

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999
4

As Engrossed: S3/18/99

A Bill

SENATE BILL 416

5 By: Senator Everett
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For An Act To Be Entitled

9 "AN ACT TO AMEND ARKANSAS CODE § 23-111-509 TO CHANGE
10 THE DISPOSITION OF MONEYS WAGERED AT FRANCHISED DOG-
11 RACING FACILITIES; AND FOR OTHER PURPOSES. "

Subtitle

14 "TO CHANGE THE DISPOSITION OF MONEYS
15 WAGERED AT FRANCHISED DOG-RACING
16 FACILITIES. "

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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 23-111-509(b), regarding the disposition of
22 moneys wagered at franchised dog-racing facilities, is amended to read as
23 follows:

24 "(b)(1) In the calendar year ~~1995~~ 1998 and each calendar year
25 thereafter, the franchise holder shall withhold and retain for its own use and
26 benefit ~~sixteen percent (16%)~~ sixteen and four-tenths percent (16.4%) of all
27 moneys wagered ~~up to and including one hundred twenty-five million dollars~~
28 ~~(\$125,000,000) and twelve percent (12%) of all moneys wagered in excess of one~~
29 ~~hundred twenty-five million dollars (\$125,000,000).~~

30 (2)(A) From the amount withheld and retained by the franchise
31 holder, the franchise holder shall agree that the following credits will be
32 made in the following percentage amounts of all moneys wagered up to and
33 including one hundred twenty-five million dollars (\$125,000,000) per calendar
34 year, which shall be in addition to any other credits or payments:

35 ~~(i) Seven-eighths of one percent (.875%) to be used by~~
36 ~~the franchise holder for supplements for increasing purses awarded at races~~

1 ~~conducted at the franchise holder's facility;~~

2 ~~(ii)(i)~~ Three-eighths of one percent (.375%) to the
3 institutions or funds described in §§ 23-111-503 - 23-111-505 and 23-111-515
4 on a proportionate basis;

5 ~~(iii)(ii)~~ ~~One-fourth of one percent (.25%)~~ One-half
6 of one percent (.5%) to be used by the franchise holder to maintain employee
7 health benefits for the employees of the franchise holder;

8 ~~(iv)(iii)~~ ~~One-half of one percent (.5%)~~ Three-tenths
9 of one percent (.3%) to be used by the franchise holder for capital
10 improvements to be made by the franchise holder at the racing facility; and

11 ~~(v)(iv)~~ ~~One-half of one percent (.5%)~~ Three-tenths of
12 one percent (.3%) to be used by the franchise holder for promotions to be
13 conducted by the franchise holder to encourage patronage and tourism.

14 (B) These credits will not accrue on moneys wagered in
15 excess of one hundred twenty-five million dollars (\$125,000,000) per calendar
16 year.

17 (C) The Arkansas Racing Commission may audit and verify
18 receipts and expenditures of the franchise holder in determining compliance
19 with this subdivision (b)(2).

20 (D) If there is a final determination by the commission
21 that any of the credits or payments provided in this subsection have not been
22 used for the purposes herein specified, the franchise holder shall pay the
23 amount equal to any moneys used for an unauthorized purpose to the commission
24 for the use and benefit of the State of Arkansas.

25 (3) 'Capital improvements' as used in this section, shall include
26 all items and expenditures incurred for new construction with related
27 equipment, reconstruction, renovation, reconditioning, and repairing of
28 facilities with related equipment, or for debt service on money borrowed by
29 the franchise holder for those enumerated purposes. In the case of capital
30 improvements, the commission may use a multiyear approach based on a multiyear
31 program being undertaken by the franchise holder so that accountability for
32 expenditures may be based on expenditures made during the entire multiyear
33 period out of the capital improvement moneys derived during the multiyear
34 period."

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36 SECTION 2. Arkansas Code § 23-111-509(c), regarding the disposition of

1 moneys wagered at franchised dog-racing facilities, is amended to read as
2 follows:

3 ~~“(c)(1) In the calendar year 1995 1998 and each calendar year~~
4 ~~thereafter, for all racing meets conducted by the franchise holder all live~~
5 ~~racing performances and simulcast racing performances, the franchise holder~~
6 ~~shall withhold and pay to the commission for the use and benefit of the State~~
7 ~~of Arkansas, as a privilege tax:-~~

8 ~~(A) Three percent (3%) two and six-tenths percent (2.6%) of~~
9 ~~all moneys wagered up to and including one hundred twenty-five million dollars~~
10 ~~(\$125,000,000), together with one-third (1/3) of the odd cents or breaks; and~~

11 ~~(B) Seven percent (7%) of all moneys wagered in excess of~~
12 ~~one hundred twenty-five million dollars (\$125,000,000), together with one-~~
13 ~~third (1/3) of the odd cents or breaks.~~

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

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

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

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

25 ~~(3)(2) The licensee shall withhold no more than nineteen percent~~
26 ~~(19%) of the total moneys wagered in simulcast racing, except when the state~~
27 ~~of the host race meet allows for withholding a greater percentage; then the~~
28 ~~licensee shall withhold no more than the percentage allowed by the state of~~
29 ~~the host meet.~~

30 ~~(3) As used in this section, unless the context otherwise~~
31 ~~requires:~~

32 ~~(A) 'All moneys wagered' means the sum of moneys wagered on~~
33 ~~both live racing and racing performances simultaneously televised by the~~
34 ~~franchise holder, conducted at another race track facility;~~

35 ~~(B) 'Simulcast racing' means all racing performances~~
36 ~~simultaneously televised by the franchise holder, but conducted at another~~

1 race track facility."

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3 SECTION 3. All provisions of this act of a general and permanent nature
4 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
5 Revision Commission shall incorporate the same in the Code.

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7 SECTION 4. If any provision of this act or the application thereof to
8 any person or circumstance is held invalid, such invalidity shall not affect
9 other provisions or applications of the act which can be given effect without
10 the invalid provision or application, and to this end the provisions of this
11 act are declared to be severable.

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13 SECTION 5. All laws and parts of laws in conflict with this act are
14 hereby repealed.

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/s/ Everett

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