

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

# A Bill

SENATE BILL 936

4  
5 By: Senator K. Smith  
6  
7

## For An Act To Be Entitled

8  
9 "AN ACT TO AMEND VARIOUS SECTIONS OF THE ARKANSAS CODE  
10 REGARDING AMUSEMENT DEVICES; AND FOR OTHER PURPOSES."

### Subtitle

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12  
13 "TO AMEND VARIOUS SECTIONS OF THE  
14 ARKANSAS CODE REGARDING AMUSEMENT  
15 DEVICES."  
16  
17

18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
19

20 SECTION 1. Arkansas Code 26-57-402 is amended to read as follows:

21 "26-57-402. Definitions.

22 As used in this subchapter, unless the context otherwise requires:

23 (1) 'Amusement devices' means any machine, device, or apparatus which  
24 provides amusement, diversion, or entertainment which is coin-operated and  
25 includes, but is not limited to, such games as radio rifles, miniature  
26 football, golf, baseball, hockey, bumper pool, tennis, shooting galleries,  
27 pool tables, bowling, shuffleboard, pinball tables, marble tables, music  
28 vending phonographs, jukeboxes, cranes, video games, claw machines, bowling  
29 machines, ~~console~~ countertop machines, ~~pusher machines~~, novelty arcade  
30 machines, other similar musical devices for entertainment, and other miniature  
31 games, whether or not such machines show a score, and which is not otherwise  
32 excluded in this subchapter;

33 (2)(A) 'Any money or property', or 'other articles', or 'other valuable  
34 things', or 'any representative of anything that is esteemed of value', as  
35 used in the antigambling statutes, § 5-66-101 et seq., shall not be expanded  
36 to include:

1 (i) A free amusement feature such as the privilege of  
 2 playing additional free games if a certain score is made on a pinball table or  
 3 on any other amusement game described in this section; or

4 (ii) To noncash prizes, toys, novelties, or representations  
 5 of value redeemable for those items which are won by the player of a bona fide  
 6 amusement game or device which rewards players exclusively with merchandise  
 7 limited to such noncash prizes, toys, novelties, or representations of value  
 8 redeemable for those items, which have a wholesale value of not more than ten  
 9 (10) times the cost charged to play the game or device once, or five dollars  
 10 (\$5.00), whichever is less.

11 (B) In the event of accumulation of redeemable representations of  
 12 value by any player, no noncash prize, toy, or novelty having a wholesale  
 13 value of more than ~~fifty dollars (\$50.00)~~ twenty-five dollars (\$25.00) may be  
 14 given or awarded by any amusement machine operator or redeemed by any player.  
 15 Those noncash prizes, toys and novelties shall be displayed in a single area  
 16 on each premise. Furthermore, each location operator shall maintain records  
 17 validating the wholesale value of those noncash prizes, toys and novelties.  
 18 Those noncash prizes, toys, and novelties shall be located solely on the  
 19 premises where the game is played and shall be redeemed on the date on which  
 20 the game was played and the representatives of value were accumulated. The  
 21 total value of prizes, toys or novelties which any player may win for any one  
 22 (1) day at any location is fifty dollars (\$50.00);

23 (3) 'Coin-operated' means any machine, device, or apparatus which is  
 24 operated by placing through a slot, or any kind of opening or container, any  
 25 coin, slug, token, or other object or article necessary to be inserted before  
 26 the machine operates or functions, but does not include any machine or device  
 27 which is classified by the United States government as requiring a federal  
 28 gaming stamp under applicable provisions of the Internal Revenue Code;

29 (4) 'Novelty' means an article of trade whose value is chiefly  
 30 decorative, comic, or the like, and whose appeal is often transitory;

31 ~~(4)(5)~~ (5) 'Person' means and includes any individual, firm, association,  
 32 company, partnership, limited liability company, corporation, joint-stock  
 33 company, club, agency, syndicate, the State of Arkansas, county, municipal  
 34 corporation or other political subdivision of this state, receiver, trustee,  
 35 fiduciary, or trade association;

36 (6) 'Toy' means a small article of little value but prized as a

1 souvenir or some other special reason; trinket; knickknack, or bauble;

2 (7) 'Noncash prizes' means only tangible personal property not  
 3 exceeding the value for prizes as established by this section, and shall not  
 4 include gift certificates nor any other credit or thing which may be used as a  
 5 substitute for cash by any person."

6  
 7 SECTION 2. Arkansas Code 26-57-404 is amended to read as follows:  
 8 "26-57-404. Privilege tax on amusement games.

9 (a) ~~On each amusement game there shall be imposed an annual privilege~~  
 10 ~~tax of five dollars (\$5.00).~~ For purposes of this subchapter, all amusement  
 11 machines authorized to be licensed pursuant to this subchapter shall be  
 12 classified as follows:

13 Type 1. Type 1 amusement machines or devices consist of those  
 14 coin-operated amusement and music machines or devices which permit a player to  
 15 play, or for which only a score and/or the playing of free games can be  
 16 acquired by the player. The number of these machines at a given location  
 17 shall not be limited. There shall be an annual privilege tax of five dollars  
 18 (\$5.00) for each Type 1 amusement machine or device;

19 Type 2. Type 2 amusement machines or devices consist of coin-  
 20 operated amusement machines or devices for which a score, a prize, or a  
 21 representation of value may be acquired by the player. The number of these  
 22 machines at a given location shall not be limited. There shall be an annual  
 23 privilege tax of five dollars (\$5.00) for each Type 2 amusement machine or  
 24 device; and

25 Type 3. Type 3 amusement machines or devices consist of coin-  
 26 operated video machines or devices which are designed to resemble video poker  
 27 games, video slot machines, or similar devices, for which a score and/or  
 28 representation of value may be acquired by the player. The number of Type 3  
 29 machines permitted at any location shall not exceed five (5) and shall only be  
 30 played by persons of at least eighteen (18) years of age. There shall be an  
 31 annual privilege tax of fifty dollars (\$50.00) for each Type 3 amusement  
 32 machine or device.

33 (b) The Director of the Department of Finance and Administration shall  
 34 collect for each machine the full annual license fee when paid during the  
 35 first six (6) months of the fiscal year, but any license fee paid during the  
 36 last six (6) months of the fiscal year shall be upon the basis of one-half

1 (1/2) of the annual tax. The Director of the Department of Finance and  
 2 Administration shall have the authority to classify all amusement machines or  
 3 devices by type before issuing any license and may define 'location' for  
 4 purposes of administering this subchapter."

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 6 SECTION 3. Arkansas Code 26-57-409 is amended to read as follows:

7 "26-57-409. Annual license fee - Renewals.

8 (a) The annual fee for the license provided for in § 26-57-412 shall be:

9 ~~(1) For all licensees operating not more than three (3) amusement~~  
 10 ~~devices, be the sum of five hundred dollars (\$500); and~~

11 ~~(2) For for all licensees operating more than three (3) amusement~~  
 12 ~~devices, be the sum of one thousand dollars (\$1,000).~~

13 (b) However, those who restrict the placement of coin-operated  
 14 amusement devices exclusively to carnivals and county, district, and state  
 15 fairs shall pay a monthly license fee as follows:

16 ~~(1) Licensees operating not more than three (3) amusement~~  
 17 ~~devices, the sum of seventy-five dollars (\$75.00) a month; and~~

18 ~~(2) Licensees for licensees operating more than three (3)~~  
 19 ~~amusement devices, the sum of one hundred fifty dollars (\$150) a month.~~

20 (c) Any licensee who operates amusement devices for more than three (3)  
 21 months in any one (1) calendar year is required to pay the annual fee for a  
 22 license.

23 (d) However, the residency requirements in § 26-57-410 do not apply to  
 24 those applicants whose placement of coin-operated amusement devices is limited  
 25 exclusively to carnivals and county, district, and state fairs. Such license  
 26 is valid for a maximum of three (3) months and may not be renewed, extended,  
 27 or reissued. No more than one (1) license may be issued in one (1) calendar  
 28 year.

29 (e)(1) Annual fees shall be paid on a fiscal -year basis beginning July  
 30 1 of each year. Licenses issued subsequent to July 1 shall be paid for as  
 31 though they were for a full year.

32 (2) However, licensees who restrict the operation of amusement  
 33 devices to carnivals and county, district, and state fairs shall pay their  
 34 license fee at least thirty (30) days prior to the opening of any carnival or  
 35 county, district, or state fair in which they will be operating amusement  
 36 devices. "

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2 SECTION 4. Arkansas Code Title 26, Chapter 57, Subchapter 4 is amended  
3 by adding the following new language:

4 "The provisions of this Subchapter shall supercede all other laws in  
5 conflict with it."

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7 SECTION 5. Arkansas Code Title 26, Chapter 57, Subchapter 4 is amended  
8 by adding the following new language:

9 "Thirty five percent (35%) of the new revenues derived from the proceeds  
10 of the provisions of this Act shall be directed to the Department of Finance  
11 and Administration for the effective law enforcement of the provisions of this  
12 subchapter. The remaining revenues shall be directed to the Arkansas State  
13 Police."

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15 SECTION 6. All provisions of this act of a general and permanent nature  
16 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
17 Revision Commission shall incorporate the same in the Code.

18  
19 SECTION 7. If any provision of this act or the application thereof to  
20 any person or circumstance is held invalid, such invalidity shall not affect  
21 other provisions or applications of the act which can be given effect without  
22 the invalid provision or application, and to this end the provisions of this  
23 act are declared to be severable.

24  
25 SECTION 8. All laws and parts of laws in conflict with this act are  
26 hereby repealed.