

Stricken language would be deleted from and underlined language would be added to present law.

Act 342 of the Regular Session

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State of Arkansas

As Engrossed: S2/17/25 S2/26/25

95th General Assembly

## A Bill

Regular Session, 2025

SENATE BILL 231

By: Senator J. Dotson

By: Representative Cozart

### For An Act To Be Entitled

AN ACT TO AMEND THE LAW REGARDING THE OFFICE OF THE  
ARKANSAS LOTTERY; TO CONFER LAW ENFORCEMENT AUTHORITY  
ON SELECT EMPLOYEES OF THE OFFICE OF THE ARKANSAS  
LOTTERY; AND FOR OTHER PURPOSES.

### Subtitle

TO CONFER LAW ENFORCEMENT AUTHORITY ON  
SELECT EMPLOYEES OF THE OFFICE OF THE  
ARKANSAS LOTTERY.

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

*SECTION 1. Arkansas Code § 23-115-205 is amended to read as follows:  
23-115-205. Office of the Arkansas Lottery powers.*

*(a) The Office of the Arkansas Lottery has all powers necessary or  
convenient to its usefulness in carrying out this chapter that are not in  
conflict with the Arkansas Constitution or the United States Constitution,  
including without limitation the following powers:*

*(1) To adopt and alter a seal;*

*(2) To adopt, amend, and repeal rules for the regulation of its  
affairs and the conduct of its business, to prescribe the duties of officers  
and employees of the office, and to perform other matters as the office  
determines;*

*(3) To bring suits to enforce demands of the state under this  
chapter;*

*(4) To procure or to provide insurance;*

*(5) To hold copyrights, trademarks, and service marks and to*



*enforce the office's rights with respect to those copyrights, trademarks, and service marks;*

*(6) To initiate, supervise, and administer the operation of lotteries in accordance with this chapter and rules adopted under this chapter;*

*(7) To enter into written agreements with one (1) or more other states or sovereigns for the operation, participation in marketing, and promotion of multistate or multisovereign games;*

*(8) To conduct market research as necessary or appropriate;*

*(9) To acquire or lease real property and make improvements to the real property and acquire by lease or by purchase personal property, including without limitation:*

*(A) Computers;*

*(B) Mechanical, electronic, and online equipment and terminals;*

*(C) Intangible property, including without limitation computer programs, computer systems, and computer software; and*

*(D) Broadcast equipment;*

*(10) To administer oaths, take depositions, issue subpoenas, and compel the attendance of witnesses and the production of books, papers, documents, and other evidence relative to any investigation or proceeding conducted by the office;*

*(11) To employ an internal auditor to perform the duties and responsibilities required under § 23-115-212;*

*(12) To select and contract with vendors;*

*(13) To select and license retailers;*

*(14) To enter into contracts or agreements with state or local law enforcement agencies for the performance of law enforcement, background investigations, and security checks;*

*(15) To conduct background investigations and, if considered necessary by the Director of the Office of the Arkansas Lottery, credit investigations on each potential vendor and retailer;*

*(16) To supervise ticket or share validation and lottery drawings;*

*(17) To inspect at times determined solely by the office the facilities of a vendor or a retailer to determine:*

(A) *The integrity of the vendor's product or the operations of the retailer; and*

(B) *Whether the vendor or the retailer is in compliance with its contract or license;*

(18) *To report any suspected violation of this chapter to the appropriate prosecuting attorney or the Attorney General and to any law enforcement agencies having jurisdiction over the violation;*

(19) *Upon request, to provide assistance to the Chief Fiscal Officer of the State, the Legislative Auditor, the appropriate prosecuting attorney, the Attorney General, or a law enforcement agency investigating a violation of this chapter;*

(20) *To enter into contracts of terms and conditions that the office determines;*

(21) *To establish and maintain banking relationships associated with the maintenance and investment of lottery proceeds, including without limitation the establishment of checking and savings accounts and trust funds;*

(22)(A) *To advertise and promote lotteries and scholarships and grants funded by net proceeds.*

(B) *The office shall seek the advice of the Division of Higher Education when advertising to promote scholarships and grants funded by net proceeds;*

(23) *To act as a retailer and to establish and operate a sales facility to conduct promotions that involve the sale of tickets or shares and any related merchandise;*

(24)(A) *To contract with one (1) or more independent testing laboratories to scientifically test and technically evaluate lottery games, lottery terminals, and lottery operating systems.*

(B) *An independent testing laboratory shall:*

(i) *Have a national reputation that is demonstrably competent; and*

(ii) *Be qualified to scientifically test and evaluate all components of a lottery game, lottery terminal, or lottery operating system.*

(C) *An independent testing laboratory shall not be owned or controlled by a vendor or a retailer;*

(25) To withhold state and federal income taxes as required by law; and

(26) To adopt and amend rules necessary to carry out and implement the office's powers and duties, organize and operate the office, regulate the conduct of lotteries in general, and any other matters necessary or desirable for the efficient and effective operation of lotteries for the convenience of the public.

(b) The powers enumerated in subsection (a) of this section:

(1) Are in addition to those powers of the office enumerated elsewhere in this chapter; and

(2) Do not limit or restrict any other powers of the office.

(c) The office is responsible for maintaining the integrity of the lottery.

(d) The director shall:

(1) Assign personnel as agents of the office to conduct investigations related to violations of lottery-related laws or lottery-related administrative rules; and

(2) Report on the investigations conducted under subdivision (d)(1) of this section on a regular basis to the office of the Attorney General and the Division of Arkansas State Police.

(e) Personnel assigned as agents of the office shall:

(1) Be considered law enforcement officers by the Arkansas Commission on Law Enforcement Standards and Training pursuant to § 12-9-101 et seq.; and

(2) Have statewide law enforcement authority to conduct investigations related to violations of lottery-related laws or lottery-related administrative rules.

/s/J. Dotson

**APPROVED: 3/20/25**