

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB551**

**Amendment Number: S1**

**Bill Subtitle: TO AMEND THE DEFINITIONS APPLICABLE TO COIN-OPERATED AMUSEMENT DEVICES.**

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### **Basic Change :**

**Sponsor: Senator J. Hutchinson**

Engrossment 03/14/17 --- Senate Amendment 1 --- Amends the code provisions for facilities having coin-operated amusement devices to provide that for those business locations authorized to provide awards with a value of up to \$500.00, the square footage of the facility must be at least sixteen thousand (16,000 square feet).

Original Bill --- SB551 will amend current code provisions applicable to operators of coin-operated amusement devices.

Under current law, toys, novelties, or candy that are won by the player of a bona fide amusement device that rewards players exclusively with the eligible types of merchandise are limited to a wholesale value of the prize to not more than ten (10) times the cost charged to play the amusement device one (1) time or five dollars (\$5.00), whichever is less. An accumulation of prize value for toys or novelties is not allowed to exceed a value of twelve dollars and fifty cents (\$12.50) unless the toy or novelty is being provided by a facility that has: (1) In excess of twenty-five thousand square feet (25,000 sq. ft.) of space; (2) Offers a full-service restaurant menu during all hours of operation; (3) Offers at least one hundred (100) amusement devices; and (4) Is located in a county that has a population that exceeds three hundred fifty thousand (350,000) and is traversed by a navigable river. For an coin-operated amusement facility meeting these requirements, an award up to \$500.00 may be given.

The bill would provide an additional option for the location of a facility offering the increased value of prize awards up to the maximum \$500.00 limit. The facility would in addition to having in excess of twenty-five thousand square feet (25,000 sq. ft.) of space; offer a full-service restaurant menu during all hours of operation; and offer at least one hundred (100) amusement devices; the facility would be required to be located in a county that has a population that exceeds two hundred thousand (200,000) and adjoins two state lines. A review of United States Census Bureau 2010 census records for the State of Arkansas indicate that only Benton County, Arkansas would meet this requirement. Benton County is bordered to the north by Missouri and to the west by Oklahoma. In 2010, Benton County had a population of two hundred twenty-one thousand three hundred thirty-nine (221,339) residents. The proposal would be effective 90 days after final adjournment of the 91<sup>st</sup> General Assembly

### **Revenue Impact :**

No impact on current state tax revenues.

### **Taxpayer Impact :**

Eligible businesses in Benton County meeting the minimum requirements as established in Arkansas law could provide increased prizes when playing amusement devices.

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**Resources Required :**

None.

**Time Required :**

Adequate time is provided for implementation.

**Procedural Changes :**

None.

**Other Comments :**

None.

**Legal Analysis :**

SB551 will amend current law regarding the definitions applicable to coin operated amusements. Current definitions allow a player to redeem representations of value for a toy or novelty with a wholesale value of no more than five hundred (\$500) only offered in a facility that is in excess of 16,000 sq. ft.; offers a full-service restaurant menu during all hours of operation; offers at least one hundred (100) amusement devices; and is located in a county that has a population that exceeds three hundred fifty thousand (350,000) and is traversed by a navigable river.

This amendment, in addition to the above requirements, adds an additional option for the location of a facility in a county that has a population that exceeds two hundred thousand (200,000) (rather than 350,000) and adjoins two state lines. A review of United States Census Bureau 2010 census records for the state of Arkansas indicate that only one county would meet this requirement.