

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: S4/1/99 S4/2/99*

## A Bill

SENATE BILL 904

5 By: Senator Canada  
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7

### For An Act To Be Entitled

9 "AN ACT TO AMEND THE HORSE RACING LAW TO EXPAND THE  
10 USES OF THE PURSE AND CONSTRUCTION FUND TO INCLUDE  
11 PROMOTIONS TO ENCOURAGE PATRONAGE AND TOURISM."

### Subtitle

12 "TO AMEND THE HORSE RACING LAW."  
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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19 SECTION 1. Arkansas Code 23-110-407(a) is amended to read as follows:

20 "(a)(1) At the racing meet held in calendar year 1989, and at the  
21 racing meet held in each calendar year thereafter, the franchise holder shall  
22 withhold not more than seventeen percent (17%) and not less than five and one-  
23 half percent (5.5%) of all moneys wagered on races where the wagerer is  
24 required to select one (1) horse and not more than twenty-one percent (21%)  
25 and not less than five and one-half percent (5.5%) of all moneys wagered on  
26 races where the wagerer is required to select more than one (1) horse. Within  
27 those limits, the exact amounts to be withheld shall be specified in the  
28 wagering program requested by the franchise holder and approved by the  
29 commission as specified in § 23-110-402, as amended.

30 (2) The franchise holder shall pay from the amounts withheld  
31 pursuant to the provisions of subdivision (a)(1) of this section the  
32 following:

33 (A) At all racing meets conducted in calendar year 1989 and  
34 *in each calendar year thereafter, an amount equal to two and one-half percent*  
35 *(2.5%) of all moneys wagered on all races shall be paid to the commission for*  
36 *the use and benefit of the State of Arkansas, as a privilege tax; and*

1 (B) In the case of all racing meets for thoroughbred  
2 horses, an amount equal to one-half of one percent (.5%) of all moneys wagered  
3 shall be paid to the commission for deposit in the Arkansas Racing Commission  
4 Purse and Awards Fund to be used for purse supplements, breeders' awards,  
5 owners' awards, and stallion awards as hereinafter specified. The number of  
6 Arkansas-bred races shall be a matter for negotiation between the franchise  
7 holder and the Arkansas Thoroughbred Breeders and Horsemen's Association.

8 (3) The remainder of the amounts withheld pursuant to the  
9 provisions of subdivision (a)(1) of this section shall be retained by the  
10 franchise holder for use as follows:

11 (A) For all racing meets in calendar year 1989 and in each  
12 *calendar year thereafter, three percent (3%) of all moneys wagered on races*  
13 *where the wagerer is required to select one (1) horse and two percent (2%) of*  
14 *all moneys* wagered on races where the wagerer is required to select more than  
15 one (1) horse, the purse ~~and~~ construction and patronage and tourism promotion  
16 moneys shall be set aside by the franchise holder in a separate account to be  
17 used only for purses and construction, ~~or~~ for debt service on money borrowed  
18 by the franchise holder for construction, or for promotions to encourage  
19 patronage and tourism. 'Construction', as used in this section, shall include  
20 all items and expenditures incurred in keeping the overall racing facility in  
21 the best possible condition for the patrons, horsemen, and franchise holder,  
22 including, without limitation, land acquisition, new construction with related  
23 equipment, and reconstruction, renovation, reconditioning, and repairing of  
24 facilities with related equipment. The commission shall have jurisdiction to  
25 check and verify compliance by the franchise holder with the provisions of  
26 this subdivision and shall make periodic determinations as to compliance under  
27 such rules and regulations as the commission shall adopt. In the case of  
28 construction and patronage and tourism promotion, the commission may use a  
29 multi-year approach based on a multi-year program being undertaken by the  
30 franchise holder so that accountability for expenditures may be based on  
31 expenditures made during the entire multi-year period out of the purse ~~and~~  
32 construction and patronage and tourism promotion moneys derived during the  
33 multi-year period. If there is a final determination that any of the purse  
34 ~~and~~ construction and patronage and tourism promotion moneys have not been  
35 used for the purposes herein specified, the franchise holder shall pay the  
36 amount equal to any moneys used for an unauthorized purpose to the commission

1 for the use and benefit of the State of Arkansas. The purse ~~and~~ construction  
2 and patronage and tourism promotion moneys shall not be subject to the  
3 provisions of any contract or agreement between the franchise holder and any  
4 organization representing horsemen, to the end that any contractual  
5 obligations for the use of moneys for purses shall not apply to any  
6 expenditures for construction or patronage and tourism promotion out of the  
7 purse ~~and~~ construction and patronage and tourism promotion moneys, and any  
8 expenditures for purses out of the purse ~~and~~ construction and patronage and  
9 tourism promotion moneys shall be in addition to contractual purse obligations  
10 affecting moneys other than the purse ~~and~~ construction and patronage and  
11 tourism promotion moneys. The franchise holder shall determine the amount of  
12 the purse ~~and~~ construction and patronage and tourism promotion moneys to be  
13 used for the authorized purposes, except that at least one-half (½) of the  
14 purse ~~and~~ construction and patronage and tourism promotion moneys must be  
15 used for purses.

16 (B) The remainder of the amounts withheld pursuant to the  
17 provisions of subdivision (a)(1) of this section shall be retained by the  
18 franchise holder for its own use and benefit.

19 (C) One percent (1%) of the moneys set aside by the franchise  
20 holder for purses from the moneys retained by it pursuant to the provisions of  
21 subdivision (a)(3) of this section, including that portion of the purse ~~and~~  
22 construction and patronage and tourism promotion moneys actually used for  
23 purses, shall be paid from such moneys set aside for purses to the Arkansas  
24 Horsemen's Benevolent and Protective Association to be used for its benevolent  
25 purposes. Such payment shall be made by the franchise holder at the  
26 conclusion of each racing meet."

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28 SECTION 2. All provisions of this Act of a general and permanent  
29 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
30 Code Revision Commission shall incorporate the same in the Code.

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32 SECTION 3. If any provision of this Act or the application thereof to  
33 any person or circumstance is held invalid, such invalidity shall not affect  
34 other provisions or applications of the Act which can be given effect without  
35 the invalid provision or application, and to this end the provisions of this  
36 Act are declared to be severable.

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2 SECTION 4. All laws and parts of laws in conflict with this Act are  
3 hereby repealed to the extent of such conflict.  
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5 SECTION 5. Emergency. It is hereby determined by the Eighty-second  
6 General Assembly that horse racing and activities related thereto in Arkansas  
7 have a significant favorable impact on the economy of the entire state and the  
8 welfare of our citizens and residents, that competition from outside the State  
9 of Arkansas is having an adverse impact on the horse racing industry in  
10 Arkansas, that these economic conditions adversely affect the benefit to the  
11 State of Arkansas directly and indirectly accruing from horse racing and  
12 related activities in Arkansas, that it is imperative that Arkansas franchise  
13 holders be able to encourage patronage and tourism in order to keep up with  
14 competition and hold and improve Arkansas' premier and traditional position in  
15 horse racing, and in order to accomplish these goals (essential to the welfare  
16 of the state and its citizens and residents), the amendments and provisions  
17 set forth in this act must be effective immediately. Therefore, an emergency  
18 is hereby declared to exist, and this act, being immediately necessary for the  
19 preservation of the public peace, health and safety, shall take effect, and be  
20 in full force, immediately from and after the date of its approval by the  
21 Governor. If the bill is neither approved nor vetoed by the Governor, it  
22 shall become effective on the expiration of the period of time during which  
23 the Governor may veto the bill. If the bill is vetoed by the Governor and the  
24 veto is overridden, it shall become effective on the date the last house  
25 overrides the veto.

26 /s/ Canada