

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H2/15/07

A Bill

HOUSE BILL 1426

5 By: Representatives Walters, Hall, Greenberg, Petrus
6 By: Senators Faris, Broadway
7

For An Act To Be Entitled

10 AN ACT TO PROVIDE FOR CHARITABLE BINGO AND
11 RAFFLES; AND FOR OTHER PURPOSES.

Subtitle

14 AN ACT TO PROVIDE FOR CHARITABLE BINGO
15 AND RAFFLES.
16
17

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

20 SECTION 1. Arkansas Code Title 23 is amended to add an additional
21 chapter to read as follows:
22

CHAPTER 114 CHARITABLE BINGO AND RAFFLES

SUBCHAPTER 1 GENERAL PROVISIONS

23-114-101. Short title.

28 This chapter shall be known and may be cited as the "Charitable Bingo
29 and Raffles Enabling Act".
30

23-114-102. Definitions.

As used in this chapter:

33 (1)(A) "Authorized organization" means an organization eligible
34 for a license to conduct bingo and raffles that is a nonprofit tax-exempt
35 religious, educational, veterans, fraternal, service, civic, medical,
36 volunteer rescue service, volunteer firefighters, or volunteer police



1 organization that has been in continuing existence as a nonprofit tax-exempt
2 organization in this state for a period of not less than five (5) years
3 immediately prior to conducting the game of bingo or raffles.

4 (B) A nonprofit tax-exempt instrumentality of the United
5 States Government is a service agency for the purpose of this subdivision (1)
6 of this section;

7 (2)(A) "Bingo equipment" means equipment used, made, or sold for
8 the purpose of use in bingo.

9 (B) "Bingo equipment" includes:

10 (i) A machine or other device from which balls or
11 other items are withdrawn to determine the letters and numbers or other
12 symbols to be called;

13 (ii) A bingo card;

14 (iii) A bingo ball; and

15 (iv) Any other device commonly used in the direct
16 operation of a game of bingo.

17 (C) "Bingo equipment" is not intended and shall not be
18 construed to permit the participants to play the game of bingo through:

19 (i) Any electronic device or machine; or

20 (ii) A pull-tab bingo ticket.

21 (D) "Bingo equipment" does not include:

22 (i) A bingo game set commonly manufactured and sold
23 as a child's game for a retail price of twenty dollars (\$20.00) or less,
24 unless the set or a part of the set is used in a game of bingo subject to
25 regulation under this chapter; or

26 (ii) A commonly available component part of bingo
27 equipment such as a light bulb or fuse.

28 (3) "Bingo session" means all activities incidental to the
29 conduct of a series of games of bingo by a licensed authorized organization,
30 beginning when the first game of bingo of a bingo session is commenced by
31 calling the first bingo ball drawn. The session shall not exceed five (5)
32 consecutive hours during any one (1) twenty-four-hour calendar day;

33 (4) "Charitable purpose" means a purpose described by
34 § 23-114-504;

35 (5)(A) "Game of bingo" means a single game of the activity
36 commonly known as "bingo" in which the participants pay a sum of money for

1 the use of one (1) or more bingo cards.

2 (B) "Game of bingo" includes only games in which the
3 winner receives a pre-announced, fixed-dollar prize and in which the winner
4 is determined by the matching of letters and numbers on a bingo card
5 imprinted with at least twenty-four (24) numbers, with letters and numbers
6 appearing on objects randomly drawn and announced by a caller, in
7 contemporaneous competition among all players in the game;

8 (6) "Gross receipts" means the total amount received from the
9 sale of raffle tickets and the sale, rental, transfer, or use of bingo cards
10 and entrance fees charged at premises at which bingo or raffles are conducted
11 without any deduction on account of prizes paid, losses, or any other
12 expenses;

13 (7) "Licensed authorized organization" means an authorized
14 organization that holds a license to conduct games of bingo or raffles;

15 (8) "Person" means any individual, company, partnership, limited
16 liability company, joint venture, joint agreement, association, mutual or
17 otherwise, corporation, estate, trust, business trust, receiver, trustee,
18 syndicate, or any other private entity;

19 (9) "Premises" means the area subject to the direct control of
20 and actual use by a licensed authorized organization or to conduct games of
21 bingo. Premises includes a location or place;

22 (10) "Primary business office" means the location at which all
23 records relating to the primary purpose of a licensed authorized organization
24 are maintained in the ordinary course of business;

25 (11)(A) "Raffle" means the selling of tickets to win a prize
26 awarded through a random drawing.

27 (B) "Raffle" does not include any game played through the
28 use of a machine or electronic device;

29 (12) "Responsible party" means the person or persons within a
30 licensed authorized organization that is responsible for organizing,
31 conducting, and otherwise administering the licensed authorized
32 organization's raffles or bingo sessions; and

33 (13) "Taxpayer" means a licensed authorized organization.

34
35 23-114-103. General provisions.

36 (a) The game of bingo or a raffle conducted by a licensed authorized

1 organization shall not be a lottery prohibited by Arkansas Constitution,
2 Article 19, § 14, if all net receipts over and above the actual cost of
3 conducting the game of bingo or raffle are used only for charitable,
4 religious, or philanthropic purposes.

5 (b)(1) No net receipts from games of bingo or raffles shall be used to
6 compensate in any manner any person who works for or is in any way affiliated
7 with the licensed authorized organization.

8 (2)(A) Charitable games of bingo or raffles shall only be
9 conducted by a licensed authorized organization through its bona fide
10 officers and members who volunteer their time and receive no compensation for
11 their services.

12 (B) A licensed authorized organization shall not conduct
13 games of bingo or raffles through any agent or third party.

14 (c) The provisions of this chapter are not intended and shall not be
15 construed to allow the play of games of bingo or raffles through any
16 electronic device or machine.

17
18 SUBCHAPTER 2 ADMINISTRATION

19
20 23-114-201. Control and supervision of games of bingo and raffles.

21 (a) The Director of the Department of Finance and Administration shall
22 administer this chapter under the provisions of the Arkansas Tax Procedure
23 Act, § 26-18-101 et seq.

24 (b) The director has broad authority and shall exercise strict control
25 and close supervision over all games of bingo and raffles conducted in this
26 state so that games of bingo and raffles are fairly conducted and the
27 proceeds derived from a game of bingo and raffles are used for an authorized
28 purpose.

29
30 23-114-202. Manager of Charitable Bingo Operations.

31 (a)(1) The Director of the Department of Finance and Administration
32 shall appoint a Manager of Charitable Bingo Operations.

33 (2) The manager shall be employed by the Department of Finance
34 and Administration.

35 (b) The manager shall administer this chapter under the direction of
36 the director.

1
2 23-114-203. Officers and investigators.

3 The Department of Finance and Administration may employ investigators,
4 auditors, or any other personnel that the Director of the Department of
5 Finance and Administration considers necessary to properly administer this
6 chapter.

7
8 23-114-204. Approval of bingo cards and raffle tickets.

9 (a) The Director of the Department of Finance and Administration by
10 rule shall provide procedures for the approval of bingo cards and raffle
11 tickets.

12 (b) A licensed authorized organization shall not use or distribute a
13 bingo card or raffle ticket unless the card or ticket has been approved by
14 the director.

15 (c) The director may set the price or adopt a schedule of prices for
16 the sale or provision of bingo cards and raffle tickets by a licensed
17 authorized organization.

18 (d) A licensed authorized organization shall not sell or provide a
19 bingo card or raffle ticket at a price other than a price authorized by the
20 director or a schedule adopted by the director.

21 (e) The director by rule may require a licensed authorized
22 organization to notify the director of the price for bingo cards and raffle
23 tickets that the licensed authorized organization will use for one (1) or
24 more reporting periods.

25 (f) All bingo cards and raffle tickets shall be pre-printed on paper
26 or plastic in a form approved by the director. No electronic devices or
27 machines or electronic facsimiles shall be used as bingo cards, raffle
28 tickets, raffle chances, or otherwise by participants in playing a game of
29 bingo or raffles under this chapter. All raffle tickets shall be
30 sequentially numbered at the time of printing.

31
32 23-114-205. Rulemaking authority.

33 The Director of the Department of Finance and Administration may adopt
34 rules to aid in the enforcement and administration of this chapter.

35
36 SUBCHAPTER 3 LICENSING

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23-114-301. Authorized organization license.

The Department of Finance and Administration may license an entity that is an authorized organization.

23-114-302. Licenses and fees.

(a) An authorized organization license may be issued to an authorized organization and is subject to renewal on an annual basis. The annual fee for this license shall be one hundred dollars (\$100).

(b) A temporary authorized organization license may be issued to an authorized organization that permits the organization to conduct one (1) raffle or one (1) bingo session. The fee for this temporary license shall be twenty-five dollars (\$25.00).

23-114-303. License application.

(a) An applicant for an authorized organization license shall file with the Department of Finance and Administration a written verified application on a form prescribed by the Director of the Department of Finance and Administration.

(b) The license application shall include:

(1) The name and address of the applicant;

(2) A designation and address of the premises intended to be used for a raffle or bingo session;

(3) The name and address of the person or persons within the authorized organization who will be responsible for organizing, conducting, and otherwise administering the raffle or bingo sessions;

(4) If the premises upon which a raffle or bingo session will be conducted has been leased by the authorized agent, a copy of the lease agreement; and

(5) A statement that the applicant complies with the conditions for eligibility for the license.

(c) The responsible party within an authorized organization shall meet the following requirements:

(1) The responsible party shall not have been found guilty of or pleaded guilty or nolo contendere to:

(A) Any felony by any court in the State of Arkansas; or

1 (B) Any similar offense by a court in another state or of
2 any similar offense by a military or federal court;

3 (2)(A) In order to determine a responsible party's suitability
4 to organize, conduct, and administer raffles and bingo sessions, the director
5 may require that the responsible party be fingerprinted and the fingerprints
6 forwarded for a criminal background check through the Department of Arkansas
7 State Police.

8 (B) After the completion of the criminal background check
9 through the Department of Arkansas State Police, the fingerprints shall be
10 forwarded by the Department of Arkansas State Police to the Federal Bureau of
11 Investigation for a national criminal history record check; and

12 (3) The responsible party shall sign a release that allows the
13 Department of Arkansas State Police to release:

14 (A) An Arkansas noncriminal justice background check to
15 the Department of Finance and Administration; and

16 (B) A fingerprint card of the applicant to the bureau to
17 allow a federal fingerprint-based background check to be performed.

18
19 23-114-304. Denial, suspension, or revocation of licenses -
20 Proceedings before the Department of Finance and Administration.

21 (a) All proceedings for the suspension and revocation of licenses
22 shall be before the Director of the Department of Finance and Administration
23 or his or her designee.

24 (b) The department may deny an application for a license or renewal of
25 a license issued under this chapter for a cause that would permit or require
26 the suspension or revocation of a license issued under this chapter.

27 (c) The proceedings shall be in accordance with the Arkansas Tax
28 Procedure Act, § 26-18-101 et seq.

29
30 23-114-305. Display of license.

31 A licensed authorized organization shall conspicuously display a
32 license issued under this chapter at the premises at which a raffle or a game
33 bingo is conducted at all times during the conduct of the raffle or the game
34 of bingo.

35
36 23-114-306. Failure to file fee reports.

1 An authorized organization is not eligible for a license or a license
2 renewal unless all required reports and requested information have been filed
3 under this chapter.

4
5 SUBCHAPTER 4 OPERATION OF GAMES OF BINGO AND RAFFLES

6
7 23-114-401. Bingo premises – Sale of raffle tickets.

8 (a)(1) Games of bingo shall not be conducted at more than one (1)
9 premises on property owned or leased by a licensed authorized organization.

10 (2) The department shall not license more than one (1)
11 organization to conduct games of bingo at the same premises.

12 (3) Games of bingo under this chapter shall not be conducted
13 through any system that links the games of bingo or participants at one (1)
14 premises location to any other premises or participants.

15 (4) All participants in games of bingo shall be physically
16 present in person at the authorized premises in a single facility in order to
17 play a game of bingo under this chapter.

18 (b)(1) The conduct of raffles is not limited to property owned or
19 leased by a licensed authorized organization, but shall be conducted pursuant
20 to the rules of the Department of Finance and Administration.

21 (2) Raffle tickets may be sold:

22 (A) At the authorized premises of the licensed authorized
23 organization; and

24 (B) Off the authorized premises of the licensed authorized
25 organization, if the tickets are sold by uncompensated volunteers of the
26 licensed authorized organization.

27 (3) No raffle ticket shall be sold through the mail or through
28 the internet, email, fax, telephone, or any other electronic means.

29
30 23-114-402. Restrictions on premises and equipment providers.

31 A person shall not lease or otherwise make a premises or equipment
32 available for conducting a raffle or a game of bingo for any direct or
33 indirect consideration in excess of the bona fide reasonable fair market
34 rental value of the premises or equipment, and no portion of the
35 consideration for premises or equipment shall be based upon a percentage or
36 specified portion of the revenue or profit from games of bingo or raffles

1 conducted by a licensed authorized organization.

2
3 23-114-403. Compensation prohibited.

4 No person may be compensated for organizing, promoting, conducting, or
5 otherwise administering a charitable raffle or bingo event. The functions of
6 organizing, promoting, conducting, or otherwise administering a charitable
7 raffle or bingo event shall be performed by volunteers from the charitable
8 organization.

9
10 23-114-404. Admission to games of bingo.

11 (a) A person shall not be denied admission to a raffle or a game of
12 bingo or the opportunity to participate in a raffle or a game of bingo
13 because of race, color, creed, religion, national origin, sex, or disability,
14 or because the person is not a member of the licensed authorized organization
15 conducting the raffle or game of bingo.

16 (b) No individual under eighteen (18) years of age may play a game of
17 bingo or purchase raffle tickets from a licensed authorized organization.

18
19 23-114-405. Raffle and bingo records.

20 (a) A licensed authorized organization shall provide the address of
21 its primary business office and, if the licensed authorized organization's
22 raffle and bingo records are maintained at a location other than the primary
23 business office, the address of the location where the records are
24 maintained.

25 (b) The Director of the Department of Finance and Administration may
26 provide by rule for different recordkeeping procedures for licensed
27 authorized organizations based upon the amount of gross receipts of the
28 licensed authorized organization.

29
30 23-114-406. Gift certificates.

31 (a) Nothing in this chapter prohibits a licensed authorized
32 organization from selling or redeeming a gift certificate that entitles the
33 bearer of the certificate to participate in a raffle or play a game of bingo.

34 (b) A licensed authorized organization that sells or redeems a gift
35 certificate shall keep adequate records relating to the gift certificate.

36

1 23-114-407. Bingo sessions and number of raffles.

2 (a)(1) A bingo session begins when the first game of bingo of the
3 bingo session is commenced by calling the first bingo ball drawn.

4 (2) A licensed authorized organization may conduct one (1) bingo
5 session per calendar day and shall not exceed two (2) bingo sessions during
6 any one (1) calendar week.

7 (b) A bingo session shall not exceed five (5) consecutive hours during
8 any one (1) twenty-four-hour calendar day.

9 (c) A licensed authorized organization shall not conduct more than six
10 (6) raffles per calendar year.

11
12 23-114-408. Prizes.

13 (a) A bingo prize shall not have a value of more than five hundred
14 dollars (\$500) for a single game.

15 (b) For the total prizes of all games of bingo, a licensed authorized
16 organization shall not offer or award during a single bingo session prizes
17 with an aggregate value of more than five thousand dollars (\$5,000.)

18 (c) A licensed authorized organization shall not award or offer to
19 award a door prize with a value of more than two hundred fifty dollars (\$250)
20 per bingo session. This door prize value shall not accrue against the bingo
21 session prize limitation of five thousand dollars (\$5,000).

22 (d) A bingo prize, other than cash, may be merchandise with a
23 recognized wholesale cost not to exceed five hundred dollars (\$500). A copy
24 of the receipt for such merchandise shall be maintained in the licensed
25 authorized organization's bingo records.

26
27 23-114-409. Purchase of bingo paper and raffle tickets.

28 Licensed authorized organizations may purchase bingo paper and raffle
29 tickets directly from printers and suppliers and are not obligated to
30 purchase bingo paper or raffle tickets from distributors.

31
32 SUBCHAPTER 5 BINGO AND RAFFLE ACCOUNTS

33
34 23-114-501. Bingo and raffle accounts.

35 (a)(1) A licensed authorized organization with gross receipts from
36 raffles or games of bingo in excess of five hundred dollars (\$500) per month

1 shall establish and maintain one (1) regular checking account designated as
2 the bingo and raffle account.

3 (2) A licensed authorized organization may also maintain an
4 interest-bearing savings account designated as the bingo and raffle savings
5 account.

6 (b)(1) A licensed authorized organization shall deposit into the bingo
7 and raffle account all funds derived from the conduct of games of bingo and
8 raffles, less the amount awarded as cash prizes. Except as provided by
9 subdivision (b)(2) of this section, a deposit shall be made not later than
10 the next business day after the day of the raffle or bingo session on which
11 the receipts were obtained.

12 (2) A licensed authorized organization may deposit funds derived
13 from the conduct of a raffle or games of bingo that are paid through a debit
14 card transaction into the bingo and raffle account not later than seventy-two
15 (72) hours after the transaction.

16 (c) A licensed authorized organization may lend money from its general
17 fund to its bingo and raffle account if the licensed authorized organization
18 requests and receives the prior approval of the Department of Finance and
19 Administration. Except as provided by this section, no other funds may be
20 deposited into the bingo and raffle account.

21 (d) A licensed authorized organization shall not commingle gross
22 receipts derived from the conduct of games of bingo and raffles with other
23 funds of the licensed authorized organization.

24 (e) Except as permitted, the licensed authorized organization shall
25 not transfer gross receipts to another account maintained by the licensed
26 authorized organization.

27 (f) A licensed authorized organization shall maintain all of its
28 savings and checking accounts established under this section in a financial
29 institution in this state.

30
31 23-114-502. Withdrawals from a bingo and raffle account.

32 (a)(1) Funds from the bingo and raffle account shall be withdrawn by
33 preprinted, consecutively numbered checks or withdrawal slips, signed by an
34 authorized representative of the licensed authorized organization and made
35 payable to a person.

36 (2) A check or withdrawal slip shall not be made payable to

1 "cash", "bearer", or a fictitious payee.

2 (3) The nature of the payment made shall also be noted on the
3 face of the check or withdrawal slip.

4 (b) The checks for the bingo and raffle account shall be imprinted
5 with the words "Bingo and Raffle Account" and shall contain the licensed
6 authorized organization's bingo and raffle license number on the face of each
7 check.

8 (c) A licensed authorized organization shall keep and account for all
9 checks and withdrawal slips, including voided checks and withdrawal slips.

10
11 23-114-503. Authorized uses of a bingo and raffle account.

12 (a) A licensed authorized organization may draw a check on the
13 licensed authorized organization's bingo and raffle account only for:

14 (1) The payment of necessary and reasonable bona fide bingo and
15 raffle-related expenses;

16 (2) The disbursement of net proceeds derived from the conduct of
17 games of bingo or raffles to charitable purposes; or

18 (3) The transfer of net proceeds derived from the conduct of
19 games of bingo or raffles to the licensed authorized organization's bingo and
20 raffle savings account pending a disbursement to a charitable purpose.

21 (b) A licensed authorized organization shall make the disbursement of
22 net proceeds on deposit in the bingo and raffle savings account to a
23 charitable purpose by transferring the intended disbursement back into the
24 licensed authorized organization's bingo and raffle checking account and then
25 withdrawing an amount by a check drawn on the bingo and raffle checking
26 account.

27
28 23-114-504. Use of net proceeds for charitable purposes.

29 (a) A licensed authorized organization shall devote to the charitable
30 purposes of the licensed authorized organization its net proceeds of games of
31 bingo and raffles.

32 (b) Except as otherwise provided by law, the net proceeds derived from
33 games of bingo and raffles are dedicated to the charitable purposes of the
34 licensed authorized organization only if directed to a cause, need, or
35 activity that is consistent with the federal tax exemption the licensed
36 authorized organization obtained under 26 U.S.C. § 501, as in existence on

1 January 1, 2007, and under which the organization qualifies as a nonprofit
2 organization as defined by law. If the licensed authorized organization is
3 not required to obtain a federal tax exemption under 26 U.S.C. § 501, as in
4 existence on January 1, 2007, the licensed authorized organization's net
5 proceeds are dedicated to the charitable purposes of the licensed authorized
6 organization only if directed to a cause, need, or activity that is
7 consistent with the purposes and objectives for which the licensed authorized
8 organization qualifies as a licensed authorized organization.

9 (c)(1) The licensed authorized organization shall make mandatory
10 annual or more frequent disbursements from the bingo and raffle account to
11 the general fund of the licensed authorized organization after providing for
12 appropriate reserves and funds necessary to pay for reasonable and necessary
13 games of bingo and raffle expenses.

14 (2) Once funds are distributed to the licensed authorized
15 organization general fund under subdivision (c)(1) of this section, no funds
16 shall be returned to the bingo and raffle account except by means of a loan
17 from the licensed authorized organization general fund to the bingo and
18 raffle account as evidenced by a written instrument.

19
20 23-114-505. Use of proceeds by a licensed authorized organization.

21 A licensed authorized organization shall not use the net proceeds from
22 games of bingo or raffles directly or indirectly to:

23 (1) Support or oppose a candidate or slate of candidates for
24 public office;

25 (2) Support or oppose a measure submitted to a vote of the
26 people; or

27 (3) Influence or attempt to influence legislation.

28
29 23-114-506. Items of bingo and raffle expense.

30 (a) Expenses that are reasonable and necessary to lawfully conduct
31 games of bingo or raffles are allowable and include expenses incurred for:

32 (1) Advertising, including the cost of printing bingo and raffle
33 gift certificates;

34 (2) Repairs to premises and equipment;

35 (3) Bingo and raffle supplies and equipment;

36 (4) Prizes;

1 (5) Stated rental or mortgage and insurance expenses;

2 (6) License fees; and

3 (7) Bookkeeping or accounting services.

4 (b) No person may be compensated for organizing, promoting,
5 conducting, or otherwise administering a raffle or bingo event. Any such
6 compensation is prohibited under this chapter and is not an allowable
7 expense.

8
9 23-114-507. Expenses paid from bingo and raffle account.

10 The following items of expense incurred or paid in connection with the
11 conduct of games of bingo or raffles shall be paid from a licensed authorized
12 organization's bingo and raffle checking account if the licensed authorized
13 organization is required under § 23-114-501 to maintain such an account:

14 (1) Advertising, including the cost of printing bingo and raffle
15 gift certificates;

16 (2) Repairs to premises and equipment;

17 (3) Bingo and raffle supplies and equipment;

18 (4) Prizes;

19 (5) Stated rental or mortgage and insurance expenses;

20 (6) Bookkeeping or accounting services; and

21 (7) License fees.

22
23 SUBCHAPTER 6 EXCISE TAX

24
25 23-114-601. Tax levied.

26 There is levied an excise tax of three percent (3%) upon the gross
27 receipts derived by licensed authorized organizations from conducting raffles
28 and bingo sessions in this state.

29
30 23-114-602. Payment and reporting of tax.

31 (a) The excise tax levied under this subchapter is due and payable by
32 the taxpayer to the Department of Finance and Administration monthly on or
33 before the twentieth day of the following month. The Director of the
34 Department of Finance and Administration may allow reporting on a quarterly
35 or annual basis for taxpayers that conduct raffles or games of bingo on an
36 infrequent basis.

1 (b) The report shall be filed under oath on forms prescribed by the
2 director.

3 (c) The director shall adopt any rules necessary for the proper
4 reporting and payment of the tax.

5
6 23-114-603. Information to be reported.

7 (a) The excise tax report required under § 23-114-602 shall include
8 the following information:

9 (1) The amount of the total gross receipts derived from games of
10 bingo and raffles;

11 (2) Each item of expense incurred or paid;

12 (3) The net proceeds derived from games of bingo and raffles;

13 (4) The use to which the proceeds have been or are to be
14 applied; and

15 (5) A list of prizes awarded, with their respective values.

16 (b) A taxpayer shall maintain records to substantiate the contents of
17 each report.

18
19 23-114-604. Record of prize winners.

20 The Director of the Department of Finance and Administration may
21 require a taxpayer to maintain records relating to each person to whom a
22 prize is awarded at a raffle or bingo session.

23
24 23-114-605. Collection and disbursement of excise tax and license
25 fees.

26 The Department of Finance and Administration shall deposit the revenue
27 collected from the license fees levied under § 23-114-302 and the excise tax
28 on gross receipts from raffles and games of bingo to the credit of the
29 General Revenue Fund Account of the State Apportionment Fund.

30
31 23-114-606. Nonfiler tax assessments.

32 (a) If a taxpayer fails to file a required report or if a person
33 conducts a raffle or games of bingo without a license, the Department of
34 Finance and Administration shall make an estimate of the gross receipts
35 derived from the unreported raffle or games of bingo. The department shall
36 make the excise tax assessment for the period or periods for which the

1 taxpayer or unlicensed person failed to report.

2 (b) The estimate shall be based on any information covering any period
3 possessed by the department or that may come into the possession of the
4 department.

5 (c) On the basis of the department's estimate, the department shall
6 compute and determine the amount of excise tax required to be paid along with
7 any applicable interest and penalties authorized under the Arkansas Tax
8 Procedure Act, § 26-18-101 et seq.

9
10 SUBCHAPTER 7 ENFORCEMENT

11
12 23-114-701. Revocation of license.

13 The license issued to a licensed authorized organization is subject to
14 revocation under this chapter if the licensed authorized organization:

15 (1) Makes a false statement or material omission in an
16 application for a license under this chapter;

17 (2) Fails to maintain records that fully and accurately record
18 each transaction connected with:

19 (A) Conducting raffles and games of bingo; and

20 (B) Leasing of premises to be used for raffles and games
21 of bingo;

22 (3) Falsifies or makes a false entry in a book or record if the
23 entry relates in any way to the promotion, operation, or administration of
24 raffles or games of bingo;

25 (4) Diverts or pays a portion of the proceeds from a raffle or a
26 game of bingo to a person except in furtherance of one (1) or more of the
27 lawful purposes set forth in this chapter;

28 (5) Violates this chapter or a term of a license issued under
29 this chapter in any other way; or

30 (6) Fails to report and pay the excise tax levied under § 23-
31 114-601.

32
33 23-114-702. Inspection of premises.

34 The Department of Finance and Administration may enter and inspect the
35 premises where:

36 (1) A raffle or a game of bingo is being conducted or is

1 intended to be conducted; or

2 (2) Equipment used or intended for use in a raffle or a game of
3 bingo is located.

4
5 23-114-703. Injunction.

6 (a) If the Department of Finance and Administration has reason to
7 believe that this chapter has been or is about to be violated, the Director
8 of the Department of Finance and Administration may petition a court for
9 injunctive relief to restrain the violation.

10 (b) Venue for an action seeking injunctive relief is in Pulaski
11 County, Arkansas.

12 (c) If the court finds that this chapter has been violated or is about
13 to be violated, the court shall issue a temporary restraining order and,
14 after due notice and hearing, a temporary injunction, and after a final
15 trial, a permanent injunction to restrain the violation.

16
17 23-114-704. Examination of records.

18 The Department of Finance and Administration may audit and examine the
19 books, papers, records, equipment, and place of business of a licensed
20 authorized organization to verify the accuracy of the licensed authorized
21 organization's raffle and bingo excise tax reports or, if raffle and bingo
22 reports have not been filed by the licensed authorized organization, to
23 ascertain and determine the amount of excise tax required to be paid.

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25 */s/ Walters, et al*
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