

THE ARKANSAS CASINO GAMING AMENDMENT OF 2020.

To the Honorable John Thurston, Secretary of State of the State of Arkansas: We the undersigned registered voters of the State of Arkansas, respectfully propose the following amendment to the Constitution of the State, and by this, our petition, order that the same be submitted to the people of said state, to the end that the same may be adopted, enacted, or rejected by the vote of the registered voters of said state at a regular general election to be held on the 3rd day of November, 2020, and each of us for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Arkansas, and my printed name, date of birth, residence, city or town of residence, and date of signing this petition are correctly written after my signature. The popular name, ballot title, and text of the initiative were made available to me for review before I signed this petition. I understand that it is a crime to sign a name other than my own to this Petition, to sign a petition in support of this initiative more than one time, or to sign this petition when I am not legally entitled to do so. If due to disability I required assistance writing my printed name, date of birth, residence, city or town of residence, county of residence, or date of signing, the person who assisted me has signed and printed his or her own name in the margin of the petition next to my signature line.

FOR OFFICE USE ONLY	
VALID OF _____	
By _____	Date _____

The popular name is An Amendment to Require Sixteen Licenses to be Issued for Casino Gaming at Casinos, One in Benton County (to be owned by G-First Ark Gaming, LLC), One in Boone County (to be owned by Boone County Gaming, LLC), One in Chicot County (to be owned by Lake Village Gaming Associates, LLC), Two in Crittenden County (one each to be owned by West Memphis 1 Gaming Associates, LLC and West Memphis 2 Gaming Associates, LLC), One in Garland County (to be owned by Garland County Gaming Associates, LLC), One in Greene County (to be owned by ASC Transaction Facility, LLC), One in Jefferson County (to be owned by Pine Bluff Gaming Associates, LLC), One in Johnson County (to be owned by Clarksville Gaming Associates, LLC), One in Miller County (to be owned by Texarkana Gaming Associates, LLC), One in Nevada County (to be owned by Prescott Gaming Associates, LLC), Two in Pulaski County (one each to be owned by Little Rock 1 Gaming Associates, LLC and Little Rock 2 Gaming Associates, LLC), One in Sebastian County (to be owned by Ft. Smith Gaming Associates, LLC), One in St. Francis County (to be owned by Forrest City Gaming, LLC), and One in Washington County (to be owned by Fayetteville Gaming Associates, LLC) and the ballot title is attached or affixed hereto.

VOTERS REGISTERED IN _____ COUNTY.

	SIGNATURE	PRINTED NAME	DATE OF BIRTH	RESIDENCE (STREET ADDRESS)	CITY OR TOWN OF RESIDENCE	COUNTY OF RESIDENCE	DATE OF SIGNING
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

FILED
MAY 26 2020
Arkansas
Secretary of State

CANVASSER'S UNSWORN DECLARATION UNDER PENALTY OF PERJURY

I, _____, declare under penalty of perjury under the law of Arkansas that to the best of my knowledge and belief, each of the foregoing persons signed his or her own name to this sheet of the petition, each signature is genuine, and each signer is a registered voter of the State of Arkansas, in the County listed. To the best of my knowledge, this signature sheet was provided to each signer in a manner that also provided to him or her an exact copy of the popular name, ballot title, and text of the initiative. I am familiar with the acts by canvassers and sponsors that are criminalized under Ark. Code Ann. § 5-55-601 and Ark. Code Ann. § 7-9-103, and have committed none of those acts. My current residence address is correctly stated below.

Signature: _____

Current Residence: _____

Permanent Domicile Residence: _____

Indicate One: () Paid Canvasser () Volunteer/Unpaid Canvasser

(Popular Name)

An Amendment to Require Sixteen Licenses to be Issued for Casino Gaming at Casinos, One in Benton County (to be owned by G-First Ark Gaming, LLC), One in Boone County (to be owned by Boone County Gaming, LLC), One in Chicot County (to be owned by Lake Village Gaming Associates, LLC), Two in Crittenden County (one each to be owned by West Memphis 1 Gaming Associates, LLC and West Memphis 2 Gaming Associates, LLC), One in Garland County (to be owned by Garland County Gaming Associates, LLC), One in Greene County (to be owned by ASC Transaction Facility, LLC), One in Jefferson County (to be owned by Pine Bluff Gaming Associates, LLC), One in Johnson County (to be owned by Clarksville Gaming Associates, LLC), One in Miller County (to be owned by Texarkana Gaming Associates, LLC), One in Nevada County (to be owned by Prescott Gaming Associates, LLC), Two in Pulaski County (one each to be owned by Little Rock 1 Gaming Associates, LLC and Little Rock 2 Gaming Associates, LLC), One in Sebastian County (to be owned by Ft. Smith Gaming Associates, LLC), One in St. Francis County (to be owned by Forrest City Gaming, LLC), and One in Washington County (to be owned by Fayetteville Gaming Associates, LLC).

(Ballot Title)

An amendment to the Arkansas Constitution to require that the Arkansas Racing Commission issue licenses for casino gaming to be conducted at sixteen casinos in Arkansas, being subject to laws enacted by the General Assembly in accord with this amendment and regulations issued by the Arkansas Racing Commission (“Commission”); defining “casino gaming” as dealing, operating, carrying on, conducting, maintaining, or exposing for play any game played with cards, dice, equipment, or any mechanical, electromechanical, or electronic device or machine for money, property, checks, credit, or any representative value, as well as accepting wagers on sporting events; providing that individuals under 21 are prohibited from engaging in casino gaming; providing that the Commission shall issue sixteen casino licenses, One in Benton County (to be owned by G-First Ark Gaming, LLC), One in Boone County (to be owned by Boone County Gaming, LLC), One in Chicot County (to be owned by Lake Village Gaming Associates, LLC), Two in Crittenden County (one each to be owned by West Memphis 1 Gaming Associates, LLC and West Memphis 2 Gaming Associates, LLC), One in Garland County (to be owned by Garland County Gaming Associates, LLC), One in Greene County (to be owned by ASC Transaction Facility, LLC), One in Jefferson County (to be owned by Pine Bluff Gaming Associates, LLC), One in Johnson County (to be owned by Clarksville Gaming Associates, LLC), One in Miller County (to be owned by Texarkana Gaming Associates, LLC), One in Nevada County (to be owned by Prescott Gaming Associates, LLC), Two in Pulaski County (one each to be owned by Little Rock 1 Gaming Associates, LLC and Little Rock 2 Gaming Associates, LLC), Sebastian County (to be owned by Ft. Smith Gaming Associates, LLC), One in St. Francis County (to be owned by Forrest City Gaming, LLC), Washington County (to be owned by Fayetteville Gaming Associates, LLC) providing that upon receiving a casino license, licensees will be required to conduct casino gaming as long as they have a casino license, providing that G-First Ark Gaming, LLC , Boone County Gaming, LLC, Lake Village Gaming Associates, LLC, West Memphis 1 Gaming Associates, LLC, West Memphis 2 Gaming Associates, LLC, Garland County Gaming Associates, LLC, ASC Transaction Facility, LLC, Pine Bluff Gaming Associates, LLC, Clarksville Gaming Associates, LLC, Texarkana Gaming Associates, LLC,

Prescott Gaming Associates, LLC, Little Rock 1 Gaming Associates, LLC, Little Rock 2 Gaming Associates, LLC, Ft. Smith Gaming Associates, LLC, Forrest City Gaming, LLC, and Fayetteville Gaming Associates, LLC will receive the right to apply for and seek issuance of a casino license in the specified county locations under adopted rules and regulations of the Commission that govern casino gaming; providing that the Commission shall require the licensees to pay an application fee; providing that the Commission shall regulate all casino licenses; defining “net casino gaming receipts” as casino gaming receipts less amounts paid out or reserved as winnings to casino patrons; providing that for each fiscal year, a casino licensee’s net casino gaming receipts are subject to a net casino gaming receipts tax of 13% on the first \$150,000,000 of net casino gaming receipts or any part thereof, and 20% on net casino gaming receipts exceeding \$150,000,001 or any part thereof; providing that no other tax, other than the net casino gaming receipts tax, may be imposed on gaming receipts or net casino gaming receipts; providing that the net casino gaming receipts tax shall be distributed 55% to the State of Arkansas General Revenue Fund, 15% to the county in which the casino is located, 15% to the city in which the casino is located, provided that if the casino is not located within a city, then the county in which the casino is located shall receive the 15% for a total of 30%, and 15% to all other counties which do not have a casino licensee, to be allocated pro rata among such counties based on the population of each county; permitting casino licensees to conduct casino gaming on any day for any portion of all of any day; permitting casino licensees to sell liquor or provide complimentary servings of liquor during all hours in which the casino licensees conduct casino gaming only for on-premise consumption at the casinos and permitting casino licensees to sell liquor or provide complimentary servings of liquor without allowing the residents of a dry county or city to vote to approve the sale of liquor; providing that casino licenses shall purchase liquor from a licensed Arkansas wholesaler; permitting shipments of gambling devices that are duly registered, recorded, and labeled in accordance with federal law into any county in which casino gaming is authorized; declaring that all constitutional provisions, statutes, and common law of the state that conflict with this amendment are not to be applied to this amendment.

(Complete Text of Proposed Amendment)

§ 1. Short title

This Amendment shall be known and cited as “The Arkansas Casino Gaming Amendment of 2020.”

§ 2. Definitions

For purposes of this Amendment, the below terms are defined as follows:

- (a) “Casino” is defined as a facility where casino gaming is conducted as authorized by this Amendment.
- (b) “Casino gaming” is defined as dealing, operating, carrying on, conducting, maintaining, or exposing for play any game played with cards, dice, equipment, or any mechanical, electromechanical, or electronic device or machine for money,

property, checks, credit, or any representative value. Casino gaming shall also be defined to include accepting wagers on sporting events. "Casino gaming" does not include lotteries conducted pursuant to Amendment 87 and/or The Arkansas Scholarship Lottery Act. Ark. Code Ann. § 23-115-101, et. seq.

- (c) "Casino gaming receipts" is defined as gross receipts from casino gaming.
- (d) "Casino license" is defined as a license issued by the Arkansas Racing Commission to conduct casino gaming at a casino.
- (e) "Casino licensee" is defined as any entity set forth in § 4(j) of this Amendment.
- (f) "Intoxicating liquor" is defined as any beverage containing more than one-half of one percent of alcohol by weight.
- (g) "Net casino gaming receipts" is defined as gross receipts from casino gaming less amounts paid out or reserved as winnings to casino patrons.
- (h) "Net casino gaming receipts tax" is defined as a tax on net casino gaming receipts.
- (i) "Wholesaler" means any person who holds a permit under any alcoholic beverage control law of the State of Arkansas to purchase controlled beverages from a manufacturer, importer, or domestic wine or brandy producer only and to sell such controlled beverages to retailers only.

§ 3. Authorizing casinos and casino gaming

- (a) Casinos and casino gaming are hereby authorized in the State of Arkansas as provided in this Amendment.
- (b) To fulfill the purposes of this Amendment, the Arkansas General Assembly shall from time to time enact laws, and appropriate monies to or for the use of the Arkansas Racing Commission. Initial laws and appropriations enacted by the General Assembly pursuant hereto shall be in full force and effect no later than June 30, 2021.
- (c) Individuals under the age of 21 are prohibited from engaging in casino gaming.

§ 4. Licensing of casinos and casino gaming

- (a) The Arkansas Racing Commission shall administer and regulate casino licenses and shall administer and enforce the provisions of this Amendment relating to all casino licensees. Each casino license shall be issued for the purpose of requiring casino licensees to conduct casino gaming at a casino as provided in this Amendment and by regulation of the Arkansas Racing Commission, and all other applicable law.
- (b) Casino gaming under this Amendment shall not be regulated under or be subject to the provisions of the Local Option Horse Racing and Greyhound Racing Electronic Games of Skill Act, Ark. Code Ann. § 23-113-101 et seq.

(c) The Arkansas Racing Commission shall adopt rules necessary to carry out the purposes of this Amendment and perform its duties under this Amendment.

(d) Rules adopted under this section are rules as defined in the Arkansas Administrative Procedures Act, Ark. Code Ann. § 25-15-201 et seq.

(e) Not later than 120 days after the effective date of this Amendment, the Arkansas Racing Commission shall adopt rules governing:

- (1) The establishment of a casino license fee which shall not exceed a one-time fee of \$250,000;
- (2) Licensing and oversight requirements for casinos and casino gaming;
- (3) Record keeping requirements for casinos;
- (4) Personnel requirements for casinos and casino gaming;
- (5) Procedures for suspending casino licenses held by casino licensees that violate the provisions of this Amendment or the rules adopted under this Amendment;
- (6) A schedule of penalties and procedures for appealing penalties;
- (7) Procedures for inspection and investigations of casinos and casino gaming;
- (8) Responsibilities of casino licensees related to conducting casino gaming;
- (9) Any other matters necessary for the fair, impartial, stringent, and comprehensive administration of its duties under this Amendment.

(f) Not later than June 1, 2021, the Arkansas Racing Commission shall award casino licenses.

(g) Before the Arkansas Racing Commission shall award a casino licensee a casino license, the casino licensee shall provide the following to the Arkansas Racing Commission::

- (1) The one-time casino license fee;
- (2) The legal name of the casino;
- (3) The physical address of the casino;
- (4) The name, address, and date of birth of each officer and owner of the casino licensee; and

- (5) If the city, town, or county in which the casino would be located has enacted zoning restrictions, a sworn statement certifying that the casino will operate in compliance with the restrictions.
- (h) The owners, shareholders, board members, or officers of a casino licensee
 - (1) If an individual, shall not have been convicted of a disqualifying felony offense as defined by the Arkansas Racing Commission;
 - (2) Shall not have previously had a casino license in any state revoked;
 - (3) If an individual, shall not be under twenty-one years of age; and
 - (i) The Arkansas Racing Commission shall issue sixteen casino licenses in addition to the four casino licenses previously authorized for issuance by the State.
 - (j) The Arkansas Racing Commission shall award casino licenses for casinos to be located in the following counties and to be owned by the following entities:
 - (1) Benton County, to be owned by G-First Ark Gaming, LLC ;
 - (2) Boone County; to be owned by Boone County Gaming, LLC;
 - (3) Chicot County; to be owned by Lake Village Gaming Associates, LLC;
 - (4) Crittenden County; to be owned by West Memphis 1 Gaming Associates, LLC;
 - (5) Crittenden County; to be owned by West Memphis 2 Gaming Associates, LLC;
 - (6) Garland County; to be owned by Garland County Gaming Associates, LLC;
 - (7) Greene County, to be owned by ASC Transaction Facility, LLC;
 - (8) Jefferson County; to be owned by Pine Bluff Gaming Associates, LLC;
 - (9) Johnson County; to be owned by Clarksville Gaming Associates, LLC;
 - (10) Miller County; to be owned by Texarkana Gaming Associates, LLC;
 - (11) Nevada County; to be owned by Prescott Gaming Associates, LLC;
 - (12) Pulaski County; to be owned by Little Rock 1 Gaming Associates, LLC;
 - (13) Pulaski County; to be owned by Little Rock 2 Gaming Associates, LLC;
 - (14) Sebastian County; to be owned by Ft. Smith Gaming Associates, LLC;

- (15) St. Francis County; to be owned by Forrest City Gaming, LLC;
- (16) Washington County; to be owned by Fayetteville Gaming Associates, LLC;
- (k) Casino licensees are required to conduct casino gaming for as long as they have a license.

§ 5. Graduated taxation and distribution of proceeds

- (a) For each fiscal year, a casino licensee's net casino gaming receipts are subject to a net casino gaming receipts tax as follows:
 - (1) 13% on the first \$150,000,000 of net casino gaming receipts or any part thereof;
 - (2) 20% on net casino gaming receipts exceeding \$150,000,001 or any part thereof.
- (b) Each casino licensee shall be subject to the same income, property, sales, gross receipts, use, employment, and other taxation as any for-profit business located in the county and city or town in which the casino is located, except that no sales or gross receipts tax shall apply to casino gaming receipts or net casino gaming receipts.
- (c) The net casino gaming receipts tax shall be distributed as follows:
 - (1) 55% to the Arkansas General Revenue Fund
 - (2) 15% to the county in which the casino is located, and
 - (3) 15% to the city or town in which the casino is located, provided that if the casino is not located within a city or town, then the 15% dedicated to the city or town shall go to the county in which the casino is located.
 - (4) 15% to all other counties which do not have a casino licensee, to be allocated pro rata among such counties based on the population of each county.
- (d) On the last day of each month, the Treasurer of State shall transfer the other percentage allocations made in section (c) to the designated entities.

§ 6. Other operational provisions

- (a) Casino licensees are permitted to conduct casino gaming on any day for any portion or all of any day.
- (b) Casino licensees shall be permitted to sell intoxicating liquor or provide complimentary servings of intoxicating liquor, only for on-premises consumption at the casinos, during all hours in which the casino licensees conduct casino gaming. To that extent, casino licensees shall not be subject to Ark. Code Ann. § 3-3-211, which prohibits the sale of intoxicating liquor on Christmas Day, and Ark. Code

Ann. § 3-9-201, et seq. and other applicable Arkansas law requiring the residents of a dry county or city to vote to approve the sale of intoxicating liquor. Casino licensees shall purchase all intoxicating liquor from a Wholesaler. Casino licensees shall be subject to all other applicable Arkansas laws involving the distribution and sale of intoxicating liquor that do not conflict with any provision of this Amendment.

§ 7. Legal shipment of gambling devices into State

All shipments of gambling devices, including slot machines, that are duly registered, recorded, and labeled by the manufacturer and/or dealer thereof in accordance with applicable federal law into any county of this State in which casino gaming is authorized in accordance with this Amendment shall be deemed legal shipments.

§ 8. Effect on existing law

(a) By adoption of this Amendment, there is no implied repeal of the existing Arkansas laws criminalizing gambling for purposes not specified in this Amendment.

(b) This Amendment does not amend, repeal, or otherwise affect Amendment 84 (authorizing bingo and raffles), Amendment 87 (creating the state scholarship lottery), Amendment 100 (authorizing casino gaming in Pope and Jefferson counties) or Act 1151 of 2005 (authorizing electronic games of skill), to the extent those Amendments and statute do not conflict with this Amendment.

§ 9. Inconsistent provisions inapplicable

All provisions of the Constitution, statutes, and common law of this State, including without limitation laws forbidding the judicial enforcement of gambling debts and statutes declaring gambling to be a crime, to the extent inconsistent or in conflict with any provision of this Amendment are expressly declared null and void as to, and do not apply to, any activities allowed under this Amendment.

§ 10. Severability

If any provision or section of this Amendment or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provisions or application of the Amendment that can be given effect without the invalid provisions or applications, and to this end the provisions of this Amendment are declared to be severable.