

1 State of Arkansas  
2 84th General Assembly  
3 First Extraordinary Session, 2003  
4

*As Engrossed: H5/7/03*  
**A Bill**

Call Item 17

HOUSE BILL 1033

5 By: Representatives Jones, R. Smith, Mathis  
6 By: Senators T. Smith, Higginbothom  
7  
8

9 **For An Act To Be Entitled**

10 AN ACT TO RAISE ADDITIONAL TAX REVENUE BY  
11 AUTHORIZING HORSE RACING AND GREYHOUND RACING  
12 FRANCHISEES TO CONDUCT WAGERING ON ELECTRONIC  
13 GAMES OF SKILL.  
14

15 **Subtitle**

16 TO RAISE ADDITIONAL TAX REVENUE BY  
17 AUTHORIZING HORSE RACING AND GREYHOUND  
18 RACING FRANCHISEES TO CONDUCT WAGERING  
19 ON ELECTRONIC GAMES OF SKILL.  
20  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code Title 23 is amended to add an additional  
25 chapter to read as follows:

26 Chapter 113.  
27

28 WAGERING ON ELECTRONIC GAMES OF SKILL CONDUCTED BY HORSE RACING AND GREYHOUND  
29 RACING FRANCHISEES  
30

31 SUBCHAPTER 1 - GENERAL PROVISIONS  
32

33 23-113-101. Title.

34 This chapter shall be referred to and may be cited as "The Horse Racing  
35 and Greyhound Racing Franchisee Electronic Games of Skill Wagering Act."  
36



1           23-113-102. Definitions.

2           As used in this chapter:

3           (1) "Arkansas Greyhound Racing Law" means the Arkansas Greyhound  
4 Racing Law, § 23-111-101 et seq.;

5           (2) "Arkansas Horse Racing Law" means the Arkansas Horse Racing  
6 Law, § 23-110-101 et seq.;

7           (3) "Commission" means the Arkansas Racing Commission or its  
8 successor having jurisdiction over horse racing and greyhound racing in this  
9 state;

10           (4) "Director" means the Director of the Arkansas Department of  
11 Finance and Administration;

12           (5)(A) "Electronic games of skill" mean games played through any  
13 electronic device or machine that afford an opportunity for the exercise of  
14 skill or judgment where the outcome is not completely controlled by chance  
15 alone.

16           (B) "Electronic games of skill" include electronic  
17 versions of games such as poker, twenty-one, checkers, games involving  
18 formation of words with letters, and other electronic games affording an  
19 opportunity for the exercise of skill or judgment where the outcome is not  
20 completely controlled by chance alone;

21           (6) "Franchise holder" means any person holding a franchise to  
22 conduct horse racing under the Arkansas Horse Racing Law or greyhound racing  
23 under the Arkansas Greyhound Racing Law;

24           (7) "Net wagering revenues from electronic games of skill" means  
25 the gross wagering revenues received by a franchise holder from wagers placed  
26 by patrons on electronic games of skill, less amounts paid out, or separately  
27 reserved under rules of the commission for future payout, to patrons on the  
28 wagers; and

29           (8) "Person" means any individual, corporation, partnership,  
30 association, trust, or other entity.

31  
32           SUBCHAPTER 2 - AUTHORIZATION OF WAGERING ON ELECTRONIC GAMES OF SKILL

33  
34           23-113-201. Wagering on electronic games of skill permitted -  
35 Conditions and limitations.

36           (a)(1) In addition to pari-mutuel wagering on horse and greyhound

1  racing authorized by the Arkansas Horse Racing Law and Arkansas Greyhound  
2  Racing Law, respectively, any franchise holder may conduct wagering on  
3  electronic games of skill in accordance with this chapter at any time or  
4  times during the calendar year at locations on the grounds of the franchise  
5  holder's racetrack site where the franchise holder is authorized by the  
6  commission to conduct pari-mutuel wagering on horse racing or greyhound  
7  racing pursuant to the Arkansas Horse Racing Law or Arkansas Greyhound Racing  
8  Law, as the case may be.

9  (2)(A) The franchise holder may not conduct wagering on  
10  electronic games of skill under this chapter unless the question of the  
11  wagering on electronic games of skill has been submitted to the electors of  
12  the city, town, or county in which the franchise holder's racetrack site is  
13  located where the wagering on electronic games of skill is to be conducted,  
14  at a special or any regular election, and a majority of the electors voting  
15  on the question shall have approved the wagering on electronic games of skill  
16  at the election. If the racetrack site is located within the corporate  
17  limits of a city or town, the question shall be submitted to the electors of  
18  either the city, town, or county in which the racetrack site is located, as  
19  requested by the franchise holder, and if the racetrack site is not located  
20  within the corporate limits of a city or town, then the question shall be  
21  submitted to the electors of the county in which the racetrack site is  
22  located.

23  (B) The governing body of the city, town, or county, as  
24  the case may be, shall submit the question to the electors as and when  
25  requested by the franchise holder. The franchise holder may make requests on  
26  one or more occasions, and elections so requested from time to time by the  
27  franchise holder may be held during any one or more calendar years as  
28  requested from time to time by the franchise holder, but not more than two  
29  (2) special elections shall be held during any particular calendar year. The  
30  cost incurred by the city, town, or county involved in conducting each  
31  special election pursuant to the franchise holder's request shall be paid by  
32  the franchise holder. The election shall be held and conducted under the  
33  general election laws of the state except as otherwise provided in this  
34  subdivision (2).

35  (C) The ordinance shall set forth the ballot question  
36  substantially as follows:

1 "For wagering on electronic games of skill conducted by \_\_\_\_\_ [name of  
 2 franchise holder] on the grounds of its racetrack site in \_\_\_\_\_  
 3 [city, town, or county] ..... [ ]

4  
 5 Against wagering on electronic games of skill conducted by \_\_\_\_\_ [name of  
 6 franchise holder] on the grounds of its racetrack site in \_\_\_\_\_  
 7 [city, town, or county] ..... [ ]

8  
 9 As authorized by Arkansas Code § 23-113-201, the question presented is  
 10 whether or not wagering on electronic games of skill may be conducted by  
 11 \_\_\_\_\_ [name of franchise holder] on the grounds of its  
 12 racetrack site in \_\_\_\_\_ [city, town, or county]. Vote for or  
 13 against the question by marking the appropriate box above. Electronic games  
 14 of skill mean games played through any electronic device or machine that  
 15 afford an opportunity for the exercise of skill or judgment where the outcome  
 16 is not completely controlled by chance alone, and include electronic versions  
 17 of games such as poker, twenty-one, checkers, games involving formation of  
 18 words with letters, and other electronic games affording an opportunity for  
 19 the exercise of skill or judgment where the outcome is not completely  
 20 controlled by chance alone."

21 (D) Notice of the election shall be given by the clerk of  
 22 the city, town, or county involved by one (1) publication in a newspaper  
 23 having general circulation within the city, town, or county involved not less  
 24 than ten (10) days before the election. No other publication or posting of a  
 25 notice by any other public official shall be required.

26 (E) The election shall be held no earlier than fifteen  
 27 (15) days after the date of adoption of the ordinance in which the election  
 28 is called by the legislative body.

29 (F) The mayor of the city or town or the county judge of  
 30 the county, as the case may be, shall proclaim the results of the election by  
 31 issuing a proclamation and publishing it one (1) time in a newspaper having  
 32 general circulation within the city, town, or county involved. The results  
 33 of the election as stated in the proclamation shall be conclusive unless suit  
 34 is filed in the circuit court in the county where the election took place  
 35 within twenty (20) days after the date of publication of the proclamation.

36 (G) If and when the wagering on electronic games of skill

1 is approved at any election as provided in this subdivision, that approval  
2 shall be final and shall continue in effect thereafter for so long as  
3 wagering on electronic games of skill at the location involved is authorized  
4 by the other provisions of this chapter (i.e., the provisions of this chapter  
5 other than this subdivision (2)).

6 (b)(1) In order to conduct wagering on electronic games of skill  
7 during a calendar year, the franchise holder must have been licensed by the  
8 commission to conduct a live racing meet within the calendar year or the  
9 immediately preceding the calendar year of either:

10 (A) Horse racing under the Arkansas Horse Racing Law; or

11 (B) Greyhound racing under the Arkansas Greyhound Racing  
12 Law.

13 (2) However, the commission may waive this requirement if the  
14 license had not been issued because of events such as fire, storm, accident  
15 or other casualty, epidemic, shortages of horses or greyhounds, war,  
16 sabotage, acts of a public enemy, civil disturbances, strikes, labor  
17 disputes, work stoppages, or similar events.

18 (c)(1) Wagering on electronic games of skill conducted by a franchise  
19 holder in accordance with this chapter shall be lawful, notwithstanding any  
20 laws or parts of laws of the State of Arkansas to the contrary.

21 (2) However, this chapter is not intended to authorize a lottery  
22 or the sale of lottery tickets prohibited by Article 19, Section 14 of the  
23 Arkansas Constitution.

24 (d)(1) In order to constitute an electronic game of skill under this  
25 chapter, the game must not be completely controlled by chance alone.

26 (2) A game is not completely controlled by chance alone if the  
27 betting public may attain through the exercise of skill or judgment a better  
28 measure of success in playing the game than could be mathematically expected  
29 on the basis of pure luck, i.e., on the basis of pure random chance alone.

30 (e)(1) Before conducting wagering on an electronic game of skill, the  
31 franchise holder shall present to the commission a complete description of  
32 the game and the electronic device or machine to be utilized in the play of  
33 the game, the proposed rules of play, and such further information as the  
34 commission determines is necessary or appropriate in order to effectively  
35 carry out its regulatory functions in accordance with this chapter.

36 (2)(A) Within sixty (60) calendar days thereafter, the

1 commission shall make a finding as to whether the game and electronic device  
2 or machine constitutes an electronic game of skill authorized by this  
3 chapter.

4 (B) The finding shall further either approve the proposed  
5 rules of play or recommend modifications as the commission determines are  
6 necessary in the public interest in carrying out its regulatory functions in  
7 accordance with this chapter.

8 (3) If the finding concludes that the game and electronic device  
9 or machine constitutes an electronic game of skill authorized by this chapter  
10 and approves the rules of play or, if applicable, the franchise holder  
11 incorporates the changes recommended by the commission into the final rules  
12 of play, the franchise holder may begin to conduct wagering on the electronic  
13 game of skill, subject to the other provisions of this chapter and other  
14 applicable rules and regulations of the commission adopted pursuant to this  
15 chapter.

16 (4) If the finding concludes that the game and electronic device  
17 or machine does not constitute an electronic game of skill authorized by this  
18 chapter or recommends changes in the proposed rules of play, the commission  
19 shall provide the franchise holder with the opportunity for a hearing by the  
20 commission before the finding is made final by the commission.

21 (f) For each electronic game of skill, the commission shall provide by  
22 appropriate rule or regulation the specifications for establishing that  
23 patrons, in the aggregate, exercising some degree of skill or judgment will,  
24 over the expected lifetime of the electronic game of skill, obtain a payout  
25 of at least eighty-three percent (83%) of the aggregate amounts wagered on  
26 the electronic game of skill.

27 (g) Wagers on electronic games of skill may be made only by  
28 individuals physically present at the location on the grounds of the  
29 franchise holder's authorized racetrack site as set forth in subsection (a)  
30 of this section where electronic games of skill are located and being  
31 operated in accordance with this chapter.

32 (h) No individual under the age of twenty-one (21) years shall be  
33 intentionally allowed to place wagers on electronic games of skill, and the  
34 commission shall provide by rule or regulation appropriate supervisory  
35 procedures for franchise holders to follow in order to safeguard against  
36 individuals under the age of twenty-one (21) years placing wagers on

1 electronic games of skill.

2  
3 SUBCHAPTER 3 - ARKANSAS RACING COMMISSION

4  
5 23-113-301. Jurisdiction of Arkansas Racing Commission.

6 Subject to the limitations and conditions in this chapter or other  
7 applicable law, the commission shall have full administrative regulatory  
8 jurisdiction over the business of electronic games of skill and wagering  
9 thereon conducted by franchise holders under this chapter.

10  
11 23-113-302. Powers and duties.

12 (a) The commission shall, in addition to all other duties, powers, and  
13 responsibilities conferred upon it by other laws of this state, exercise the  
14 duties, powers, and responsibilities over electronic games of skill, and  
15 wagering thereon, as authorized in this chapter, and without necessarily  
16 being limited to the following enumeration, but subject to the other  
17 provisions of this chapter, it shall be the function, power, and duty of the  
18 commission to:

19 (1) Regulate the specific games, devices, machines, and  
20 equipment played and utilized in connection with wagering on electronic games  
21 of skill, and the rules of play and methods of operation thereof, as  
22 contemplated by this chapter, as well as appropriate security and  
23 surveillance systems, in order to safeguard fairness and integrity in the  
24 conduct and operation of electronic games of skill and wagering thereon;

25 (2) Regulate the specific times of operation and specific areas  
26 of the franchise holder's premises where wagering on electronic games of  
27 skill may be conducted;

28 (3) Prescribe the procedures for issuing licenses to employees  
29 of the franchise holder conducting electronic games of skill and wagering  
30 thereon including, without limitation, the information to be submitted by the  
31 individuals in connection with their background, employment, experience, and  
32 character, as reasonably necessary to determine the individual's  
33 qualifications and suitability for the position;

34 (4) Prescribe the procedures for issuing licenses to persons  
35 supplying electronic games of skill to the franchise holder including,  
36 without limitation, the information to be submitted by the persons in

1 connection with their background, experience, character, business activities,  
2 and financial affairs, as reasonably necessary to determine the person's  
3 qualifications and suitability for supplying electronic games of skill to  
4 franchise holders for use in accordance with this chapter;

5 (5) Have authority to enter upon the premises where electronic  
6 games of skill are being operated and to observe the conduct of wagering  
7 thereon; and

8 (6) Take such other action, not inconsistent with law, as the  
9 commission may deem necessary or desirable in order to supervise and  
10 regulate, and to effectively control in the public interest, the operation of  
11 electronic games of skill and conduct of wagering thereon as authorized by  
12 this chapter.

13 (b) The commission shall have the authority to promulgate, revise,  
14 amend and repeal rules, regulations, and orders consistent with the policy,  
15 objects, and purposes of this chapter, as it reasonably deems necessary or  
16 desirable in the public interest in carrying out the provisions of this  
17 chapter.

18 (c) The commission may require the franchise holder to devote up to  
19 one-half of one percent (0.5%) of the net wagering revenues from electronic  
20 games of skill to programs and activities approved by the commission which  
21 are devoted to mitigating compulsive gambling habits.

22  
23 23-113-303. Licenses for employees and supplies.

24 (a) The commission shall have the authority to require persons  
25 employed by the franchise holder in the conduct of wagering on electronic  
26 games of skill to obtain a license from the commission under procedures  
27 generally consistent with the licensing procedures otherwise applicable to  
28 other employees of the franchise holder engaged in the conduct of pari-mutuel  
29 wagering on horse racing or greyhound racing, as the case may be.

30 (b)(1) No person may sell or otherwise supply electronic games of  
31 skill to a franchise holder for the conduct of wagering thereon as authorized  
32 in this chapter unless the person has:

33 (A) Demonstrated to the satisfaction of the commission  
34 that the person has the capability and qualifications necessary to reasonably  
35 furnish the equipment and perform the services to be provided by the  
36 supplier; and



1                   (B) Obtained a license from the commission.

2                   (2) Each supplier shall pay to the commission an annual license  
3 fee in the amount of one hundred dollars (\$100) per year for each year or  
4 part thereof that the license is in effect.

5                   (c) Any person knowingly making any false statement on an employee or  
6 supplier license application under this chapter shall be guilty of an  
7 unclassified misdemeanor and upon conviction shall be fined an amount not  
8 less than one hundred dollars (\$100) nor more than one thousand dollars  
9 (\$1,000), or by imprisonment for not more than one (1) year, or by both fine  
10 and imprisonment.

11

12                   23-113-304. Hearings.

13                   (a)(1) If any franchise holder or other person is aggrieved by any  
14 action of the commission, the franchise holder or other person shall be  
15 entitled to a hearing by the commission.

16                   (2) The hearings shall be conducted in accordance with the  
17 rules and procedures governing other commission hearings.

18                   (b)(1) At the conclusion of the hearing, the commission shall make its  
19 findings to be the basis for the action taken by the commission.

20                   (2) The findings and orders of the commission shall be subject  
21 to review in the Pulaski County Circuit Court, from which an appeal may be  
22 taken to the Arkansas Supreme Court.

23

24                   SUBCHAPTER 4 - CONTRIBUTION TO PURSES AND  
25 ARKANSAS THOROUGHBRED AND GREYHOUND BREEDING PROGRAMS

26

27                   23-113-401. Contribution to purses and promotion of Arkansas  
28 thoroughbred and greyhound breeding activities.

29                   (a) An amount equal to twelve percent (12%) of the net wagering  
30 revenues from electronic games of skill shall be set aside by the franchise  
31 holder in a separate account and used only for purses for live horse racing  
32 or live greyhound racing conducted by the franchise holder, as the case may  
33 be.

34                   (b) With respect to a franchise holder operating a franchise to  
35 conduct horse racing, an amount equal to one percent (1%) of the net wagering  
36 revenues from electronic games of skill conducted by the horse racing

1 franchise holder shall be paid by the franchise holder to the commission for  
2 deposit into the Arkansas Racing Commission Purse and Awards Fund to be used  
3 for purse supplements, breeders' awards, owners' awards, and stallion awards  
4 as provided in § 23-110-409 in order to promote and encourage thoroughbred  
5 horse breeding activities in Arkansas.

6 (c) With respect to a franchise holder operating a franchise to  
7 conduct greyhound racing, an amount equal to one percent (1%) of the net  
8 wagering revenues from electronic games of skill conducted by the greyhound  
9 racing franchise holder shall be paid by the franchise holder to the  
10 commission to be used for breeders' awards as provided in the commission's  
11 rules and regulations governing greyhound racing in Arkansas in order to  
12 promote and encourage greyhound breeding activities in Arkansas.

13 (d)(1) The dedication of net wagering revenues from electronic games  
14 of skill to purses and breeding activities as set forth in this section shall  
15 not be subject to any contract or agreement between the franchise holder and  
16 any organization representing horsemen or greyhound owners or trainers, to  
17 the end that any such contractual obligations for the use of moneys for  
18 purses shall not apply to the funds dedicated to purses and breeding  
19 activities as set forth in this section.

20 (2) The funds dedicated to purses and breeding activities as set  
21 forth in this section are intended to be in addition to any such contractual  
22 purse obligations affecting moneys other than the amounts dedicated to purses  
23 and breeding activities as set forth in this section, as well as in addition  
24 to amounts required to be used for purses and breeding activities under  
25 applicable provisions of the Arkansas Horse Racing Law and Arkansas Greyhound  
26 Racing Law, as the case may be.

27 (e) The commission shall have jurisdiction to check and verify  
28 compliance by the franchise holder with the provisions of this section and  
29 shall make periodic determinations as to compliance under rules and  
30 regulations adopted by the commission.

31  
32 SUBCHAPTER 5 – TAXES

33  
34 23-113-501. Taxes.

35 (a) A privilege tax is imposed on wagering on electronic games of  
36 skill conducted under this chapter as follows:

1           (1) An amount equal to twenty-six percent (26%) of the net  
2 wagering revenues from electronic games of skill shall be paid by the  
3 franchise holder to the Director of the Department of Finance and  
4 Administration for disposition under § 23-113-604;

5           (2) An amount equal to one-half of one percent (0.5%) of the net  
6 wagering revenues from electronic games of skill shall be paid by the  
7 franchise holder to the county in which the franchise holder is operating the  
8 electronic games of skill; and

9           (3) An amount equal to one and one-half percent (1.5%) of the  
10 net wagering revenues from electronic games of skill shall be paid by the  
11 franchise holder to the city or town in which the franchise holder is  
12 operating the electronic games of skill.

13           (b) Except as provided in § 23-113-502, the taxes shall be paid on a  
14 monthly basis pursuant to rules and procedures adopted by the director. It  
15 shall be the duty of a franchise holder on or before the twentieth day of  
16 each month to deliver to the director, upon forms prescribed and furnished by  
17 the director, a return under oath showing the total net wagering revenues  
18 from electronic games of skill during the preceding calendar month.

19           (c) The taxes levied by this section are in lieu of any state or local  
20 gross receipts, sales, or other similar taxes, and to this end the Arkansas  
21 Gross Receipts Tax Act of 1941, as amended, § 26-52-101 et seq., shall not be  
22 applicable to gross receipts derived by franchise holders from wagering on  
23 electronic games of skill.

24           (d) The privilege tax payable to the director under subdivision (a)(1)  
25 of this section shall be administered by the director pursuant to the  
26 Arkansas Tax Procedure Act, § 26-18-101, et seq., provided regulatory  
27 authority over licensing and other matters under this chapter not relating to  
28 the administration, payment, and collection of the privilege tax shall remain  
29 with the commission.

30  
31           23-113-502. Prepayment of Privilege Tax to the State.

32           (a) Upon the approval at a local election of wagering on electronic  
33 games of skill as provided § 23-113-201(a)(2), and the results of the  
34 election being so proclaimed and becoming conclusive as provided in § 23-113-  
35 201(a)(2)(F), unless a suit is filed contesting the proclamation or local  
36 election, thirty (30) days after the date of the publication of the

1 proclamation the franchise holder located in the city, town, or county, as  
2 the case may be, where the approval and local election took place shall pay  
3 to the director ten million dollars (\$10,000,000), if the franchise holder is  
4 a horse racing franchise holder, and eight million dollars (\$8,000,000) if  
5 the franchise holder is a greyhound racing franchise holder, such payment  
6 being a prepayment of the privilege tax payable by the franchise holder to  
7 the director under § 23-113-501(a)(1). If suit is filed contesting the  
8 proclamation or local election, the franchise holder shall make the required  
9 prepayment thirty (30) days after the issue is finally resolved in the court  
10 proceedings (including appeals) and the court shall have issued a final order  
11 (after all appeals have been taken and appellate decisions rendered or the  
12 time for appeal has lapsed without appeal) that the election was valid and  
13 that the wagering on electronic games of skill was approved by the electors  
14 of the city, town, or county, as the case may be, as provided in § 23-113-  
15 201(a)(2).

16 (b) The director shall promptly refund the prepayment to the franchise  
17 holder if franchise holder has been unable to conduct wagering on electronic  
18 games of skill as contemplated by this chapter within one (1) year from the  
19 date the prepayment was made because of litigation or other factors outside  
20 the reasonable control of the franchise holder. Otherwise, the prepayment  
21 set forth in subsection (a) of this section shall be a credit applied to the  
22 payments otherwise due from the franchise holder under § 23-113-501(a)(1).  
23 After the total amount of the first eleven (11) payments due from the  
24 franchise holder under § 23-113-501(a)(1) has been established, the director  
25 shall determine an amount due from the franchise holder as an estimated  
26 annual prepayment for the second year of operation by applying the multiplier  
27 of 1.2 to the total amount of the first eleven (11) payments due from the  
28 franchise holder. The director shall notify the franchise holder in writing  
29 as soon as administratively feasible of the amount due as the estimated  
30 annual prepayment and the franchise holder shall make the required prepayment  
31 thirty (30) days after the date of the director's notification.

32 (c) The director shall determine the amount due from the franchise  
33 holder for estimated annual prepayments for the third and subsequent years of  
34 operation based on the total reported amount due from the franchise holder  
35 under § 23-113-501(a)(1) for the twelve (12) month period preceding the due  
36 date of the estimated annual prepayment multiplied by one hundred and ten

1 percent (110%).

2 (d) If the prepayment required under subdivision (a) of this section  
3 is expended before the total amount of the first eleven (11) payments due  
4 from the franchise holder under § 23-113-501(a)(1) has been established, the  
5 director shall notify the franchise holder in writing as soon as  
6 administratively feasible that the franchise holder shall pay a supplemental  
7 prepayment in an amount to be determined by the Director that ensures full  
8 payment of the tax for the full twelve (12) month period. The franchise  
9 holder shall make the required supplemental prepayment thirty (30) days after  
10 the date of the director's notification.

11 (e) After the director has received a franchise holder's estimated  
12 annual prepayment for any year of operation, the franchise holder shall be  
13 given credit for any balance carry forward from previous prepayments made by  
14 the franchise holder. The director shall refund the franchise holder any  
15 balance over and above the required estimated annual prepayment.

16 (f) If a franchise holder notifies the director that it has  
17 discontinued the operation of electronic games of skill under this chapter  
18 and the franchise holder has filed all returns required by § 23-113-501, the  
19 director shall refund the balance of any prepayments made by the franchise  
20 holder under this section.

21 (g) The director may adopt rules and regulations to appropriately administer  
22 the prepayments and credit consistent with the provisions of this section.

23 SUBCHAPTER 6 – MISCELLANEOUS

24  
25 23-113-601. Duty to maintain records.

26 A franchise holder operating electronic games of skill and conducting  
27 wagering thereon under this chapter shall keep a complete set of books and  
28 records as necessary to show fully the activities and transactions of the  
29 franchise holder with respect to the operations and wagering conducted in  
30 accordance with this chapter, and the commission shall have reasonable access  
31 to the books and records in order to verify compliance with the provisions of  
32 this chapter and the rules and regulations of the commission.

33  
34 23-113-602. Inconsistent statutes inapplicable.

35 (a) Title 5, Chapter 66, and all other laws and parts of laws  
36 inconsistent with any of the provisions of this chapter are expressly

1 declared not to apply to any person engaged in, conducting or otherwise  
2 participating in, operating electronic games of skill or wagering thereon as  
3 authorized by this chapter.

4 (b) No person shall be guilty of any criminal offense set forth in  
5 Title 5, Chapter 66, or any other law relating to illegal gambling to the  
6 extent the person relied on any rule, regulation, order, finding, or other  
7 determination by the commission that the activity was authorized by this  
8 chapter.

9  
10 23-113-603. Pari-mutuel wagering on horse and greyhound racing.

11 (a) This chapter does not apply to, and for purposes of this chapter  
12 electronic games of skill do not include, pari-mutuel wagering on horse  
13 racing and greyhound racing governed by the Arkansas Horse Racing Law or  
14 Arkansas Greyhound Racing Law, whether pari-mutuel wagering on live racing,  
15 simulcast racing, or races conducted in the past and rebroadcast by  
16 electronic means to the end that pari-mutuel wagering on horse racing and  
17 greyhound racing shall continue to be governed by the Arkansas Horse Racing  
18 Law and Arkansas Greyhound Racing Law, respectively, and not by this chapter.

19 (b)(1) Provisions of the Arkansas Horse Racing Law and Arkansas  
20 Greyhound Racing Law prohibiting wagering other than on horse or greyhound  
21 races and other than under the pari-mutuel or certificate method of wagering  
22 shall not apply to wagering on electronic games of skill conducted pursuant  
23 to this chapter, and to this end the provisions of §§ 23-110-405(d)(1) and  
24 23-111-508(b) and (d)(1) and (2), the provisions of §§ 23-110-405(d)(2) and  
25 23-111-508(d)(4), and any other inconsistent provisions of the Arkansas Horse  
26 Racing Law and Arkansas Greyhound Racing Law shall not apply to wagering on  
27 electronic games of skill conducted in accordance with this chapter.

28 (2) Wagering under this chapter is not required to be pari-  
29 mutuel.

30  
31 23-113-604 Disposition of privilege taxes, license fees, etc.

32 (a) All privilege taxes received by the Director of the Department of  
33 Finance and Administration under this chapter for the benefit of the state  
34 shall be deposited in the State Treasury to the credit of the General Revenue  
35 Fund Account of the State Apportionment Fund.

36 (b) All permit or license fees, penalties, and fines received by the

1 commission under this chapter, shall be deposited in the State Treasury to  
2 the credit of the General Revenue Fund Account of the State Apportionment  
3 Fund.

4  
5 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
6 Eighty-Fourth General Assembly of the State of Arkansas that the state is in  
7 urgent need of additional revenues to support state funded programs,  
8 functions, and activities; that it is imperative to address immediately these  
9 revenue needs and in order to accomplish these objectives, essential to the  
10 welfare of the State of Arkansas and its citizens and residents, the  
11 provisions set forth in this act must be effective immediately. Therefore,  
12 an emergency is declared to exist and this act being immediately necessary  
13 for the preservation of the public peace, health, and safety shall become  
14 effective on:

15 (1) The date of its approval by the Governor;

16 (2) If the bill is neither approved nor vetoed by the Governor,  
17 the expiration of the period of time during which the Governor may veto the  
18 bill; or

19 (3) If the bill is vetoed by the Governor and the veto is  
20 overridden, the date the last house overrides the veto.

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22 */s/ Jones, et al*  
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