. The  
21 electronic internal accounting system shall not interfere with the outcome of any gaming  
22 function.

1       (22) The electronic internal accounting system shall be capable of recording and retaining for a  
2       period of not less than three (3) years the following information:

3       (a) The name and license number of the organization utilizing an electronic pulltab system; and

4       (b) For each charitable gaming session:

5           1. The date and time of each log-on and log-off of an organization;

6           2. The total amount of all monetary transactions regarding electronic pulltabs and electronic  
7       pulltab devices at each charitable gaming session;

8           3. The total number of electronic pulltab devices sold or provided at each charitable gaming  
9       session;

10          4. The serial number of each hand-held electronic pulltab device sold or provided;

11          5. The terminal number for each fixed base electronic pulltab device sold or provided;

12          6. The name, serial number, price, and predetermined finite number of tickets within each  
13       game set available for play at each charitable gaming session;

14          7. The total number of electronic pulltabs played from each game set at each charitable gaming  
15       session;

16          8. All prize payouts for each game set per charitable gaming session; and

17          9. All wagers and other information necessary to fully reconstruct a game outcome.

18       (23) The information required pursuant to subsection (22) of this section shall be secure and shall  
19       not be accessible for alteration. Information pertaining to the number of electronic pulltabs that  
20       remain in an open game set, or the number of winners or losers that have been drawn or still  
21       remain in an open game set shall not be accessible to the licensed organization or the licensed  
22       distributor.

1       (24) The electronic pulltab system's central computer system shall maintain a printable,  
2       permanent record of all transactions involving each device and each closed electronic pulltab  
3       game played on each device.

4       (25) An electronic pulltab system shall have report generation software with the capability to  
5       print all information required to be maintained on the system's active or archived databases, and  
6       pursuant to the restrictions related to information available on open game sets.

7       (26) All data required to be available or reported by this administrative regulation shall be  
8       retained for a period of not less than three (3) years.

9       (27) An electronic pulltab system shall utilize randomizing procedures in the creation of game  
10      sets for electronic pulltabs or utilize externally generated randomized game sets. After  
11      randomization, game sets may be broken into game subsets of equal size that shall be assigned a  
12      unique serial number.

13      (28) Winning electronic pulltabs shall be distributed randomly among all other pulltabs in a game  
14      set to eliminate any pattern between game sets, or portions of game sets.

15      (29) Any random number generation, shuffling, or randomization of outcomes used in connection  
16      with an electronic pulltab system shall be by use of a random number generation application that  
17      has successfully passed standard tests for randomness and unpredictability.

18      Section 26. Electronic Pulltab Point of Sale Requirements.

19       (1) An electronic pulltab system shall include a point of sale station that is used to facilitate the  
20       sale of an electronic pulltab device, to load money to a player account for purchase of electronic  
21       pulltabs during the current charitable gaming session, and to cash-out or redeem credits from the  
22       play of electronic pulltabs.

23       (a) The point of sale station may be stationary, mobile, or self-service.

1       (b) The point of sale station shall not be designed or manufactured to resemble an electronic  
2       gaming device that utilizes a video display monitor, such as a video lottery terminal, video slot  
3       machine, video poker machine, or any similar video gaming device.

4       (c) The point of sale station shall not have vertical or horizontal spinning reels, a pull handle,  
5       sounds or music, flashing lights, tower light, top box, enhanced animation, artwork, or any other  
6       attribute or representation that mimics a video lottery terminal, video slot machine, video poker  
7       machine, or any similar video gaming device.

8       (d) The point of sale station shall not function simultaneously as an electronic pulltab device.

9       (2) The point of sale station shall be capable of printing a receipt, which the organization shall  
10      provide to the player, that details each transaction. The receipt shall contain, at a minimum, the  
11      following information:

12       (a) The date and time of the transaction;

13       (b) A unique non-resettable transaction number that is printed in continuous, consecutive order;

14       (c) The dollar amount of the transaction, including the cost, if any, of the electronic pulltab  
15      device and the amount of money loaded to a player account that will be available for the  
16      purchase of electronic pulltabs during that charitable gaming session;

17       (d) A unique entry code or account number that will be used to activate an electronic pulltab  
18      device and make available to the player the money loaded to the player account at the point of  
19      sale for the purchase of electronic pulltabs during that charitable gaming session;

20       (e) The name of the charitable organization and license number; and

21       (f) The point of sale identification number or name.

22       (3) If the receipt printer malfunctions or printed receipts are not legible, manual receipts shall be  
23      issued that contain the same information required pursuant to subsection (2) of this section.

1       (4) The point of sale station shall be capable of displaying, at minimum, the following for each  
2       charitable gaming session:

3       (a) The sales transaction history, including:

4           1. The organization name and license number;

5           2. Date and time of each transaction;

6           3. Dollar value of each transaction;

7           4. Quantity of electronic pulltab devices sold;

8           5. All transaction numbers; and

9           6. The point of sale identification number or name; and

10      (b) A pay-out history detailing all pay-outs, including:

11           1. The organization name and license number;

12           2. Date and time of each pay-out;

13           3. Dollar value of each pay-out; and

14           4. Point of sale identification number or name.

15      (5) A point of sale station shall not display information relating to prizes already paid out in a  
16       particular game set, the number of electronic pulltabs that remain in a game set, or the number  
17       of winners or losers that have been drawn or still remain in the game set while the game set is  
18       still open for play.

19      (6) A player shall only cash-out or redeem credits from a point of sale station.

20      (7) A point of sale station shall not be capable of accepting payment from a credit card or debit  
21       card.

22      Section 27. Electronic Pulltab Device Construction Standards.

1       (1) An electronic pulltab device shall not be capable of being used for the purpose of engaging  
2       in any game prohibited by the Office[department].

3       (2) An electronic pulltab device shall be designed as a handheld or fixed base personal computing  
4       device that:

5       (a) Is used to play one (1) or more electronic pulltab games;

6       (b) Requires coded entry or insertion of currency or a credit ticket to activate a device for a  
7       player to purchase and play electronic pulltabs;

8       (c) Maintains and displays information pertaining to accumulation of credits that may be  
9       applied to games in play or redeemed upon termination of play;

10      (d) Has no vertical or horizontal spinning reels, pull handle, flashing lights, tower light, top box,  
11      coin tray, hopper, coin acceptor, the ability to dispense coins, cash, tokens, or anything of value  
12      other than a credit ticket, or any other attribute or representation that mimics a video slot  
13      machine;

14      (e) Shall not be capable of displaying any animation while in an idle state. An electronic pulltab  
15      device may use simple display elements or screen savers to prevent monitor damage;

16      (f) Has no additional function as a gambling device other than as an electronic pulltab device  
17      or as an approved card-minding device;

18      (g) Is not a pulltab dispenser as established in this administrative regulation; and

19      (h) The device shall have adjustable volume accessible to the player or the charitable  
20      organization.

21      (3) An electronic pulltab device shall not have hardware or software that determines the outcome  
22      of any electronic pulltab, produces its own outcome, or affects the order of electronic pulltabs as

1 dispensed from the electronic pulltab system's central computer system. The game outcome shall  
2 be determined by the electronic pulltab system's central computer system.

3 (4) An electronic pulltab device may utilize a touch screen. The touch screen shall meet the  
4 following requirements:

- 5 (a) It shall be accurate once calibrated;
- 6 (b) It shall be able to be recalibrated; and

7 (c) It shall have no hidden or undocumented buttons or touchpoints anywhere on the touch  
8 screen.

9 (5) A fixed based electronic pulltab device may incorporate an attached bill validator, which shall  
10 be constructed to ensure proper handling of inputs that protect against vandalism, abuse, or  
11 fraudulent activity. A bill validator shall only accept United States paper currency or a valid credit  
12 ticket to initiate play. Bill validators shall be tested to comply with accepted industry standards.

13 (6) A fixed based electronic pulltab device shall not be capable of accepting payment by credit  
14 card or debit card.

15 Section 28. Electronic Pulltab Software Construction Standards.

16 (1) Any game available for play in the Commonwealth of Kentucky shall be installed on the  
17 demonstration terminals at the Office[Department] of Charitable Gaming's office in  
18 Lexington[Frankfort], Kentucky.

19 (2) An electronic pulltab system shall dispense, upon player request and payment of  
20 consideration, an electronic pulltab. A player shall win if the player's electronic pulltab reveals  
21 whether and how much money a player has won, or if the electronic pulltab contains a  
22 combination of symbols or numbers that was designated in advance of the game as a winning

1 combination. There may be multiple winning combinations in each game. All games shall be  
2 played without replacement.

3 (3) An electronic pulltab game or game set shall:

4 (a) Be a version of a paper pulltab game, with a prize structure and gameplay rules substantially  
5 similar to a paper pulltab game, that is played on an electronic pulltab device;

6 (b) Have a predetermined, finite number of winning and losing tickets, not to exceed 25,000  
7 tickets per game set;

8 (c) Charge the same price for each ticket in a game set;

9 (d) Comply with KRS Chapter 230, KRS Chapter 238, and 820 KAR Chapter 1;

10 (e) Comply with prize limits established in KRS Chapter 238;

11 (f) Have a unique serial number for each game set that shall not be regenerated. Each pulltab in  
12 a game set shall bear the same serial number and only one (1) serial number shall be used in a  
13 game set. After randomization, game sets may be broken into subsets of equal size. If game  
14 subsets are used, they shall each be assigned a unique serial number and be traceable to a parent  
15 game set. If a seal card is used with a pulltab game set, the seal card shall bear the same serial  
16 number as each pulltab;

17 (g) Have an electronic flare or seal card, viewable upon player request, that displays the name  
18 of the game, manufacturer's name or logo, manufacturer's form number, the game serial number,  
19 the predetermined finite number of tickets in the game set, and the prize structure, including a  
20 description of the number of winning pulltabs by denomination, and amounts, if any, dedicated  
21 to the prize pool in a seal card game with a cumulative prize, or a carryover or progressive prize,  
22 and the cost per play of an electronic pulltab within the game set; and

23 (h) Every game set of electronic pulltabs shall contain electronic rules of play.

1       (4) An electronic pulltab game shall not contain vertical or horizontal spinning reels, a pull  
2       handle, or other representations that mimic a video slot machine, including representations of  
3       coins falling into a coin tray or hopper.

4       (5) Games shall not contain obscene or offensive graphics, sounds, or references.

5       (6) The result of an electronic pulltab ticket shall be clearly shown on the video display. If the  
6       game uses symbols or combinations of symbols to reveal whether the player's ticket has won,  
7       winning tickets shall indicate to the player the symbols or combination of symbols that resulted  
8       in a winning ticket. Prizes shall be added as a credit to the player's account.

9       (7) The available games, flare, and rules of play shall be displayed on the electronic pulltab  
10      device's video screen upon player request.

11      (8) Any number of games may be selectable for play on any given electronic pulltab device. Only  
12      one (1) of the games shall be playable at a time.

13      (9) An electronic pulltab device shall have one (1) or more buttons, or an electromechanical or  
14      touch screen to facilitate the following functions:

15       (a) Viewing of the game "help" screens;

16       (b) Viewing of the game rules including the flare or seal card;

17       (c) Initiating game play;

18       (d) Cash-out or logout; and

19       (e) Purchasing or revealing the pulltab.

20      (10) Each electronic pulltab shall be initially displayed so that the numbers, letters, or symbols  
21      on the pulltab are concealed. Each electronic pulltab game shall require the player to press a  
22      "purchase" or equivalent button to initiate the purchase of an electronic pulltab. The game shall  
23      then require the player to press a subsequent button or buttons to reveal the numbers, letters, or

1 symbols on the pulltab. A player shall have the option of opening each individual line, row, or  
2 column of each electronic pulltab or choosing to "open all".

3 (11) If an electronic pulltab game contains a bonus round that simulates the opening of additional  
4 tickets, then the following disclaimer shall be displayed in a conspicuous manner in the player  
5 interface of the electronic pulltab device every time the player wins a supplemental tab or on the  
6 flare or help screen: "Tabs that appear in (name of the bonus round) do not represent equal or  
7 separate chances to win. The supplemental tabs are utilized to reveal the value of the initial,  
8 winning pulltab ticket incrementally. These supplemental tabs appear for entertainment value  
9 only."

10 (12) An available player account balance shall be collected by the player by pressing the "cash-  
11 out" button or "logoff" button on the electronic pulltab device and taking the device, the receipt,  
12 or, if allowed, a player account card to the point of sale station.

13 (13) The cost of any individual electronic pulltab ticket shall not exceed five (5) dollars.

14 Section 29. Independent Testing Facility Certification for Electronic Pulltabs.

15 (1) An electronic pulltab system shall not be sold, leased, or otherwise furnished to any person  
16 for use in the conduct of charitable gaming until an identical system containing identical software  
17 has been tested and certified by an independent testing facility approved by the Office.

18 (2) The cost of testing and certification shall be the responsibility of the manufacturer.

19 (3) The independent testing facility shall certify in writing that the electronic pulltab system and  
20 associated hardware and software conform, at a minimum, to the requirements and restrictions  
21 established in KRS Chapter 238 and these administrative regulations.

22 (4)

1       (a) The Office[department], in consultation with the independent testing facility, shall determine  
2       if the electronic pulltab system and associated hardware and software conform to the  
3       requirements and restrictions established in KRS Chapter 238 and these administrative  
4       regulations, and shall notify the manufacturer of its decision in writing.

5       (b) Once the Office[department] has received the test results from the independent testing  
6       facility, the Office[department] may request a demonstration of the product within thirty (30)  
7       days.

8       (5) Any modifications to an electronic pulltab system or its software, except as provided in  
9       Section 31(7) of this administrative regulation, shall be tested and certified by an independent  
10      testing facility, demonstrated to the Office[department] by the manufacturer upon request, in the  
11      same manner as a new system or new software. Testing and certification shall be at the  
12      manufacturer's expense.

13      Section 30. Electronic Pulltab Defect and Recall.

14       (1) If a manufacturer, distributor, or charitable organization detects or discovers any defect,  
15       malfunction, or problem with an electronic pulltab system, electronic pulltab device, or electronic  
16       pulltab game that affects the security or the integrity of the electronic pulltab system, electronic  
17       pulltab device, or electronic pulltab game, the manufacturer, distributor, or charitable  
18       organization shall immediately notify the Office[department]. The charitable organization shall  
19       also immediately notify the distributor of the defect, malfunction, or problem. The distributor  
20       shall immediately notify the manufacturer of the defect, malfunction, or problem.

21       (2) If the Office[department] detects, discovers, or is notified of any problem with an electronic  
22       pulltab system, electronic pulltab device, or electronic pulltab game that affects the security or  
23       the integrity of the electronic pulltab system, electronic pulltab device, or electronic pulltab game,

1 the Office[department] shall direct the manufacturer, distributor, and charitable organization to  
2 immediately cease the sale, lease, or use of the affected electronic pulltab system, electronic  
3 pulltab device, or electronic pulltab game until the problem can be assessed by the  
4 Office[department] in consultation with the manufacturer or distributor.

5 (3) If the Office[department], in consultation with the manufacturer or distributor, determines  
6 that a defect actually exists, and the defect affects game security or otherwise threatens public  
7 confidence in the game, the Office[department] shall require the manufacturer to issue a total  
8 recall of all affected electronic pulltab systems, electronic pulltab devices, or electronic pulltab  
9 games or affected game sets or subsets, if necessary.

10 (4) In choosing and directing a particular recall pursuant to subsection (3) of this section, the  
11 Office[department] shall be guided in each circumstance by any combination of the following  
12 factors:

- 13 (a) The nature of the defect;
- 14 (b) Whether the defect affected game security;
- 15 (c) Whether the defect affected game playability;
- 16 (d) Whether the defect was limited to a specific number of deals of a particular form number;
- 17 (e) Whether the defect was easily detectable by a charitable organization;
- 18 (f) Whether the defect was easily detectable by members of the general public;
- 19 (g) Whether the defect threatens public confidence in the game; or
- 20 (h) Whether the defect is capable of being used to adversely affect the fair play of the game.

21 (5) The manufacturer or distributor may correct the defect, if possible, without issuing a total  
22 recall if the affected electronic pulltab devices and electronic pulltabs are not offered for sale,  
23 lease, or use until the Office[department] allows. The manufacturer or distributor shall make all

1 corrections within a reasonable time, not to exceed thirty (30) days, and the manufacturer or  
2 distributor shall demonstrate the correction to the Office[department]. If the Office[department]  
3 believes the defect has been corrected and that the defect no longer affects game security or  
4 otherwise threatens public confidence in the game, the Office[department] may issue written  
5 notification that the affected electronic pulltab system, devices, or pulltab game may be reoffered  
6 for sale, lease, or use.

7 (6) If a recall of an electronic pulltab system or electronic pulltab device is necessary, the  
8 Office[department], in consultation with the manufacturer, shall determine a specific date for the  
9 recall of any affected electronic pulltab system or electronic pulltab device to be completed and  
10 whether the manufacturer is required to reimburse the organization or distributor. The recall of  
11 any electronic pulltab game shall occur no later than twenty-four (24) hours after the  
12 manufacturer is notified of the defect.

13 Section 31. Electronic Pulltab Manufacturer Requirements.

14 (1) A manufacturer shall affix to each electronic pulltab device an identification badge that shall  
15 include the following information:

- 16 (a) Manufacturer name;
- 17 (b) A unique serial number;
- 18 (c) The electronic pulltab device model number, if applicable; and
- 19 (d) The date of manufacture, if applicable.

20 (2) Each manufacturer selling, leasing, or otherwise furnishing electronic pulltab devices, site  
21 systems, point of sale stations, secondary components, and electronic pulltabs shall maintain a  
22 log or other record showing the following:

1       (a) The name, address, and license number of the distributor to whom the electronic pulltab  
2       devices, site systems, point of sale stations, secondary components, or electronic pulltabs were  
3       sold, leased, or otherwise furnished;  
4       (b) The date of the transaction with the distributor;  
5       (c) The model, version, and serial number of each hand-held electronic pulltab device, if  
6       applicable;  
7       (d) The account number or terminal number of each fixed base electronic pulltab device, if  
8       applicable;  
9       (e) The quantity of each type of electronic pulltab device;  
10      (f) The model and version number of the system software;  
11      (g) The name, form number, and serial number of each game set of electronic pulltabs; and  
12      (h) The quantity of game sets sold, the cost per game set, the selling price per ticket, the cash  
13       take-in per game set, and the cash payout per game set.

14     (3) A manufacturer selling, leasing, or otherwise providing electronic pulltab devices, site  
15       systems, point of sale stations, or secondary components to a distributor shall provide the  
16       distributor with an invoice or other documentation that contains, at a minimum, the following  
17       information:

18       (a) The manufacturer name, address, and license number;  
19       (b) The distributor name, address, and license number;  
20       (c) The address to which the shipment was delivered;  
21       (d) The date of sale or credit and the time period covered by the invoice;  
22       (e) The conditions of the sale or credit;

1       (f) A description of the type and the quantity of electronic pulltab devices, site systems, point  
2       of sale stations, and secondary components provided;

3       (g) The total invoice amount;

4       (h) The name of the person who ordered the supplies;

5       (i) The name of the person making the delivery;

6       (j) The date of delivery or date the item was picked up for sale or credit;

7       (k) The place or manner of delivery; and

8       (l) The name and signature of the person taking delivery, if any.

9       (4) A manufacturer providing electronic pulltabs to a distributor for distribution to a licensed  
10      charitable organization shall provide the distributor with an invoice or other documentation that  
11      contains, at a minimum, the following information:

12      (a) The manufacturer name, address, and license number;

13      (b) The distributor name, address, and license number;

14      (c) The organization name, address, and license number;

15      (d) The date of sale or credit and the time period covered by the invoice;

16      (e) The conditions of the sale or credit;

17      (f) The quantity of electronic pulltabs sold including the number of game sets, the name of each  
18      game set, the number of tickets per game set, and the serial number and form number of the  
19      game set; and

20      (g) The total invoice amount.

21      (5) The manufacturer shall maintain physical or electronic copies of the documentation required  
22      by this section for a period of not less than three (3) years.

1       (6) A manufacturer shall supply any available financial reports to distributors and organizations,  
2       upon request, that provide detailed pulltab sales activity for the requesting distributor or  
3       organization for a selected date range.

4       (7) A manufacturer may conduct routine maintenance activities and replace secondary  
5       components of an electronic pulltab system without additional testing and certification if this  
6       activity does not affect the operation of any proprietary software, the manner in which an  
7       electronic pulltab game is played, the integrity of any critical or controlled software, or the  
8       outcome of an electronic pulltab game. A record of all activities shall be maintained and provided  
9       to the Office[department] within ten (10) days of the maintenance or replacement.

10      (8) A licensed manufacturer of charitable gaming supplies and equipment shall sell, lease,  
11      distribute, or otherwise provide in the Kentucky market only those electronic pulltab systems and  
12      electronic pulltabs that conform to the requirements of these administrative regulations. A  
13      licensed charitable organization shall provide to the public only those electronic pulltab systems  
14      and electronic pulltabs that conform to the requirements of this administrative regulation.

15      Section 32. Electronic Pulltab Distributor Requirements.

16      (1) Before initial use by a charitable organization, the distributor shall ascertain that the particular  
17      electronic pulltab system, electronic pulltab device, and associated software version are approved  
18      by the Office[department] for use in Kentucky.

19      (2) A distributor shall not display, use, or otherwise furnish an electronic pulltab device, site  
20      system, or secondary component that has in any manner been marked, defaced, or tampered with,  
21      or that is otherwise intended to deceive the public or affect a person's chances of winning.

1       (3) Before the complete removal of any electronic pulltab system, the distributor shall supply a  
2       copy of the data files to each charitable organization that used the electronic pulltab system and  
3       to the Office[department].

4       (4) Each distributor selling, leasing, or otherwise furnishing electronic pulltab devices, site  
5       systems, point of sale stations, secondary components, or electronic pulltabs shall maintain a log  
6       or other record showing the following information, if applicable:

7           (a) The name of the location, physical address, telephone number, and facility license number,  
8       if applicable, where the electronic pulltab devices, site systems, point of sale stations, and  
9       secondary components are located for play;

10          (b) A description, including the quantity, of all electronic pulltab devices, site systems, point of  
11       sale stations, and secondary components at each playing location;

12          (c) The date any electronic pulltab device, site system, point of sale station, or secondary  
13       component was installed in or removed from a playing location;

14          (d) The model, version, and serial numbers or terminal numbers of the electronic pulltab  
15       devices, site systems, point of sale stations, and secondary components, if applicable;

16          (e) The name and license number of the charitable organization or distributor to whom the  
17       electronic pulltab devices, site systems, point of sale stations, or secondary components were  
18       sold, leased, or otherwise furnished;

19          (f) The name and license number of the manufacturer or distributor from whom the electronic  
20       pulltab devices, site systems, point of sale stations, and secondary components were purchased,  
21       leased, or otherwise obtained;

1       (g) Each contract, lease, or purchase agreement between a distributor and the charitable  
2       organization or other distributor to which the electronic pulltab devices, site systems, point of  
3       sale stations, or secondary components are furnished; and

4       (h) The total dollar amount of electronic pulltab device, site system, point of sale station, and  
5       secondary component sales or lease transactions regarding each charitable organization to  
6       which the equipment was furnished during each calendar quarter.

7       (5) A distributor selling, leasing, or otherwise providing electronic pulltab devices, site systems,  
8       point of sale stations, or secondary components to a licensed charitable organization shall provide  
9       the organization with an invoice or other documentation that contains, at a minimum, the  
10      following information:

11       (a) The manufacturer name, address, and license number;

12       (b) The distributor name, address, and license number;

13       (c) The organization name, address, and license number;

14       (d) The date of sale or credit and the time period covered by the invoice;

15       (e) The conditions of the sale or credit;

16       (f) A description of the type and the quantity of electronic pulltab devices, site systems, point  
17       of sale stations, and secondary components provided;

18       (g) The total invoice amount;

19       (h) The name of the person who ordered the supplies;

20       (i) The name of the person making the delivery;

21       (j) The date of delivery or date the item was picked up for sale or credit;

22       (k) The place or manner of delivery; and

23       (l) The name and signature of the person taking delivery, if any.

1       (6) A distributor providing electronic pulltabs to a licensed charitable organization shall provide  
2       the organization with an invoice or other documentation that contains, at a minimum, the  
3       following information:

- 4       (a) The manufacturer name, address, and license number;
- 5       (b) The distributor name, address, and license number;
- 6       (c) The organization name, address, and license number;
- 7       (d) The date of sale or credit and the time period covered by the invoice;
- 8       (e) The conditions of the sale or credit;
- 9       (f) The quantity of electronic pulltabs sold including the number of game sets, the name of each  
10      game set, the number of tickets per game set, and the serial number and form number of the  
11      game set; and
- 12      (g) The total invoice amount.

13      (7) An invoice not challenged within seven (7) days of delivery shall be determined as accurate.  
14      Any challenge to an invoice shall be made in writing to the distributor and a copy shall be sent  
15      to the Office[department].

16      (8) The distributor shall maintain physical or electronic copies of the documentation required by  
17      this section for a period of not less than three (3) years.

18      (9) A distributor shall deliver electronic pulltab devices, site systems, point of sale stations, and  
19      secondary components to an agreed secure location or to an identified person.

20      (10) A licensed distributor of charitable gaming supplies and equipment shall sell, lease,  
21      distribute, or otherwise provide in the Kentucky market only those electronic pulltab systems and  
22      electronic pulltabs that conform to the requirements of these administrative regulations. A

1 licensed charitable organization shall provide to the public only those electronic pulltab systems  
2 and electronic pulltabs that conform to the requirements of this administrative regulation.

3 Section 33. Charitable Organization Requirements.

4 (1) Before initial use, the organization shall ascertain that the particular electronic pulltab system,  
5 electronic pulltab device, and associated software version are approved by the  
6 Office[department] for use in Kentucky.

7 (2) An organization shall not display, use, or otherwise furnish an electronic pulltab device, site  
8 system, or secondary component that has in any manner been marked, defaced, or tampered with,  
9 or that is otherwise intended to deceive the public or affect a person's chances of winning.

10 (3) The play of electronic charity game tickets and electronic pulltab devices shall not be  
11 authorized at any additional locations other than the primary office location of the charitable  
12 organization, the location where the charitable organization is licensed to conduct bingo, and the  
13 location where pre-approved charitable fundraising events are authorized. Any licensee operating  
14 at additional locations authorized prior to July 1, 2025, may retain those licenses on the condition  
15 of continued compliance with all applicable laws and regulations.

16 (4)[(3)] The number of electronic pulltab devices shall be limited to the following:

17 (a) A maximum of thirty-five (35) electronic pulltab devices on or in the primary office location  
18 of a licensed charitable organization;

19 (b) A maximum of fifty (50) electronic pulltab devices during the bingo session of a licensed  
20 charitable organization;

21 (c)[(d)] With prior approval of the Office[department], at any authorized charity fundraising  
22 event conducted by a licensed charitable organization at an off-site location.

1       (5)[(4)] All electronic pulltab games shall be sold and played at the authorized locations, which  
2       shall be stated on the organization's charitable gaming license, and shall not be linked to other  
3       authorized locations. A distributor may install electronic pulltab systems or devices in unlicensed  
4       locations, for demonstration purposes only, if the system and devices do not accept payments or  
5       pay out prizes, and the time period of the demonstration does not exceed seventy-two (72) hours.  
6       The electronic pulltab system and devices shall not be operated unless a representative of the  
7       licensed manufacturer or distributor conducting the demonstration is present.  
8       (6)[(5)] Electronic pulltab games shall not be transferred electronically or otherwise to any other  
9       location by the licensed organization.  
10      (7)[(6)] An organization may remove from play a device that a player has not maintained in an  
11       activated mode for a specified period of time determined by the organization. The organization  
12       shall provide the notice in its house rules and shall allow the player to cash-out.  
13      (8)[(7)] Before purchasing or being provided with an electronic pulltab device, a player shall  
14       present proof that the player is at least eighteen (18) years of age. Proof shall be in the form of a  
15       picture identification card that includes the player's date of birth. If an organization uses a self-  
16       service point of sale kiosk, identification shall be presented and verified at the door.  
17      (9)[(8)] Each player shall be limited to the use of one (1) electronic pulltab device at a time.  
18      (10)[(9)] If a player's electronic pulltab device malfunctions during a game, it shall be repaired  
19       or the credits shall be transferred to another electronic pulltab device.  
20      (11)[(10)] The Office[department] shall be allowed access to examine and inspect any part of an  
21       electronic pulltab system. The Office[department] shall be granted access to all electronic pulltab  
22       devices in use by a charitable organization.

1       (12)[(11)] The organization shall reasonably ensure that the connection to the electronic pulltab  
2       system's central computer system is operational at all times.

3       (13)[(12)] If the organization sells electronic pulltab devices for a discounted price or gives them  
4       away as a promotion, the site system shall be programmed to account for the discounted item and  
5       priced separately from those sold at the regular price. A generic discount key shall not be allowed.

6       (14)[(13)] The organization shall generate an Electronic Pulltab Receipts and Payouts report at  
7       the end of each charitable gaming session and maintain it with the charitable gaming session  
8       records. The Electronic Pulltab Receipts and Payouts worksheet shall be completed in the format  
9       of Form CG-EPRP.

10       (15)[(14)] A manufacturer's representative or distributor's representative may be present during  
11       a charitable gaming session only to consult, demonstrate, provide technical support, or train the  
12       organization on the operation of the electronic pulltab system.

13       (16)[(15)] A licensed charitable organization shall ensure that an authorized C[e]hairperson is  
14       present on the premises at all times that electronic pulltab devices are made available to the  
15       public. A Chairperson shall not be compensated in any way by any person, organization, or any  
16       other entity whatsoever, including by the leased business, charitable gaming facility licensee, or  
17       the charitable organization, while acting as a Chairperson. A Chairperson may not be an on-duty  
18       employee of any business where space is leased by a charitable gaming facility licensee in an  
19       additional location as defined by Section (3). Officers, members, employees, and volunteers of  
20       the charitable organization shall not be compensated in any way, including tips, for the time  
21       served as a Chairperson.

22       Section 34. Incorporation by Reference.

1 (1) Form CG-EPRP, "Electronic Pulltab Receipts and Payouts", (2018), is incorporated by  
2 reference.

3 (2) This material may be inspected, copied, or obtained, subject to applicable copyright law, at  
4 the Office [Department] of Charitable Gaming, Kentucky Horse Racing & Gaming Corporation,  
5 4047 Iron Works Parkway, Lexington, Kentucky 40511 [Public Protection Cabinet, 500 Mero  
6 Street, Frankfort, Kentucky 40601], Monday through Friday, 8 a.m. to 5:00 4:30 p.m. This  
7 material is also available on the Office's [department's] Web site at dcg.ky.gov.

READ AND APPROVED

Jonathan Rabinowitz (ANB w/ permission)  
Jonathan Rabinowitz  
Chair, Kentucky Horse Racing & Gaming Corporation

2/1/24  
Date

## PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on April 21, 2026, at 9:00 a.m. at 4047 Iron Works Parkway, Lexington, Kentucky 40511. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through April 30, 2026. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

Contact Person: Ashleigh Bailey

Title: Chief Legal Officer

Address: Kentucky Horse Racing & Gaming Corporation, 4047 Iron Works Parkway, Lexington, Kentucky 40511

Phone: (859) 246-2040

Fax: (859) 246-2039

Email: [Ashleigh.Bailey@ky.gov](mailto:Ashleigh.Bailey@ky.gov)

## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

820 KAR 1:032

Contact Person: Ashleigh Bailey

Phone: (859) 246-2040

Email: [Ashleigh.Bailey@ky.gov](mailto:Ashleigh.Bailey@ky.gov)

Subject Headings: Charitable Gaming; Racing and Gaming; Organizations, Charitable

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes standards for the use of pulltabs in charitable gaming in the state of Kentucky, including pulltab construction, distribution, electronic pulltabs, and rules of play.

(b) The necessity of this administrative regulation: This regulation is necessary to regulate the use of pulltabs in Kentucky in order to ensure honesty and integrity in the conduct of charitable gaming, prevent the commercialization of charitable gaming, and prevent participation in charitable gaming by criminal and other undesirable elements.

(c) How this administrative regulation conforms to the content of the authorizing statutes:

KRS 230.215 and KRS 230.260 vest in the Kentucky Horse Racing and Gaming Corporation exclusive jurisdiction over charitable gaming in the Commonwealth and the power to promulgate administrative regulations prescribing conditions under which all charitable gaming is to be conducted. KRS 238.510 created the Office of Charitable Gaming as an office within the Kentucky Horse Racing and Gaming Corporation. KRS 238.515 authorizes the Office of Charitable Gaming (“the Office”) to establish and enforce reasonable standards for the conduct of charitable gaming. KRS 238.545 requires the Office to establish standards for pulltab construction, distribution, electronic pulltabs, and rules of play. This administrative regulation establishes those standards.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation assists with the effective administration of the statutes by establishing standards for the construction, distribution, and play of paper and electronic pulltabs in charitable gaming.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment includes the following changes: 1. Outdated references to the Department of Charitable Gaming are updated to the current Office of Charitable Gaming at the Kentucky Horse Racing and Gaming Corporation (“the Office” at the “KHRGC”); 2. Conforms the regulation to the moratorium on additional locations that was introduced by House Bill 775 (Ky. Acts Ch. 98, Section 36) and clarifies those additional locations referenced in KRS 238.538; 3. Clarifies the requirements for a charitable gaming Chairperson regarding the statutory and regulatory requirements provided under KRS Chapter 238 and 820 KAR.

(b) The necessity of the amendment to this administrative regulation: This amendment is necessary to update the regulations to reflect the transition from the Department of Charitable Gaming to the

Office at the KHRGC, to conform to House Bill 775 (Ky. Acts Ch. 98, Section 36) and KRS 238.538, and to clarify the requirements of a charitable gaming Chairperson for the benefit of all licensees.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 230.215 and KRS 230.260 vest in the Kentucky Horse Racing and Gaming Corporation exclusive jurisdiction over charitable gaming in the Commonwealth and power to promulgate administrative regulations prescribing conditions under which all charitable gaming is to be conducted. KRS 238.510 created the Office of Charitable Gaming as an office within the Kentucky Horse Racing and Gaming Corporation. KRS 238.515 authorizes the Office of Charitable Gaming to establish and enforce reasonable standards for the conduct of charitable gaming. KRS 238.545 requires the Office to establish standards for pulltab construction, distribution, electronic pulltabs, and rules of play. The amendments to this administrative regulation update and clarify those standards.

(d) How the amendment will assist in the effective administration of the statutes: The amendment will assist in the effective administration of the statutes by updating and conforming the regulation to applicable statutes and bills and by providing clarification regarding a charitable gaming Chairperson in conformance with KRS Chapter 238 and other sections of 820 KAR.

(3) Does this administrative regulation or amendment implement legislation from the previous five years? Yes. House Bill 775 (Ky. Acts Ch. 98, Section 36) and KRS 238.538.

(4) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The Office at the KHRGC and licensees who utilize pulltabs for charitable gaming are affected by this administrative regulation.

(5) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: There will be no additional actions needed by the Office at the KHRGC due to the amendment. A majority of licensees will not need to take any actions to comply with the amendment as it merely clarifies the statutory and regulatory requirements already in place. Licensees utilizing electronic pulltabs at any additional locations beyond the office location of the charitable organization, the location where the charitable organization is licensed to conduct bingo, and the location where pre-approved charitable fundraising events are authorized must conform to the requirements of KRS 238.538 in order to retain those additional locations. There are a limited number of licensees who may have to modify their electronic pulltab charitable gaming because they were not complying with the requirements of a Chairperson under KRS Chapter 238 and 820 KAR, as clarified by this amendment.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): This amendment is not anticipated to cost the Office at the KHRGC additional amounts. This amendment will not increase costs but may impact the charitable gaming gross receipts of organizations who are not compliant with charitable gaming statutes and regulations.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The Office will benefit from a regulation that is updated and aligns with requirements of KRS Chapter 238 and 820 KAR. The Office and Licensees will also benefit from a regulation with a clearer and more consistent statement of the requirements of a charitable gaming Chairperson. The Office and Licensees will also benefit from the prevention of participation in charitable gaming by criminal and other undesirable elements, and to prevent the diversion of funds from legitimate charitable purposes, further ensuring the safety and integrity of the conduct of charitable gaming.

(6) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There is no anticipated initial cost to administer the amendments to this administrative regulation.

(b) On a continuing basis: There is no anticipated continuing cost to administer the amendments to this administrative regulation.

(7) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: There is no additional funding needed to implement and enforce the amendments in this administrative regulation.

(8) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No increase in fees or funding is necessary to implement the amendment to this administrative regulation.

(9) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees: The amendments to this administrative regulation do not establish or increase any fees.

(10) TIERING: Is tiering applied? (Explain why or why not) Tiering was not applied because this administrative regulation will apply to all similarly situated entities and individuals in the same manner.

## FISCAL IMPACT STATEMENT

820 KAR 1:032

Contact Person: Ashleigh Bailey

Phone: (859)246-2040

Email: [Ashleigh.Bailey@ky.gov](mailto:Ashleigh.Bailey@ky.gov)

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation: The statutory authority for this administrative regulation is KRS 230.215, KRS 230.260, KRS 238.510, KRS 238.515, KRS 238.538, KRS 238.545, and Ky. Acts Ch. 98, Section 36.

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: Not applicable; this regulation is authorized by statutory guidelines by KRS 238.515.

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: The promulgating agency is the Office of Charitable gaming at the Kentucky Horse Racing and Gaming Corporation ("the Office" at the "KHRGC").

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: No additional expenditures are anticipated.

For subsequent years: No additional expenditures for subsequent years are anticipated.

2. Revenues:

For the first year: No additional revenues are anticipated.

For subsequent years: No additional revenues for subsequent years are anticipated.

3. Cost Savings:

For the first year: No cost savings are anticipated.

For subsequent years: No cost savings for subsequent years are anticipated.

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): *N/A*

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: *N/A*

For subsequent years: *N/A*

2. Revenues:

For the first year: *N/A*

For subsequent years: *N/A*

3. Cost Savings:

For the first year: *N/A*

For subsequent years: *N/A*

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): Some charitable gaming licensees may be impacted by the amendment to the regulation if they have not been adhering to the requirements of a Chairperson under KRS Chapter 238 and 820 KAR.

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: No additional expenditures are anticipated.

For subsequent years: No additional expenditures are anticipated.

2. Revenues:

For the first year: No additional revenues are anticipated.

For subsequent years: No additional revenues for subsequent years are anticipated.

3. Cost Savings:

For the first year: No cost savings are anticipated.

For subsequent years: No cost savings for subsequent years are anticipated.

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: There is no anticipated fiscal impact to the Office at the KHRGC or to most licensees as a result of the amendments to this administrative regulation. There may be some fiscal impact to a limited number of licensees who have failed to adhere to the requirements of a Chairperson under KRS Chapter 238 and 820 KAR. An estimate of the fiscal impact cannot be provided.

(b) Methodology and resources used to reach this conclusion: The amendments do not create or increase any fees. The majority of licensees either do not conduct electronic pulltab charitable gaming at additional locations beyond the office location of the charitable organization, the location where the charitable organization is licensed to conduct bingo, and the location where pre-approved charitable fundraising events are authorized, or already conduct it in compliance with the requirements of a Chairperson under KRS Chapter 238 and 820 KAR. There are a limited number of licensees who may have to modify their electronic pulltab charitable gaming because they were not complying with the requirements of a Chairperson under KRS Chapter 238 and 820 KAR, as clarified by this amendment.

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(14): These amendments are not expected to have a major economic impact as defined by KRS 13A.010(14).

(b) The methodology and resources used to reach this conclusion: The amendments do not create or increase any fees. The majority of licensees either do not conduct electronic pulltab charitable gaming at additional locations beyond the office location of the charitable organization, the location where the charitable organization is licensed to conduct bingo, and the location where pre-approved charitable fundraising events are authorized, or already conduct it in compliance with the requirements of a Chairperson under KRS Chapter 238 and 820 KAR. There are a limited number of licensees who may have to modify their electronic pulltab charitable gaming at additional locations beyond the office location of the charitable organization, the location where the charitable organization is licensed to conduct bingo, and the location where pre-approved charitable fundraising events are authorized because they were not complying with the requirements of a Chairperson under KRS Chapter 238 and 820 KAR, as clarified by this amendment.

#### SUMMARY OF MATERIAL INCORPORATED BY REFERENCE:

There is one form incorporated by reference, Form CG-EPRP. Electronic Pulltabs Receipts and Payouts report form. It provides a form for licensees to use at the end of each charitable gaming session and keep with charitable gaming session records. The form has been amended by the addition of KRGC's logo to the bottom right of the form.

## Electronic Pulltab Receipts and Payouts

WS-06b

Organization Name: \_\_\_\_\_  
Organization License Number: \_\_\_\_\_Date and Time of Report: \_\_\_\_\_  
Date and Time of Session: \_\_\_\_\_

## ELECTRONIC PULLTAB GROSS RECEIPTS &amp; PAYOUTS

| A                             | B | C | D   | E                                 | F   | G   | H                        | I               |
|-------------------------------|---|---|---|-----------------------------------|---|---|--------------------------|-----------------|
|                               |   |   | Total Pulltabs Purchased (Gross Receipts) | Total Pulltab Prizes Won (Payout) | Total Amount Available to Redeem by Players (A-B+C) | Total Amount Redeemed by Players (Gross Receipts) (D-E) | Expected Deposit (B+F-C) | Actual Deposit  |
| Total Amount Loaded (Cash In) |   |   |   |                                   |   |   |                          | Cash Short/Over |

## TRANSACTIONS

|                     |
|---------------------|
| First transaction # |
| Last transaction #  |
| Total transactions  |

## ELECTRONIC PULLTAB DEVICES

| EPD (Type of Device) | Serial or Terminal Number | Distributor Fee or Percentage |
|----------------------|---------------------------|-------------------------------|
|                      |                           |                               |
|                      |                           |                               |
|                      |                           |                               |
|                      |                           |                               |

Minor Formatting Changes

## ELECTRONIC PULLTAB GAMES

| Name of Pulltab Game | Serial Number | Form Number | Price Per Ticket |
|----------------------|---------------|-------------|------------------|
|                      |               |             |                  |
|                      |               |             |                  |
|                      |               |             |                  |
|                      |               |             |                  |

Logo Added

## Electronic Pulltab Receipts and Payouts

**W/S-06b**

Date and Time of Report:

Date and Time of Session:

Organization Name: \_\_\_\_\_  
Organization License Number: \_\_\_\_\_

### ELECTRONIC PULLTAB GROSS RECEIPTS & PAYOUTS

| A                             | B                                 | C                             | D   | E   | F   | G                        | H              | I               |
|-------------------------------|-----------------------------------|-------------------------------|---|---|---|--------------------------|----------------|-----------------|
| Total Pulltabs Purchased      | Total Pulltab Prizes Won (Payout) | Total Amount (Gross Receipts) | Total Amount Available to Redeem by Players (A-B+C) | Total Amount Redeemed by Players (Cash Out) | Total Amount Unredeemed by Players (Gross Receipts) | Expected Deposit (B+F-C) | Actual Deposit | Cash Short/Over |
| Total Amount Loaded (Cash In) |                                   |                               |   |   |   |                          |                |                 |

### TRANSACTIONS

|                     |
|---------------------|
| First transaction # |
| Last transaction #  |
| Total transactions  |

### ELECTRONIC PULLTAB DEVICES

| EPD (Type of Device) | Serial or Terminal Number | Distributor Fee or Percentage |
|----------------------|---------------------------|-------------------------------|
|                      |                           |                               |
|                      |                           |                               |
|                      |                           |                               |
|                      |                           |                               |
|                      |                           |                               |
|                      |                           |                               |

### ELECTRONIC PULLTAB GAMES

| Name of Pulltab Game | Serial Number | Form Number | Price Per Ticket |
|----------------------|---------------|-------------|------------------|
|                      |               |             |                  |
|                      |               |             |                  |
|                      |               |             |                  |
|                      |               |             |                  |
|                      |               |             |                  |
|                      |               |             |                  |

