

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

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1502

By: Representative J. Mayberry

For An Act To Be Entitled

AN ACT TO PROVIDE FUNDING FOR THE MAINTENANCE, IMPROVEMENT, AND CONSTRUCTION OF HIGHWAYS, ROADS, STREETS, AND BRIDGES IN THE STATE USING REVENUES RECEIVED FROM CASINO GAMING; TO PROVIDE FOR FUNDING FROM GENERAL REVENUES AND TO DESIGNATE SPECIAL REVENUES FOR THE MAINTENANCE, IMPROVEMENT, AND CONSTRUCTION OF HIGHWAYS, ROADS, STREETS, AND BRIDGES IN THE STATE; TO LEVY A PRIVILEGE TAX ON CASINO GAMES; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE FUNDING FOR THE MAINTENANCE, IMPROVEMENT, AND CONSTRUCTION OF HIGHWAYS, ROADS, STREETS, AND BRIDGES IN THE STATE; AND TO LEVY A PRIVILEGE TAX ON CASINO GAMES.

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

SECTION 1. Arkansas Code § 19-5-202(b)(2)(B)(iii), concerning distributions from the General Revenue Fund Account, is amended to read as follows:

(iii)(a) Next, the Director of the Department of Finance and Administration shall certify the amount distributed to the General Revenue Fund Account of the State Apportionment Fund under § 5(c) of Section 1 of The Arkansas Casino Gaming Amendment of 2018, Arkansas Constitution, Amendment 100, for the month.



(b) The Treasurer of State shall then deduct an amount equal to the amount certified under subdivision (b)(2)(B)(iii)(a) of this section from the General Revenue Fund Account of the State Apportionment Fund and transfer the amount as follows:

(1) Seventy percent (70%) to the State Highway and Transportation Department Fund;

(2) Fifteen percent (15%) to the County Aid Fund; and

(3) Fifteen percent (15%) to the Municipal Aid Fund; and

(iv) The remaining revenue, known as general revenues available for distribution, in the General Revenue Fund Account of the State Apportionment Fund shall be distributed as provided by this chapter to the various funds and fund accounts as created and established in § 19-5-301 et seq. and to any other fund or fund account as may be authorized by law. The Treasurer of State, after distributing the general revenues available for distribution due each fund or fund account, shall deduct the amount of any advance transfers made during the month from the distribution to each applicable fund or fund account.

SECTION 2. Arkansas Code § 19-5-601(b), concerning the Municipal Aid Fund, is amended to read as follows:

(b) The Municipal Aid Fund shall consist of:

(1) Such general revenues as may be made available to the Municipal Aid Fund by the Revenue Stabilization Law, § 19-5-101 et seq.;

(2) Such special revenues derived from highway user imposts, known as highway revenues, as may be made available to the Municipal Aid Fund for the benefit of municipalities by the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.; ~~and~~

(3) Those special revenues as specified in § 19-6-301(135) ~~of the Revenue Classification Law, § 19-6-101 et seq.~~; and

(4) Those general revenues deducted from the General Revenue Fund Account of the State Apportionment Fund and transferred to the Municipal Aid Fund under § 19-5-202(b)(2)(B)(iii).

SECTION 3. Arkansas Code § 19-5-602(b), concerning the County Aid

Fund, is amended to read as follows:

(b) The County Aid Fund shall consist of:

(1) The general revenues as may be provided by the Revenue Stabilization Law, § 19-5-101 et seq., to the County Aid Fund;

(2) Such special revenues derived from highway user imposts, known as highway revenues, as may be provided by the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq.;

(3) Those special revenues as set out in § 19-6-301(74) and (117) and thirty-four percent (34%) of those special revenues as specified in § 19-6-301(20) of the Revenue Classification Law, § 19-6-101 et seq.; ~~and~~

(4) Twenty-five percent (25%) of all severance taxes other than those imposed upon saw timber and timber products as set out in § 19-6-301(18) of the Revenue Classification Law, § 19-6-101 et seq.; and

(5) Those general revenues deducted from the General Revenue Fund Account of the State Apportionment Fund and transferred to the County Aid Fund under § 19-5-202(b)(2)(B)(iii).

SECTION 4. Arkansas Code § 19-5-602(c)(1)(A), concerning the distribution of general revenues and special revenues in the County Aid Fund, is amended to read as follows:

(1)(A) The general revenues made available to the County Aid Fund by the Revenue Stabilization Law, § 19-5-101 et seq., and under § 19-5-202(b)(2)(B)(iii), shall be distributed with seventy-five percent (75%) divided equally among the seventy-five (75) counties of this state and twenty-five percent (25%) distributed on the basis of population according to the most recent federal decennial or special census, with each county to receive the proportion that its population bears to the total population of the state.

SECTION 5. Arkansas Code § 19-6-405 is amended to read as follows:

19-6-405. State Highway and Transportation Department Fund.

The State Highway and Transportation Department Fund shall consist of:

(1) That part of the special revenues as specified in § 19-6-301(2)-(4), (22), (81), (105)-(107), (182), and (256), known as "highway revenue", as distributed under the Arkansas Highway Revenue Distribution Law, § 27-70-201 et seq., and § 27-70-103 and § 27-72-301 et seq.;

- (2) Those special revenues specified in § 19-6-301(10), (152), (187), (239), and (241);
- (3) Fifty percent (50%) of § 19-6-301(26);
- (4) That portion of § 19-6-301(2) as set out in § 27-14-601(a)(3)(H)(ii)(f);
- (5) That portion of § 19-6-301(222);
- (6) Those designated revenues as set out in § 26-56-201(e)(1), which consist of the additional total of four cents (4¢) distillate special fuel taxes to be distributed as provided in the Arkansas Highway Financing Act of 1999, § 27-64-201 et seq.;
- (7) Federal revenue sharing funds as set out in § 19-5-1005; ~~and~~
- (8) Those general revenues deducted from the General Revenue Fund Account of the State Apportionment Fund and transferred to the State Highway and Transportation Department Fund under § 19-5-202(b)(2)(B)(iii);
- (9) The special revenues identified in § 26-57-1603; and
- (10) Any federal funds that may become available,
there to be used for the maintenance, operation, and improvement required by the Arkansas Department of Transportation in carrying out the functions, powers, and duties as set out in Arkansas Constitution, Amendment 42, and §§ 27-65-102 – 27-65-107, 27-65-110, 27-65-122, and 27-65-124, and the other laws of this state prescribing the powers and duties of the department and the State Highway Commission.

SECTION 6. Arkansas Code Title 26, Chapter 57, is amended to add an additional subchapter to read as follows:

Subchapter 16 – Casino Games

26-57-1601. Definitions

As used in this subchapter:

(1) "Casino" means the same as defined in § 2 of The Arkansas Casino Gaming Amendment of 2018, Arkansas Constitution, Amendment 100; and

(2)(A) "Casino game" means a game played with cards, dice, equipment, or any mechanical, electromechanical, or electronic device or machine for money, property, checks, credit, or any representative value.

(B) "Casino game" does not include:

(i) A lottery conducted under Arkansas Constitution,

Amendment 87, or The Arkansas Scholarship Lottery Act, § 23-115-101 et seq.;

(ii) An amusement device, as defined in § 26-57-402;

or

(iii) A slot machine or card game that is not utilized as an adjunct to or a unit of a banking, percentage, or mechanical device or machine.

26-57-1602. Annual privilege tax.

(a) There is levied an annual privilege tax on each casino operating one (1) or more casino games in the state.

(b) The amount of the privilege tax levied under this section is determined as follows:

(1) For a casino operating ten (10) or fewer casino games:

(A) For a casino operating one (1) casino game, fifty dollars (\$50.00);

(B) For a casino operating two (2) casino games, one hundred dollars (\$100);

(C) For a casino operating three (3) casino games, two hundred dollars (\$200);

(D) For a casino operating four (4) casino games, three hundred seventy-five dollars (\$375);

(E) For a casino operating five (5) casino games, eight hundred seventy-five dollars (\$875);

(F) For a casino operating six (6) or seven (7) casino games, one thousand five hundred dollars (\$1,500); and

(G) For a casino operating eight (8) or more casino games, three thousand dollars (\$3,000); and

(2) For a casino operating more than ten (10) casino games:

(A) For each of the first sixteen (16) casino games, five hundred dollars (\$500);

(B) For each casino game from seventeen (17) to twenty-six (26), inclusive, four thousand eight hundred dollars (\$4,800);

(C) For each casino game from twenty-seven (27) to thirty-five (35), inclusive, two thousand eight hundred dollars (\$2,800); and

(D) For each casino game over thirty-five (35), one hundred dollars (\$100).

(c) The privilege tax levied under this section shall be paid at the time the casino obtains a license and annually thereafter.

(d) All casino games operated or conducted in one (1) room or a group of rooms in the same or a contiguous building are considered one (1) operation, and the privilege tax to be paid under this section shall be determined on the aggregate number of casino games in each room or group of rooms in the same or a contiguous building.

26-57-1603. Disposition of revenues.

The revenues from the privilege tax levied under this subchapter are special revenues and shall be credited to the State Highway and Transportation Department Fund.