

1 **State of Arkansas**

2 **79th General Assembly**

3 **Regular Session, 1993**

H.J.R. 1013

4 **By: Representatives Fairchild, Fletcher, Hendrix, Hinshaw, McCuiston, Mullenix, Willems, J.**

5 **Wilson and Wren**

6

7 **HOUSE JOINT RESOLUTION**

8 FOR A PROPOSED AMENDMENT TO ARTICLE 19, SECTION 14, OF THE
9 CONSTITUTION OF THE STATE OF ARKANSAS TO REMOVE FROM THE
10 DEFINITION OF LOTTERY AS CONTAINED IN ARTICLE 19, SECTION
11 14, OF THE CONSTITUTION OF THE STATE OF ARKANSAS, CERTAIN
12 *GAMES OF BINGO AND RAFFLES WHEN CONDUCTED BY CERTAIN*
13 AUTHORIZED ORGANIZATIONS IN ACCORDANCE WITH THE AMENDMENT.

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15 **Subtitle**

16 FOR A PROPOSED AMENDMENT TO THE CONSTITUTION OF THE STATE
17 OF ARKANSAS TO REMOVE FROM THE DEFINITION OF LOTTERY
18 *CERTAIN CHARITABLE GAMES OF BINGO AND CHARITABLE RAFFLES.*

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22 BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE SEVENTY-NINTH GENERAL
23 ASSEMBLY OF THE STATE OF ARKANSAS AND BY THE SENATE, A MAJORITY OF ALL MEMBERS
24 ELECTED TO EACH HOUSE AGREEING THERETO:

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26 THAT the following is hereby proposed as an amendment to article 19,
27 Section 14 of the Constitution of the State of Arkansas, replacing said
28 section, and upon being submitted to the electors of the State for approval or
29 rejection at the next general election for Representatives and Senators, if a
30 majority of the electors voting thereon at such election, adopt such
31 amendment, the same shall become a part of the Constitution of the State of
32 Arkansas, to wit:

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34 (a) No lottery shall be authorized by this State, nor shall the sale of
35 lottery tickets be allowed. The game of Bingo, when conducted by an

1 authorized organization at authorized times and in an authorized manner shall
2 not be deemed a lottery prohibited by this section. A raffle, when conducted
3 by an authorized organization at authorized times and in an authorized manner
4 shall not be deemed a lottery prohibited by this section.

5 (b) (1) For the purpose of this section, the term "game of bingo" shall
6 mean a single game of the activity commonly known as "bingo" in which the
7 participants pay a sum of money for the use of one or more bingo cards. Only
8 bingo games where the winner receives a pre-announced, fixed dollar prize and
9 in which the winner is determined by the matching of letters and numbers on a
10 bingo card, or facsimile thereof, (imprinted with at least twenty-four [24]
11 numbers) with letters and numbers appearing on objects randomly drawn and
12 announced by a caller, in contemporaneous competition among all players in the
13 game, shall be considered bingo for the purposes of this section.

14 (2) For the purpose of this section, the term "raffle" shall mean a
15 game in which a participant buys a ticket for a chance at a prize with the
16 winner determined by a random drawing to take place at a location and date
17 printed upon the ticket.

18 (c) "Authorized organization" shall mean any non-profit tax exempt
19 religious, educational, veteran_s, fraternal, service, civic, medical,
20 volunteer rescue service, volunteer fire fighter_s organization, or volunteer
21 police organization which has been issued a current license to conduct a bingo
22 game as provided for by law. An organization is tax exempt if it has received
23 from the Internal Revenue Service a determination letter that is currently in
24 effect stating that the organization is exempt from federal income taxation
25 under Section 501(a), and if it is described in Section 501(c)(3), (10), or
26 (19) or Section 528 of the Internal Revenue Code as amended. To qualify as an
27 authorized organization under this section, an organization shall have been in
28 continuing existence, as such, in this state for a period of not less than
29 five (5) years immediately prior to making application for a bingo license.

30 (d) For games of bingo, "conducted at authorized times" means a single
31 program of bingo games conducted between the hours of 12:00 noon and 12:00
32 midnight, no more often than two (2) days per any one (1) calendar week. No
33 building, facility or other type of physical location shall house bingo games
34 more frequently than two (2) days per week or on behalf of more than one (1)
35 authorized organization. For raffles, "conducted at authorized times" means

1 no more frequently than twice in any given calendar year.

2 (e) "Conducted in an authorized manner" means bingo games or raffles
3 conducted in accordance with the following requirements:

4 (1) All net receipts over and above the actual cost of conducting
5 the game or raffle shall be used only for charitable, religious or
6 philanthropic purposes, and no receipts shall be used to compensate in any
7 manner any person who works for or is in any way affiliated with the licensed
8 organization;

9 (2) The prize for any one bingo game shall not exceed two hundred
10 dollars (\$200.00) (whether in cash or a prize of equivalent cash value); and
11 the total prizes awarded during any one bingo program shall not exceed three
12 thousand dollars (\$3,000) total value. No more than one (1) bingo program on
13 behalf of a single authorized organization shall be conducted at any one (1)
14 location on any given day. *The price limit for raffles shall be fifty*
15 *thousand dollars (\$50,000).*

16 (3) No person shall participate in the management, conduct or
17 operation of any bingo game or raffle unless that person:

18 (A) Has been a bona fide member of the authorized
19 organization for the two (2) years immediately preceding such participation,
20 and volunteers without compensation of any sort the time and service necessary
21 to conduct the game or raffle, and is not a paid staff person or employee of
22 the authorized organization;

23 (B) Is not and has never been a professional gambler or
24 professional gambling promoter;

25 (C) Has never purchased a tax stamp for wagering or
26 gambling activity;

27 (D) Has never been convicted of any felony;

28 (E) Has never been convicted of or pleaded nolo contendere
29 to any illegal gambling activity; and

30 (F) Is of good moral character.

31 (4) Any person, any officer or director of any firm or
32 corporation, and any partner of any partnership renting or leasing to an
33 authorized organization, any equipment or premises for use in the game or
34 raffle shall meet all the qualifications of paragraph 3 except (a).

35 (5) No good or service utilized in the conducting of the bingo

1 games or raffles, including, but not limited to, the cost for the use of the
2 bingo facility, the cost for the use of the bingo equipment, the cost for
3 bingo supplies, the cost of security for the bingo facility, or any other cost
4 of any kind associated in any way with a good or service used in connection
5 with the bingo game or raffle, shall be purchased or obtained for compensation
6 of any sort exceeding the fair market value of such good or service, nor shall
7 the quantity of goods or services so purchased exceed the amounts required to
8 reasonably conduct the game or raffle, and in no case shall any payment for
9 any good or service be based upon a percentage of the gross receipts or
10 proceeds of the bingo game or raffle.

11 (6) No person, firm, partnership or corporation shall receive any
12 remuneration or profit for participating in the management, conduct or
13 operation of the game or raffle.

14 (7) Any other requirement the General Assembly finds necessary to
15 insure that any games or raffles are conducted solely for the benefit of the
16 authorized organizations and in the public interest. The General Assembly is
17 authorized to levy such taxes as it deems appropriate upon the activity
18 described in this section.

19 (f) The General Assembly is hereby authorized to amend sections (d) and
20 (e) (2) of this amendment by a vote of three-fourths (3/4) of the membership of
21 each house.

22 (g) All laws and parts of laws in conflict with this amendment are
23 hereby repealed.

24 (h) This amendment shall become effective on July 1, 1995.

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26 /s/Rep. Fairchild, et al

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