

**Popular Name**

AN AMENDMENT TO ALLOW ARKANSAS HOTELS AND ENTERTAINMENT, INC. TO OWN AND OPERATE SEVEN CASINO GAMING ESTABLISHMENTS, ONE EACH IN SEBASTIAN, PULASKI, GARLAND, MILLER, CRITTENDEN, BOONE AND JEFERSON COUNTIES.

**Ballot Title**

AN AMENDMENT TO THE ARKANSAS CONSTITUTION:

- 1) AUTHORIZING SEVEN CASINO GAMING ESTABLISHMENTS, TO BE OWNED AND OPERATED BY “ARKANSAS HOTELS AND ENTERTAINMENT, INC.” (A PRIVATE FOR-PROFIT CORPORATION), ONE EACH TO BE LOCATED IN SEBASTIAN, PULASKI, GARLAND, MILLER, CRITTENDEN, BOONE AND JEFFERSON COUNTIES; 2) PROHIBITING THE GENERAL ASSEMBLY AND ANY POLITICAL SUBDIVISION OF THE STATE FROM ENACTING ANY LEGISLATION, RULES OR REGULATIONS REGARDING CASINO GAMING; 3) PROHIBITING CASINO GAMING AT ANY OTHER THAN THE LOCATIONS OPERATED BY ARKANSAS HOTELS AND ENTERTAINMENT, INC.; 4) PROHIBITING PERSONS UNDER THE AGE OF 21 FROM PARTICIPATING IN CASINO GAMING; 5) REQUIRING THAT THE GROSS GAMING REVENUE (AS DEFINED) OF EACH CASINO SHALL BE SUBJECT TO THE GROSS RECEIPTS TAX LEVIED BY THE TAXING JURISDICTIONS WHERE A CASINO IS LOCATED AT THE SAME RATE AS FOR BUSINESSES GENERALLY, WITH THE TAX TO BE PAID TO THE STATE’S GENERAL REVENUE FUND ACCOUNT OF THE STATE APPORTIONMENT FUND; 6) FURTHER REQUIRING THAT THE GROSS GAMING REVENUE (AS DEFINED) OF EACH CASINO SHALL BE SUBJECT TO AN ADDITIONAL TAX AT THE RATE OF TEN PERCENT (10%) WITH THE TAX TO BE PAID TO THE STATE’S GENERAL REVENUE FUND ACCOUNT OF THE STATE APPORTIONMENT FUND; 7) PROHIBITING ANY OTHER STATE OR LOCAL TAXES, FEES OR ASSESSMENTS OF ANY NATURE ON ARKANSAS HOTELS AND ENTERTAINMENT, INC., INCLUDING ON ITS FURNITURE, FIXTURES, EQUIPMENT, PROPERTY, BUSINESS OPERATIONS, GROSS REVENUES, GROSS GAMING REVENUES, OR INCOME DERIVED FROM OR USED IN CASINO GAMING EXCEPT AS LEVIED AGAINST BUSINESSES GENERALLY; 8) ALLOWING A CASINO TO OPERATE ANY DAY FOR ANY PORTION OF THE DAY; 9) ALLOWING THE SELLING OR FREE FURNISHING OF ALCOHOLIC BEVERAGES IN CASINOS DURING ALL HOURS THEY OPERATE BUT OTHERWISE REQUIRING ADHERENCE TO ALL ALCOHOLIC BEVERAGE CONTROL BOARD REGULATIONS; 10) PERMITTING THE SHIPMENT OF GAMBLING DEVICES INTO AUTHORIZED COUNTIES FOR PURPOSES OF FEDERAL LAW; 11) RENDERING THE PROVISIONS OF THE AMENDMENT SEVERABLE; 12) DECLARING

INAPPLICABLE ALL CONSTITUTIONAL PROVISIONS AND LAWS TO THE EXTENT THEY CONFLICT WITH THIS AMENDMENT BUT NOT OTHERWISE REPEALING, SUPERSEDING, AMENDING OR OTHERWISE AFFECTING AMENDMENTS 84 (BINGO) AND 87 (STATEWIDE LOTTERY) TO THE ARKANSAS CONSTITUTION.

AMENDMENT:

### **Section 1: Authorizing Casino Gaming**

1.1. Casino gaming is hereby authorized to be conducted by Arkansas Hotels and Entertainment Inc., chartered in Arkansas on January 12, 2009, and shall be lawful and shall be considered an appropriate land use in the following counties: Sebastian; Pulaski; Garland; Miller; Crittenden; Boone; and Jefferson.

1.2. "Casino gaming" means any game played with cards, dice, equipment, or any mechanical, electromechanical, or electronic device, or machine for money, property, checks, credit or any representative of value, including, without limiting the generality of the foregoing, blackjack, poker, keno, baccarat, roulette, craps, slot machine, video poker or any other gaming, percentage game or any other game or device.

1.3. "Casino" means any facility owned and operated by Arkansas Hotels and Entertainment, Inc. where casino gaming is conducted which is authorized by this Amendment to conduct casino gaming.

### **Section 2: Tax on Casino Gross Gaming Revenue**

2.1. "Gross gaming revenue" means that total, measured on an annual basis, of cash received as winnings, cash received in payment for credit extended by Arkansas Hotels and Entertainment, Inc., to a patron for purposes of gaming, and compensation received for conducting any game in which Arkansas Hotels and Entertainment, Inc. is not a party to the wager, less the total of all cash paid out as losses to patrons and those amounts paid to purchase annuities to fund losses paid to patrons over several years.

2.2. The Gross Gaming Revenue of each casino shall be subject to the Gross Receipts Tax levied by all of the taxing jurisdictions where a casino is located at the same rate as for businesses generally. The total amount of said tax paid to the State shall be paid to the State's General Revenue Fund Account of the State Apportionment Fund;

2.3 The Gross Gaming Revenue of a casino shall be subject to an Additional Tax at the rate of Ten Percent (10%). The total amount of said tax paid to the State shall be paid to the State's General Revenue Fund Account of the State Apportionment Fund;

2.4 Except as specified in this Amendment, there shall be no taxes, fees, or assessment of any nature levied by the State or any county, city, incorporated town, administrative body, or any other political subdivision of the State on Arkansas Hotels and Entertainment, Inc, included, but not limited to, its furniture, fixtures, equipment, property, business operations, gross revenues, gross gaming revenues or income derived from, or used in, casino gaming which are not levied against businesses generally in the State of Arkansas;

### **Section 3: Prohibition Against Minors**

3.1 No person under the age of twenty-one (21) shall be allowed to participate in casino gaming.

### **Section 4: Casino Gaming Restrictions**

4.1. All of the games specified herein under the definition of “casino gaming” are permitted only at authorized locations operated by Arkansas Hotels and Entertainment, Inc. and shall not be classified as a lottery or subject to any regulations under Article 19, Section 14 as amended by Amendment 87 to the Arkansas Constitution.

4.2. Casino gaming may only be conducted by Arkansas Hotels and Entertainment, Inc. and its employees.

4.3. No more than one Casino shall be operated by Arkansas Hotels and Entertainment, Inc. in any one county.

4.4. Casinos shall be permitted to operate any day and for any portion of a twenty-four (24) hour day.

4.5. Arkansas Hotels and Entertainment, Inc. shall abide by the rules and regulations of The Alcoholic Beverage Control Board in the sale of alcoholic beverages, beer, and wine in Casinos. Notwithstanding any law, rule, or regulation to the contrary, all Casinos shall be permitted to sell or provide complimentary alcoholic beverages during all hours they operate.

4.6 The General Assembly and any Political Subdivision of this State shall not enact any legislation, rules or regulations regarding the operation of casino gaming as defined in this Amendment.

### **Section 5: Legal Shipments of Gambling Devices Into State**

5.1 All shipments of gambling devices, including slot machines, into any county of the state within which casino gaming is authorized, the registering, recording, and labeling of which has been duly performed by the manufacturer or dealer thereof in accordance with Section 3 and 4 of that certain Act of the Congress of the United States entitled “An act to prohibit transportation of gambling devices in interstate and foreign commerce,” approved January 2, 1951, being c. 1194, 64 Stat. 1134, and also designated as 15 U.S.C. Sections 1171-1178, shall be deemed legal shipments thereof into any such county of this State within which casino gaming is authorized.

### **Section 6: Severability**

6.1 If any provision of this Amendment, or the application of any such provision to any person or circumstance is held invalid, the validity of any other provision of this Amendment, or the application of such provision to other persons and circumstances, shall not be affected thereby, and to this end the provisions of this Amendment are declared to be severable.

### **Section 7: Inconsistent Provisions Inapplicable**

7.1 All other provisions of the Constitution of this State, inconsistent or in conflict with any provision of this Amendment are expressly declared not to apply to any provision of this

Amendment. However, this Amendment does not repeal, supersede, amend or otherwise affect Amendments 84 and 87 to the Arkansas Constitution or games of bingo, raffles, or the statewide lottery permitted therein.

Contact Information:

Mr. Michael Wasserman  
391 CR 214  
Gainesville, Texas 76240

