

**Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.**

1 State of Arkansas  
2 83rd General Assembly  
3 Regular Session, 2001  
4

*As Engrossed: H3/30/01 S4/9/01*

# A Bill

**Act 1837 of 2001**  
HOUSE BILL 2636

5 By: Representatives Jones, M. Steele  
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## **For An Act To Be Entitled**

9 AN ACT TO AMEND THE STATE PRIVILEGE TAX ON PARI -  
10 MUTUEL WAGERING ON SIMULCAST GREYHOUND OR HORSE  
11 RACING; AND FOR OTHER PURPOSES.  
12

## **Subtitle**

13 TO AMEND THE GREYHOUND RACING LAW.  
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
18

19 SECTION 1. Arkansas Code 23-111-509(c)(2), concerning the disposition  
20 of wagering money, is amended to read as follows:

21 ~~(2)(A) For all racing performances simultaneously televised by~~  
22 ~~the franchise holder in calendar year 1987 and each calendar year thereafter,~~  
23 ~~but conducted at another race track facility, the franchise holder shall~~  
24 ~~withhold and pay to the commission for the use and benefit of the State of~~  
25 ~~Arkansas:-~~

26 ~~(A) Two percent (2%) of all moneys wagered each day at the~~  
27 ~~franchise holder's facility on simulcast races up to and including three~~  
28 ~~hundred fifty thousand dollars (\$350,000), together with one third (1/3) of~~  
29 ~~the odd cents or breaks;-~~

30 ~~(B) Three percent (3%) of all moneys wagered each day at~~  
31 ~~the franchise holder's facility on simulcast races in excess of three hundred~~  
32 ~~fifty thousand dollars (\$350,000), but less than or equal to five hundred~~  
33 ~~thousand dollars (\$500,000), together with one third (1/3) of the odd cents~~  
34 ~~or breaks; and~~

35 ~~(C) Six percent (6%) of all moneys wagered each day at the~~  
36 ~~franchise holder's facility on simulcast races in excess of five hundred~~

1 ~~thousand dollars (\$500,000), together with one third (1/3) of the odd cents~~  
2 ~~or breaks. For all races simulcast to the grounds of the franchise holder's~~  
3 Arkansas race track from other race tracks, and races conducted in the past  
4 and re-broadcast by electronic means and shown on a delayed or replayed basis  
5 on the grounds of the franchise holder's Arkansas race track under § 23-111-  
6 508(d)(3), the franchise holder shall withhold and pay to the commission for  
7 the use and benefit of the State of Arkansas, as a privilege tax, one percent  
8 (1%) of all moneys wagered on such races on the grounds of franchise holder's  
9 Arkansas race track.

10 (B) From the one percent (1%) reduction in the simulcast  
11 privilege tax provided for in this section, the franchise holder shall agree  
12 that the following credits shall be made in the following percentage amounts  
13 which shall be in addition to any other credits for payments:

14 (i) One-fourth of one percent (.25%) to be used by  
15 the franchise holder for supplements for increasing purses awarded at races  
16 conducted at the franchise holder's facility;

17 (ii) One-fourth of one percent (0.25%) to be used by  
18 the franchise holder for promotions conducted by the franchise holder to  
19 encourage patronage and tourism;

20 (iii) One-fourth of one percent (0.25%) to be used by  
21 the franchise holder for capital improvements made by the franchise holder at  
22 the racing facility; and

23 (iv) One-fifth of one percent (0.20%) to be used by  
24 the franchise holder to directly offset increased simulcasting expenses, over  
25 and above those incurred during calendar year 2000, including interface fees,  
26 host signal fees, licensing fees and equipment costs related to simulcast.  
27 The franchise holder shall provide such information necessary to reflect the  
28 increase in simulcast expenses. Any portion of this amount not needed to  
29 offset increased simulcast expenses shall be paid to the commission for the  
30 use and benefit of the State of Arkansas.

31 (v) Five one-hundredths of one percent (.05%) to be  
32 distributed as provided in § 23-111-515(b)(1)(B).

33 (C)(i) The Arkansas Racing Commission shall seek the  
34 assistance of the Department of Finance and Administration to audit and  
35 verify receipts and expenditures of the franchise holder in determining  
36 compliance with this section. The franchise holder must deliver to the

1 Department of Finance and Administration any documents requested to check and  
2 verify compliance with this section, within thirty (30) days of receiving a  
3 written request for the documents. If the Department of Finance and  
4 Administration does not receive the requested documents within the time  
5 provided, the Director of the Department of Finance and Administration shall  
6 notify the commission which shall issue an order to show cause why such  
7 documents have not been provided.

8 (ii) The franchise holder shall not be permitted  
9 credit for expenditures under this section until the franchise holder submits  
10 documentation of each expenditure listing the specific expenditure, the payee  
11 of the expenditure and stating in specific terms the benefit created by the  
12 expenditure.

13 (iii) In the case of patronage and tourism promotion  
14 and capital improvements, the commission may use a multi-year approach based  
15 on a multi-year program being undertaken by the franchise holder so that  
16 accountability for expenditures may be based on expenditures made during the  
17 entire multi-year period out of the patronage and tourism promotion and  
18 capital improvement moneys derived during the multi-year period, provided  
19 that the multi-year period shall not exceed five (5) years unless the  
20 commission makes a specific determination that a longer period is necessary  
21 to finance long term construction projects for the joint benefit of patrons,  
22 dogmen, and the franchise holder.

23 (iv) The franchise holder may seek prior approval of  
24 expenditures from the commission for expenditures. The application for such  
25 approval must contain the information required by this section. The prior  
26 approval will be subject to final verification by the Department of Finance  
27 and Administration and approval by the commission that the expenditure meets  
28 the requirements of this section.

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30 SECTION 2. The rate of tax on any additional methods of wagering shall  
31 be established by law.

32 /s/ Jones

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34 APPROVED: BECAME LAW ON 4/19/2001, WITHOUT THE GOVERNOR'S SIGNATURE.