

1 State of Arkansas
2 93rd General Assembly
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4

A Bill

HOUSE BILL 1869

5 By: Representatives Pilkington, McCollum, L. Johnson
6

For An Act To Be Entitled

8 AN ACT TO CREATE THE ARKANSAS LOTTERY KENO AND
9 ILOTTERY ACT; AND FOR OTHER PURPOSES.

Subtitle

12 TO CREATE THE ARKANSAS LOTTERY KENO AND
14 ILOTTERY ACT.

16
17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
18

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

CHAPTER 118

ARKANSAS LOTTERY KENO AND iLOTTERY ACT

23-118-101. Title.

25 This chapter shall be known and may be referred to as the "Arkansas
26 Lottery Keno and iLottery Act".
27

23-118-102. Definitions.

28 As used in this chapter:

29 (1) "iLottery" means a method by which an individual of at least
30 eighteen (18) years of age, while within the borders of this state and having
31 passed an identity verification process authorized by the Office of the
32 Arkansas Lottery, may play lottery games and:
33

34 (A) Register an account through the office; and

35 (B) Purchase draw-based lottery games and e-Instant
36



1 lottery games authorized by the office and produced by random number
 2 generators supplied by the office's current central system platform operator
 3 through methods that may include without limitation:

- 4 (i) A smart phone;
- 5 (ii) A tablet;
- 6 (iii) A laptop; and
- 7 (iv) A desktop computer;

8 (2) "Keno" means any draw-based lottery game during which:

9 (A) A player purchases a ticket containing [X] numbers the
 10 player has chosen from a field of [Y] numbers;

11 (B) A random number generator supplied by the office, in
 12 conjunction with the office's current central system platform operator,
 13 chooses [Z] numbers at random; and

14 (C) Based upon rules promulgated by the office, a player
 15 is paid based on the player's original wager;

16 (3) "License" means a permit that is issued by the office under
 17 this chapter and is:

- 18 (A) A retail license;
- 19 (B) An occupational license; or
- 20 (C) An operator license;

21 (4) "Operator" means an entity permitted under this chapter to
 22 offer iLottery or keno to individuals through a mobile application or other
 23 digital platform approved by the office under this chapter;

24 (5) "Retail license" means a license issued by the office under
 25 this chapter that permits the operation of keno by a lottery retailer through
 26 a lottery point-of-sale device or lottery self-service device or kiosk; and

27 (6) "Wager" means a sum of money or a thing of value risked on
 28 an uncertain occurrence.

29
 30 23-118-103. Office of the Arkansas Lottery – Powers and duties.

31 (a) The Office of the Arkansas Lottery has all powers necessary or
 32 convenient to its usefulness in carrying out this chapter that are not in
 33 conflict with the Arkansas Constitution or the United States Constitution,
 34 including without limitation the authority to promulgate rules and emergency
 35 rules.

36 (b) Rules promulgated by the office under this chapter may include

1 without limitation those governing the:

- 2 (1) Methods of accounting to be used by an operator;
- 3 (2) Types of records that shall be kept by an operator; and
- 4 (3) Promotion of social responsibility and responsible gambling.

5 (c) The office shall:

6 (1) Determine the eligibility requirements for an individual to
 7 hold a retail license under this chapter;

8 (2) Maintain a record of all retail licenses issued under this
 9 chapter; and

10 (3) Levy and collect all fees, surcharges, civil penalties, and
 11 taxes on adjusted gross iLottery receipts.

12 (d) The office may:

13 (1) Accept applications for licenses;

14 (2) Evaluate qualifications of an applicant for a license;

15 (3) Review licenses;

16 (4) Issue temporary retail licenses;

17 (5) Hold hearings;

18 (6) Administer oaths;

19 (7) Issue subpoenas or subpoenas duces tecum;

20 (8) Request that the Attorney General bring an action to enforce
 21 this chapter or a rule imposed by the office by civil action or petition for
 22 injunctive relief; and

23 (9) Exercise other powers deemed necessary.

24
 25 23-118-104. Licenses – Operator and occupational.

26 (a)(1) A recipient of an operator license under this chapter shall
 27 submit to the Office of the Arkansas Lottery documentation or information
 28 required by the office.

29 (2) Documentation or information submitted under subdivision
 30 (a)(1) of this section shall be submitted:

31 (A) No later than five (5) years after the issuance of a
 32 recipient’s original operator license; and

33 (B)(i) Every five (5) years while the recipient has an
 34 operator license under this chapter.

35 (ii) However, the office may specify circumstances
 36 under which a recipient of an operator license shall submit documentation or

1 information required under subdivision (a)(1) of this section within a time
2 period of less than five (5) years.

3 (b)(1) An individual employed by a recipient of an operator license
4 under this chapter to perform duties directly related to the operation of
5 keno or iLottery under this chapter shall maintain a valid occupational
6 license issued by the office.

7 (2) The office may establish job classifications with different
8 requirements for an individual employed by a recipient of an operator license
9 under this chapter based on the extent to which, in the sole determination of
10 the office, a particular job affects, or has the potential to affect, the
11 lawful operation of keno or iLottery under this chapter.

12 (3) An applicant for an occupational license under subdivision
13 (b)(1) of this section shall:

14 (A) Submit an application form that is created and
15 required by the office;

16 (B)(i) Pay a nonrefundable application fee in the amount
17 of one hundred dollars (\$100).

18 (ii) An employer that is a recipient of an operator
19 license under this chapter may pay the nonrefundable application fee required
20 under subdivision (b)(3)(B)(i) of this section on behalf of his or her
21 employee who is applying for an occupational license;

22 (C)(i) Pay by March 1 of each year a license fee to the
23 office in the amount of one hundred dollars (\$100).

24 (ii) An employer that is a recipient of an operator
25 license under this chapter may pay the license fee required under subdivision
26 (b)(3)(C)(i) of this section on behalf of his or her employee who is applying
27 for an occupational license; and

28 (D) Submit a renewal application form that is created and
29 required by the office.

30 (c) The office may deny a license applied for by an individual under
31 this section, reprimand an individual who holds a license issued under this
32 section, or suspend or revoke a license issued to an individual under this
33 section if the applicant or licensee:

34 (1) Has knowingly made a false statement of material fact to the
35 office;

36 (2) Has had a license revoked by any state or local governmental

1 authority responsible for gaming activities;

2 (3) Has been convicted of a crime of moral turpitude, a gambling
3 offense, or a theft or fraud offense;

4 (4) Has not demonstrated to the satisfaction of the office
5 financial responsibility sufficient to adequately meet the requirements of
6 the proposed keno or iLottery enterprise; or

7 (5) In the case of an individual applying for an operator
8 license, is not the true or sole owner of the business for which the
9 individual is applying for a license under this chapter and has not disclosed
10 the existence or identity of other individuals who have an ownership interest
11 in the business.

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13 23-118-105. Keno and iLottery proceeds.

14 (a) Proceeds from keno and iLottery under this subchapter are the
15 property of the Office of the Arkansas Lottery.

16 (b)(1) An amount of keno and iLottery proceeds determined by the
17 office to maximize net proceeds for scholarships shall be made available as
18 prize money.

19 (2) The percentage of lottery proceeds determined by the office
20 to be net proceeds shall equal an amount determined by the office to maximize
21 net proceeds for scholarships.

22 (c) Upon the total amount of proceeds from keno and iLottery reaching
23 twenty million dollars (\$20 million), an equal amount of general revenue
24 funds used to fund higher education scholarships shall be reallocated
25 according to criteria established by the General Assembly.

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