

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Representatives McGee, Ferguson, Harris

A Bill

HOUSE BILL 1359

For An Act To Be Entitled

"AN ACT TO AMEND VARIOUS SECTIONS OF ARKANSAS CODE TITLE
23, CHAPTER 111, SUBCHAPTER 5 CONCERNING THE DISTRIBUTION
OF MONEY WAGERED ON DOG RACING AND DOG RACING MEETS; AND
FOR OTHER PURPOSES."

Subtitle

"AN ACT CONCERNING THE DISTRIBUTION OF
MONEY WAGERED ON DOG RACING AND DOG
RACING MEETS."

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

SECTION 1. Arkansas Code 23-111-502 is amended to read as follows:

"§ 23-111-502. Number of racing days and meets generally - Hours.

(a) Upon application of the dog racing franchise holder, the State Racing Commission may authorize each dog racing franchise holder to conduct, during any calendar year, not more than two (2) racing meets of one hundred twenty-two (122) nights each, on those nights which the commission may determine to be in the best interest of the dog racing franchisee, kennel owners and greyhound racing in the state of Arkansas, Sundays excepted.

(b) All night racing at any meet shall be held between the hours of 6:00 p.m. and 12:00 midnight.

(c) At the option of the franchise holder, daylight racing may be conducted in addition to night racing on:

(1) One (1) day, other than a Sunday, during each calendar week of a regular racing meet; and

(2) Memorial Day, Independence Day Holiday, and Labor Day.

(d) At the option of the franchise holder, upon application to the

1 State Racing Commission, in addition to night racing and that provided under
2 subsection (c) of this section, up to five (5) additional daylight
3 performances may be conducted each calendar week of a regular racing meet.

4 (e) All racing days provided for under §§ 23-111-503, 23-111-504, and
5 23-111-505 shall be conducted at night."

6

7 SECTION 2. Arkansas Code 23-111-509 is amended to read as follows:

8 "§ 23-111-509. Disposition of wagering money.

9 (a) Each franchise holder conducting a racing meet under the
10 provisions of this chapter shall keep its books and records in such manner as
11 to clearly show the total amount of moneys wagered on each and every race
12 held or conducted at each meet and the disposition of the moneys.

13 (b)(1) *In the calendar year 1995 and each calendar year thereafter,*
14 *the franchise holder shall withhold and retain for its own use and benefit*
15 *sixteen percent (16%) of all moneys wagered up to and including one hundred*
16 *twenty-five million dollars (\$125,000,000) and twelve percent (12%) of all*
17 *moneys wagered in excess of one hundred twenty-five million dollars*
18 *(\$125,000,000).*

19 (2) From the amount withheld and retained by the franchise
20 holder, the franchise holder shall agree that the following credits will be
21 made in the following percentage amounts of all moneys wagered up to and
22 including one hundred twenty-five million dollars (\$125,000,000) per calendar
23 year, which shall be in addition to any other credits or payments: seven-
24 eights of one percent (.875%) to be used by the franchise holder for
25 supplements for increasing purses awarded at races conducted at the franchise
26 holder_s facility; three-eights of one percent (.375%) to the institutions or
27 funds described in sections 23-111-503; 23-111-504; 23-111-505 and 23-111-515
28 on a proportionate basis; one-fourth of one percent (.25%) to be used by the
29 franchise holder to maintain employee health benefits for the employees of
30 the franchise holder; one-half of one percent (.5%) to be used by the
31 franchise holder for capital improvements to be made by the franchise holder
32 at the racing facility; and one-half of one percent (.5%) to be used by the
33 franchise holder for promotions to be conducted by the franchise holder to
34 encourage patronage and tourism. These credits will not accrue on moneys
35 wagered in excess of one hundred twenty-five million dollars (\$125,000,000)

1 per calendar year. The Arkansas Racing Commission may audit and verify
2 receipts and expenditures of the franchise holder in determining compliance
3 with this subdivision. If there is a final determination by the Commission
4 that any of the credits or payments provided in this subsection have not been
5 used for the purpose herein specified, the franchise holder shall pay the
6 amount equal to any moneys used for an unauthorized purpose to the Commission
7 for the use and benefit of the State of Arkansas.

8 (3) "Capital improvements" as used in this section, shall
9 include all items and expenditures incurred for new construction with related
10 equipment, reconstruction, renovation, reconditioning, and repairing of
11 facilities with related equipment, or for debt service on money borrowed by
12 the franchise holder for those enumerated purposes. In the case of capital
13 improvements, the Commission may use a multi-year approach based on a multi-
14 year program being undertaken by the franchise holder so that accountability
15 for expenditures may be based on expenditures made during the entire multi-
16 year period out of the capital improvement moneys derived during the multi-
17 year period.

18 (c)(1) In the calendar year 1995 and each calendar year thereafter, for
19 all racing meets conducted by the franchise holder, the franchise holder
20 shall withhold and pay to the commission for the use and benefit of the State
21 of Arkansas, as a privilege tax, three percent (3%) of all moneys wagered up
22 to and including one hundred twenty-five million dollars (\$125,000,000),
23 together with one-third (1/3) of the odd cents or breaks, and seven percent
24 (7%) of all moneys wagered in excess of one hundred twenty-five million
25 dollars (\$125,000,000), together with one-third (1/3) of the odd cents or
26 breaks.

27 (2) For all racing performances simultaneously televised by the
28 franchise holder in calendar year 1987 and each calendar year thereafter, but
29 conducted at another race track facility, the franchise holder shall withhold
30 and pay to the commission for the use and benefit of the State of Arkansas:

31 (A) Two percent (2%) of all moneys wagered up to and including
32 three hundred fifty thousand dollars (\$350,000);

33 (B) Three percent (3%) of all moneys wagered in excess of three
34 hundred fifty thousand dollars (\$350,000) but less than or equal to five
35 hundred thousand dollars (\$500,000); and

1 (C) Six percent (6%) of all moneys wagered in excess of five
2 hundred thousand dollars (\$500,000).

3 (3) The licensee shall withhold no more than nineteen percent
4 (19%) of the total moneys wagered in simulcast racing, except when the state
5 of the host race meet allows for withholding a greater percentage; then the
6 licensee shall withhold no more than the percentage allowed by the state of
7 the host meet.

8 (d) The franchise holder shall withhold and pay to the city or town in
9 which the racing track is located two-thirds (2/3) of the odd cents or
10 breaks, or, if the track is not located within the corporate limits of a city
11 or town, then the two-thirds (2/3) of the odd cents or breaks shall be paid
12 to the county in which the track is located.

13 (e)(1) Excepting only the moneys retained for the use and benefit of
14 the franchise holder, the amounts paid to the commission for the use and
15 benefit of the State of Arkansas, and the amount paid to the city, town, or
16 county, as provided in subsection (d) of this section, all moneys received by
17 the franchise holder from wagers shall be paid over to patrons holding
18 winning pari-mutuel tickets, as their respective interests may appear, upon
19 presentation of the tickets.

20 (2) However, all winning pari-mutuel tickets not presented to
21 the franchise holder for redemption on or before the one hundred eightieth
22 day next following the last racing day of each racing meet hereafter held
23 shall be void. Of the moneys represented by the void pari-mutuel tickets, the
24 franchise holder shall immediately distribute the proceeds as follows: one-
25 half (1/2) of the amount thereof shall be paid to the treasurer of the county
26 in which the racing track is located for credit to the general fund of the
27 county, and one-half (1/2) of the amount thereof shall be paid to the
28 treasurer of the city in which the racing track is located and shall be
29 credited to the general fund of the city. The money shall be used for
30 charitable purposes only, benefiting young females and young males of the
31 city as determined by the mayor and the governing body of the city. It is the
32 intent that the funds shall be made available to and used by the Girls' Club
33 and Boys' Club or similar nonprofit charitable organizations providing
34 recreational youth services benefiting young females and young males of the
35 city.

1 (f) Breaks or breakage shall at all times be computed as the amount of
2 odd cents remaining in each pari-mutuel pool after redistributions are made
3 in a sum equal to the next lowest multiple of ten cents (10¢).

4 (g) All moneys due the State of Arkansas by the permit holder under
5 subsection (c) of this section shall be paid to the commission daily, and all
6 amounts due the city, town, or county under subsection (d) of this section
7 shall be paid over to the treasurer of the city, town, or county immediately
8 following the close of the racing meet."
9

10 SECTION 3. All provisions of this act of a general and permanent
11 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
12 Code Revision Commission shall incorporate the same in the Code.
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14 SECTION 4. If any provision of this act or the application thereof to
15 any person or circumstance is held invalid, such invalidity shall not affect
16 other provisions or applications of the act which can be given effect without
17 the invalid provision or application, and to this end the provisions of this
18 act are declared to be severable.
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20 SECTION 5. All laws and parts of laws in conflict with this act are
21 hereby repealed.
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23 SECTION 6. EMERGENCY. It is hereby found and determined by the
24 Eightieth General Assembly of the State of Arkansas that the state_s
25 greyhound pari-mutuel racetrack located in Crittenden County, Arkansas, and
26 its constituent business base composed of kennel owners, breeders, trainers,
27 and local business have been severely damaged by the development of casino
28 gaming in the State of Mississippi. Casino gaming in Mississippi pays a
29 disproportionately lower tax, allowing those operators to spend
30 correspondingly higher amounts for marketing and promotion. The state_s
31 greyhound racetrack needs substantial renovation and needs substantial
32 investment to promote attendance and tourism in order to compete. An
33 immediate restructuring of the statutorily mandated payments is required to
34 enable the state_s greyhound racetrack to improve purse structures for the
35 kennel owners; enhance the required charitable contributions which benefit

1 all citizens in the state; to continue to provide a significant employment
2 base; and in order to maintain the viability of greyhound pari-mutuel racing
3 in this state. The legislature hereby declares an emergency to exist and
4 this act shall take effect immediately upon its passage. Therefore, an
5 emergency is hereby declared to exist and this act being necessary for the
6 immediate preservation of the public peace, health and safety shall be in
7 full force and effect from and after its passage and approval.

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/s/Rep. McGee, et al

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