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Effective Dates. Identical Acts 2009, Nos. 605 and 606, § 27: Mar. 25, 2009.
Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that the people of the State of Arkansas overwhelmingly approved the establishment of lotteries at the 2008 General Election; that lotteries will provide funding for scholarships to the citizens of this state; that the failure to immediately implement this act will cause a reduction in lottery proceeds that will harm the educational and economic success of potential students eligible to receive scholarships under the act; and that the state lotteries should be implemented as soon as possible to effectuate the will of the citizens of this state and implement lottery-funded scholarships as soon as possible. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on: (1) The date of its approval by the Governor; (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto."

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Effective Dates. Acts 2009, No. 1405, § 57: Apr. 9, 2009. Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that the people of the State of Arkansas overwhelmingly approved the establishment of lotteries at the 2008 General Election; that the Eighty-seventh General Assembly adopted Acts 605 and 606 of 2009 that implemented lotteries and made corresponding revisions to the Arkansas Academic Challenge Scholarship Program; that this bill amends provisions of Acts 605 and 606 of 2009 pertaining to lotteries and the Arkansas Academic Challenge Scholarship Program; and that the failure to immediately implement this act will cause a reduction in lottery proceeds that will harm the educational and economic success of potential students eligible to receive scholarships under the act. Therefore, an emergency is declared to exist and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on: (1) The date of its approval by the Governor; (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto." Acts 2011, No. 20, § 5: Feb. 9, 2011. Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that the Arkansas Public Employees' Retirement System currently requires that retirement contributions be based on a member's base salary plus any multipliers; that retirement contributions and benefits should be determined based on a member's base salary and not any multipliers or special salary allowances; and that this act is immediately necessary to clarify the meaning of the term 'compensation' for

purposes of the Arkansas Public Employees' Retirement System. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on: (1) The date of its approval by the Governor; (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto." Acts 2011, No. 207, § 31: Mar. 8, 2011. Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that increasing the number of Arkansans obtaining postsecondary credentials is critical to the economic health of the state and its citizens; that the Arkansas Scholarship Lottery provides the opportunity for tens of thousands of Arkansans to obtain postsecondary education; that the deadline for scholarship applications is June 1; that the financial integrity of the Arkansas Scholarship Lottery is critical to the continued existence of the scholarships; that the reporting and research provisions of this act are critical for timely decisions by the General Assembly on scholarship awards; and that this act is immediately necessary because the Department of Higher Education must promulgate rules to implement this act well before June 1, 2011, in order to provide eligible Arkansans the opportunity to apply for the scholarship. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on: (1) The date of its approval by the Governor; (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto." Acts 2011, No. 1180, § 4: Apr. 4, 2011. Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that increasing the number of Arkansans who obtain postsecondary credentials is critical to the economic health of the state and its citizens; that the Arkansas Scholarship Lottery provides the opportunity for tens of thousands of Arkansans to obtain postsecondary education; that the deadline for scholarship applications is June 1; that the financial integrity of the Arkansas Scholarship Lottery is critical to the continued existence of the scholarships; that the reporting and research provisions of this act are critical for timely decisions by the General Assembly on scholarship awards; and that this act is immediately necessary because the Department of Higher Education must promulgate rules to implement this act well before June 1, 2011, in order to provide eligible Arkansans the opportunity to apply for the scholarship. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on: (1) The date of its approval by the Governor; (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto." Identical Acts 2014 (2nd Ex. Sess.), Nos. 4 and 8, § 3: July 3, 2014. Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that the expansion of the lottery to include multidraw screen-based lottery games goes beyond the intent of the constitutional amendment; that voters did not anticipate such multidraw screen-based lottery games to be used as a part of the scholarship lottery program; and that this act is immediately necessary to prohibit the implementation of multidraw screen-based lottery games and to ensure the integrity of the lottery as envisioned by Arkansas citizens. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on: (1) The

date of its approval by the Governor; (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto." Acts 2015, No. 218, § 34: Feb. 26, 2015. Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that the stability of the Arkansas Scholarship Lottery is critical to the success of the Arkansas Academic Challenge Scholarship Program; that changes to the operational structure of the lottery are needed to improve the creditability and function of the lottery; and that this act is immediately necessary to ensure that the transition of lottery administration is as undistruptive as possible. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on: (1) The date of its approval by the Governor; (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto." Acts 2017, No. 613, § 7: Mar. 23, 2017. Emergency clause provided: "It is found and determined by the General Assembly of the State of Arkansas that this state is in need of a more educated and skilled workforce; that the Arkansas Workforce Challenge Scholarships available under this act will allow more Arkansans to pursue higher education in order to obtain a skill or better education that will lead to employment in a high-needs occupation in Arkansas; and that this act is immediately necessary to allow the funding to be in place so that Arkansas Workforce Challenge Scholarships can be awarded to Arkansans as soon as possible. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on: (1) The date of its approval by the Governor; (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto."

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A.C.A. § 23-115-101



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23-115-101. Short title.

This chapter shall be known and may be cited as the "Arkansas Scholarship Lottery Act".

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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A.C.A. § 23-115-102

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23-115-102. Legislative intent.

It is found and declared by the General Assembly that:

- (1) Net proceeds of lotteries conducted under this chapter shall be used to:
- (A) Fund and provide for scholarships and grants to citizens of the State of Arkansas enrolled in public and private nonprofit two-year and four-year colleges and universities located within the state; and
- (B) Supplement, not supplant, nonlottery educational resources;
- (2) Lotteries shall be operated and managed in a manner that:
- (A) Provides continuing entertainment to the public;
- (B) Maximizes revenues for scholarships; and
- (C) Ensures that the lotteries are operated with integrity, dignity, and adequate internal controls and free of political influence; and
- (3) The Office of the Arkansas Lottery shall be accountable to the General Assembly and to the public through a system of audits and reports.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

Document:

A.C.A. § 23-115-103

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23-115-103. Definitions.

As used in this chapter:

(1) "Administrative expenses" means operating expenses, excluding amounts set aside for prizes, regardless of whether the prizes are claimed, and excluding amounts held as a fidelity fund under § 23-115-603;

(2) "Administrative order" means the final disposition of the Office of the Arkansas Lottery in any matter other than a claim in contract or in tort, including without limitation licensing, in which the office is required by law to make its determination after notice and a hearing;

(3)

(A) "Casino gambling" means a location or business for the purposes of conducting illegal gambling activities, including without limitation activities under § 5-66-101 et seq. that are not authorized under this chapter.

(B) "Casino gambling" does not include the sale and purchase of tickets or shares;

(4)

(A) "Compensation" means any money or anything of value received or to be received as a claim for future services, whether in the form of a retainer, fee, salary, expense, allowance, forbearance, forgiveness, interest, dividend, royalty, rent, or any other form of recompense or any combination thereof.

(B) "Compensation" includes without limitation a payment made under obligation for services or other value received.

(C) Subdivisions (4)(A) and (B) of this section do not apply to "compensation" as used in § 23-115-304;

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- (5)** "Female-owned business" means a business:
- (A)** Whose management and daily business operations are under the control of one (1) or more females; and
- (B)** Either:
- (i)** Individually owned by a female who reports as her personal income for Arkansas income tax purposes the income of the business;
- (ii)** Which is a partnership in which a majority of the ownership interest is owned by one (1) or more females who report as their personal income for Arkansas income tax purposes more than fifty percent (50%) of the income of the partnership; or
- (iii)** Which is a corporation organized under the laws of this state in which a majority of the common stock is owned by one (1) or more females who report as their personal income for Arkansas income tax purposes more than fifty percent (50%) of the distributed earnings of the corporation;
- (6)** "Fiscal impact statement" means a realistic written statement of the:
- (A)** Purpose of a proposed law or proposed amendment to a law under this chapter; and
- (B)** Estimated financial cost to the office, the lottery, and this state of implementing or complying with the proposed law or proposed rule;
- (7)** "Gift" means any payment, entertainment, advance, services, or anything of value, unless consideration of equal or greater value has been given therefor;
- (8)** "Immediate family" means the father, mother, sister, brother, husband, wife, child, grandmother, grandfather, grandchild, father-in-law, mother-in-law, sister-in-law, brother-in-law, daughter-in-law, son-in-law, stepchild, grandmother-in-law, grandfather-in-law, step-grandchild, or any individual acting as parent or guardian;
- (9)** "Incompetence" means:
- (A)** Gross ignorance of official duties;
- (B)** Gross carelessness in the discharge of official duties; or
- (C)** Inability or unfitness to discharge promptly and properly official duties because of a serious physical or mental defect that did not exist at the time of the person's appointment;
- (10)** "License" means authorization granted by the office to an individual to operate as a retailer, including without limitation the execution of a contract between the office and the individual relating to obligations and terms for operating as a retailer;
- (11)** "Lobbying" means communicating directly or soliciting others to communicate with the Director of the Office of the Arkansas Lottery, the Secretary of the Department of Finance and Administration, any employee of the office, or a member of the Legislative Council with the purpose of influencing the actions of the office or the Legislative Council;
- (12)** "Local government" means:
- (A)** A county;
- (B)** A city of the first class or a city of the second class;
- (C)** An incorporated town; or
- (D)** Any other district or political subdivision or any board, commission, or agency of the political subdivisions under subdivisions (12)(A)-(C) of this section;
- (13)**
- (A)** "Lottery" means a game of chance approved by the office and operated under this chapter.
- (B)** "Lottery" includes without limitation:
- (i)** An instant ticket;
- (ii)** A draw game;
- (iii)** Participation in a multistate or multisovereign game; and

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(iv) A raffle.

(C) "Lottery" does not include:

(i) Casino gambling;

(ii) A video lottery;

(iii) Pari-mutuel wagering on horse racing or greyhound racing governed by the Arkansas Horse Racing Law, § 23-110-101 et seq., or the Arkansas Greyhound Racing Law, § 23-111-101 et seq., whether the pari-mutuel wagering is on live racing, simulcast racing, or races conducted in the past and rebroadcast by electronic means;

(iv) Wagering on electronic games of skill under the Local Option Horse Racing and Greyhound Racing Electronic Games of Skill Act, § 23-113-101 et seq.; or

(v) Conducting or participating in charitable bingo and raffles under the Charitable Bingo and Raffles Enabling Act, § 23-114-101 et seq.;

(14) "Lottery proceeds" means all revenue derived from the sale of tickets or shares and all other moneys derived from or in connection with the operation of a lottery, including without limitation fees, offsets, reimbursements, insurance proceeds, damages, and liquidated damages collected or imposed by the office under this chapter;

(15)

(A) "Lottery Scholarship Trust Account" means the account at one (1) or more financial institutions into which the office deposits net proceeds from the state lottery.

(B) The office shall promulgate rules to determine the manner in which the net proceeds are deposited and disbursed based on what is most financially prudent;

(16)

(A) "Major procurement contract" means a contract for a gaming product or service costing more than seventy-five thousand dollars (\$75,000), including without limitation:

(i) A major advertising contract;

(ii) An annuity contract;

(iii) A prize payment agreement;

(iv) A consulting service;

(v) Lottery equipment;

(vi) Tickets; and

(vii) Any other product and service unique to lotteries.

(B) "Major procurement contract" does not include a material, supply, equipment, or service common to the ordinary operations of the office.

(C) When the cost of a proposed contract for a gaming product or service is to be paid, in whole or in part, on a contingent basis, the office shall estimate the value of the proposed contract to determine whether it is a major procurement contract;

(17) "Member of a minority" means a lawful permanent resident of this state who is:

(A) African American;

(B) Hispanic American;

(C) American Indian;

(D) Asian American; or

(E) Pacific Islander American;

(18) "Minority-owned business" means a business that is owned by:

(A) An individual who is a member of a minority who reports as his or her personal income for Arkansas income tax purposes the income of the business;

(B) A partnership in which a majority of the ownership interest is owned by one (1) or more members of a minority who report as their personal income for Arkansas income tax purposes more than fifty percent (50%) of the income of the partnership; or

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(C) A corporation organized under the laws of this state in which a majority of the common stock is owned by one (1) or more members of a minority who report as their personal income for Arkansas income tax purposes more than fifty percent (50%) of the distributed earnings of the corporation;

(19) "Multidraw screen-based lottery game" means a lottery game that:

(A) Is played in real time at regular intervals throughout a single day; and

(B) Uses a video screen or monitor to display lottery game information or lottery game results for players;

(20)

(A) "Multistate or multisovereign lottery" and "multistate or multisovereign game" mean a lottery or game:

(i) Provided by an association or group of state-operated or sovereign-operated lotteries that is:

(a) Organized for the purpose of government benefit; and

(b) Wholly owned and operated by the member lotteries under a mutual agreement, contract, or compact; and

(ii) Operated pursuant to the terms of the association's or group's rules governing the operation and the payment of prizes of the game.

(B) "Multistate or multisovereign lottery" and "multistate or multisovereign game" do not include a lottery prohibited or excluded under this chapter;

(21) "Net proceeds" means lottery proceeds less:

(A) Operating expenses;

(B) The amount of fidelity fund revenue under § 23-115-603 that exceeds five hundred thousand dollars (\$500,000);

(C) The undepreciated amount of capital assets; and

(D) Accruals that will not result in a cash outflow;

(22) "Nonlottery state educational resources" means the same as defined in § 6-85-204;

(23) "Operating expenses" means all costs of doing business, including without limitation:

(A) Prizes, commissions, and other compensation paid to retailers;

(B) Contracts for products or services necessary for the operation of the lottery, including without limitation the execution of major procurement contracts;

(C) Advertising and marketing costs;

(D) Personnel costs;

(E) Capital costs or depreciation of property and equipment;

(F) Funds for compulsive gambling education and treatment;

(G) The payment of sums to the Arkansas State Claims Commission for the reconciliation of valid claims against the office;

(H) Payments for the cost of a state and federal criminal background check;

(I) Payments to the Division of Higher Education to:

(i) Reimburse the division for the costs of administering scholarship awards funded with net proceeds; and

(ii) Replenish nonlottery state educational resources expended by the division on scholarship awards otherwise funded with net proceeds;

(J) Amounts annually transferred to a fidelity fund under § 23-115-603;

(K) Amounts paid to governmental entities for goods or services provided to the office, including without limitation services provided by Arkansas Legislative Audit, the Department of Human Services, and the Department of Finance and Administration;

(L) Withholding and payment of income taxes from lottery prizes; and

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- (M)** Management fees charged by a financial institution to manage a trust account or fund maintained by the division or the office;
- (24)** "Person" means any individual, corporation, partnership, unincorporated association, or other legal entity;
- (25)** "Prize promotion" means an action taken to enhance the play for an individual game by one (1) or more of the following:
- (A)** Funding player affinity programs to promote play of a particular instant or online game;
- (B)** Enriching the prize for an instant or online game;
- (C)** Instituting player incentives for an individual game;
- (D)** Instituting retailer commission incentives for an individual game; or
- (E)** Funding supplemental advertising expenses related to enhancing the promotion of an individual game;
- (26)**
- (A)** "Public official" means:
- (i)** The Governor;
- (ii)** The Lieutenant Governor;
- (iii)** The Secretary of State;
- (iv)** The Treasurer of State;
- (v)** The Attorney General;
- (vi)** The Commissioner of State Lands;
- (vii)** The Auditor of State; or
- (viii)** A member of the General Assembly.
- (B)** "Public official" includes an individual during the time between the date he or she is elected and the date he or she takes office;
- (27)** "Retailer" means a person who sells tickets or shares on behalf of the office under a license;
- (28)** "Share" means any intangible evidence of participation in a lottery;
- (29)** "Ticket" means any tangible evidence issued by a lottery to provide participation in a lottery;
- (30)**
- (A)** "Unclaimed lottery prize money" means a lottery prize expense on the financial books of the office that is released from the expense category when a lottery prize is not claimed within the required claim period for the game during a fiscal year.
- (B)** With respect to a multistate or multisoovereign game, "unclaimed lottery prize money":
- (i)** Includes any unclaimed prize money returned to the office from a multistate or multisovereign game; and
- (ii)** Does not include unclaimed prize money from a multistate or multisovereign game that under the agreement of the states participating in the multistate or multisovereign game is not returned to the participating states but is applied under the terms of the agreement;
- (31)**
- (A)** "Vendor" means a person who provides or proposes to provide goods or services to the office under a major procurement contract.
- (B)** "Vendor" does not include:
- (i)** An employee of the office;
- (ii)** A retailer; or
- (iii)** A state agency or instrumentality.
- (C)** "Vendor" includes a corporation whose stock is publicly traded and that is the parent company of the contracting party in a major procurement contract;

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(32) "Video lottery" means a lottery game that allows a game to be played using an electronic computer and an interactive computer terminal device:

(A) That is equipped with a video screen and keys and a keyboard or other equipment allowing input by an individual player;

(B) Into which the player inserts coins, currency, vouchers, or tokens as consideration in order for play to be available; and

(C) Through which the player may receive free games, coins, tokens, or credits that may be redeemed for cash, annuitized payments over time, a noncash prize, or nothing, as may be determined wholly or predominantly by chance; and

(33) "Super retailer" means a person that sells tickets or shares on behalf of the office under a license and has been authorized by the office to cash winning tickets up to the threshold for federal tax withholding on gambling winnings.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 27; 2010, No. 265, §§ 20-23; 2010, No. 294, §§ 20-23; 2011, No. 20, § 1; 2011, No. 207, § 20; 2011, No. 1173, § 1; 2011, No. 1180, § 2; 2014 (2nd Ex. Sess.), No. 4, § 1; 2014 (2nd Ex. Sess.) No. 8, § 1; 2015, No. 218, § 25; 2015, No. 1258, § 20; 2017, No. 613, § 4; 2019, No. 682, § 1; 2019, No. 910, §§ 2350-2353; 2021, No. 636, § 4.

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23-115-104. [Repealed.]

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23-115-105. Data sharing with Department of Human Services.

The Office of the Arkansas Lottery and the Arkansas Racing Commission shall enter into a data matching agreement with the Department of Human Services for purposes under §§ 20-76-215 and 20-77-2104.

History

Acts 2021, No. 780, § 5.

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23-115-201. Office of the Arkansas Lottery — Creation — Venue.

- (a) There is created within the Management Services Division of the Department of Finance and Administration the Office of the Arkansas Lottery to establish and oversee the operation of one (1) or more lotteries under this chapter.
- (b) The office is a self-supporting and revenue-raising agency of the state.
- (c) The office shall reimburse other governmental entities that provide goods or services to the office.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-202, 23-115-203. [Repealed.]

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23-115-204. [Repealed.]

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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

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- (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.

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(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.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 28; 2010, No. 265, § 24; 2010, No. 294, § 24; 2011, No. 207, § 21; 2015, No. 218, § 25; 2019, No. 910, § 2355.

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23-115-206. Internal controls — Annual audit.

- (a)** To ensure the financial integrity of lotteries, the Office of the Arkansas Lottery shall:
- (1)** Establish and maintain effective internal controls over financial reporting, including the monitoring of ongoing activities, and comply with the Arkansas Constitution and applicable laws, rules, contracts, agreements, and grants;
 - (2)**
 - (A)** Establish and maintain effective internal controls to prevent and detect fraud, including without limitation a system of internal audits.
 - (B)** The Director of the Office of the Arkansas Lottery shall:
 - (i)** By July 1, 2015, approve a formal, written three-year audit plan; and
 - (ii)** Annually review the audit plan.
 - (C)** The director shall review and take action to approve or reject a recommendation from the internal auditor to amend the audit plan;
 - (3)** Include in any contract or license with a vendor or retailer for data processing services or other computer services a provision permitting Arkansas Legislative Audit to have access and authority to audit the computer systems of the vendor or retailer;
 - (4)** Notify Arkansas Legislative Audit of all known fraud or suspected fraud or all known or suspected illegal acts involving management or other employees of the office or others with whom the office contracts;
 - (5)** Inform Arkansas Legislative Audit and the Chief Fiscal Officer of the State of any known material violations of the Arkansas Constitution, applicable statutes, rules, contracts, agreements, or grants;

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(6) Prepare the financial statements, including the related notes to the financial statements, of the office in accordance with generally accepted accounting principles and in accordance with guidelines and timelines established by the Chief Fiscal Officer of the State to permit incorporation into the state's financial statements and to permit the audit of the state's financial statements and the office's financial statements in a timely manner;

(7) Make all financial records and related information available to Arkansas Legislative Audit, including the identification of significant vendor relationships in which the vendor has the responsibility for program compliance, in accordance with §§ 10-4-416 and 10-4-424;

(8)

(A) Submit monthly reports to the Governor and the Legislative Council disclosing the following budgeted and actual information for the reporting period and cumulatively for the fiscal year:

(i) Total lottery revenues;

(ii) Prize disbursements;

(iii) Operating expenses;

(iv) Net assets; and

(v) Administrative expenses.

(B) The director shall submit an annual comprehensive financial report to the Governor and to the Legislative Council by placing the report on the office's website and providing notice of its availability to the Governor and to the Legislative Council.

(C)

(i) The annual comprehensive financial report shall comply with Governmental Accounting Standards Board Statement 34 and follow the guidelines of the Certificate of Achievement for Excellence in Financial Reporting Program of the Government Finance Officers Association.

(ii) The Legislative Council shall identify the statistical data required for compliance with this subdivision (a)(8)(C).

(D) The annual comprehensive financial report shall include without limitation:

(i) Information concerning the director;

(ii) A current organizational chart;

(iii) Information on each type of lottery game offered by the Arkansas Scholarship Lottery, game promotions, or other activities related to games during the fiscal year;

(iv) The annual financial audit report made to the Legislative Joint Auditing Committee;

(v) A statement of revenue, expenses, and changes in net assets for each fiscal year since inception of the Arkansas Scholarship Lottery;

(vi) Separate reports from each component or department of the office or the Arkansas Scholarship Lottery, including without limitation sales, marketing, retailers, gaming operations, players, and security;

(vii) A fiscal year-end report on any information required to be reported by the office on a monthly basis, including without limitation:

(a) Unclaimed lottery prize money under § 23-115-403;

(b) The Scholarship Shortfall Reserve Trust Account under § 23-115-802; and

(c) Minority-owned business and female-owned business participation under § 23-115-401;

(viii) Information concerning the Arkansas Scholarship Lottery's industry standings or rankings;

(ix) Information concerning the scholarships awarded from net lottery proceeds, including without limitation:

(a) Demographic reports from the Division of Higher Education for each full semester during the fiscal year on accessibility to scholarships, award amounts for each approved institution of

higher education; and

(b) The division's report to the Legislative Council required by § 6-85-219;

(x) [Repealed.]

(xi) Where to find information on gambling disorder treatment and education programs;

(xii) Where to find website information on rules, gaming, and frequently asked questions; and

(xiii) Contact information for the Arkansas Scholarship Lottery and key employees of the office;

(9) Maintain weekly or more frequent records of lottery transactions, including without limitation:

(A) The distribution of tickets or shares to retailers;

(B) Revenues received;

(C) Claims for lottery prizes;

(D) Lottery prizes paid;

(E) Lottery prizes forfeited; and

(F) Other financial transactions of the office;

(10)

(A) Submit to the cochairs of the Legislative Council by April 30 of each year the estimated annual operating budget for the office for the next fiscal year.

(B) At a minimum, the estimated annual operating budget submitted for the Legislative Council's review shall:

(i) Contain an estimate of the net proceeds to be available for scholarships and grants during the succeeding fiscal year;

(ii) Compare the:

(a) Actual revenues and expenditures for the last completed fiscal year;

(b) Budgeted revenues and expenditures for the current fiscal year; and

(c) Estimated revenues and expenditures for the next fiscal year;

(iii) Contain an explanation of increases or decreases in revenues and expenditures shown in the estimated annual operating budget for the next fiscal year compared to the budgeted revenues and expenditures for the current fiscal year;

(iv) Classify all revenues and expenditures by specific purpose instead of "miscellaneous" or "other";

(v) Contain a schedule of the total amounts of regular salaries, extra help compensation, overtime compensation, and personal services matching as defined in § 19-4-521; and

(vi) For each position title authorized under §§ 23-115-305 — 23-115-307, contain a schedule of the annual salary, special allowance, or grade and include:

(a) The total number of persons currently employed;

(b) The number of Caucasian male employees;

(c) The number of Caucasian female employees;

(d) The total number of Caucasian employees;

(e) The number of African-American male employees;

(f) The number of African-American female employees;

(g) The number of other employees who are members of racial minorities; and

(h) The total number of minorities currently employed; and

(11) Adopt the same fiscal year as that used by state government.

(b)

(1)

(A) Arkansas Legislative Audit shall annually audit the office.

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(B) Arkansas Legislative Audit may conduct an investigation or audit or prepare special reports regarding the office or related entities, scholarships, grants, vendors, retailers, or any other transactions or relationships connected or associated with the office or its operations, duties, or functions upon the approval of the Legislative Joint Auditing Committee.

(2) The office shall reimburse Arkansas Legislative Audit at an hourly rate set by the Legislative Joint Auditing Committee for work performed by Arkansas Legislative Audit relating to any audit, investigation, or special report regarding the office and related entities, scholarships, grants, vendors, retailers, or other related matters.

(3)

(A) If the office, the General Assembly, the Legislative Council, or the Legislative Joint Auditing Committee requests additional audits or performance reviews of the fiscal affairs or operations of the office to be conducted by a private certified public accountant or other consultant, the Secretary of the Department of Finance and Administration shall select and contract with appropriate certified public accountants or consultants to provide the services.

(B) The secretary shall contract for the services which shall be paid directly to the contractor by the office.

(C) A copy of any report or management correspondence prepared by the certified public accountants or consultants shall be forwarded to Arkansas Legislative Audit, the secretary, and the Legislative Council.

(4) This chapter does not limit the statutory authority of Arkansas Legislative Audit or the responsibilities of the office or related entities, employees, vendors, retailers, or any other individuals or entities to cooperate with Arkansas Legislative Audit or provide information or records requested by Arkansas Legislative Audit.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2011, No. 207, §§ 22, 23; 2011, No. 1057, §§ 1, 2; 2015, No. 218, § 25; 2015, No. 1258, § 23; 2019, No. 910, §§ 3533, 3534; 2023, No. 88, § 4; 2023, No. 365, §§ 74, 75.

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23-115-207. Rulemaking.

(a) The Office of the Arkansas Lottery may adopt rules regulating the conduct of lotteries in general, including without limitation rules specifying:

(1) The types of lotteries to be conducted;

(2)

(A) The sale price of tickets or shares and the manner and method of sale.

(B) [Repealed.]

(3) The number and amount of prizes;

(4) The method and location of selecting or validating winning tickets or shares;

(5) The manner and time of payment of prizes, including without limitation lump-sum payments or installments over a period of years;

(6)

(A) The manner of payment of prizes to the holders of winning tickets or shares.

(B) Winners of five hundred dollars (\$500) or less may claim prizes from any of the following:

(i) A retailer; or

(ii) The office.

(C) Winners of more than five hundred dollars (\$500) but a dollar amount less than the threshold for federal tax withholding on gambling winnings may claim prizes from:

(i) The office; or

(ii) A super retailer.

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(D)

(i) Winners of a dollar amount that exceeds the threshold for federal tax withholding on gambling winnings shall claim prizes from the office.

(ii) The office may establish claim centers throughout the state;

(7) The frequency of lotteries and drawings or selection of winning tickets or shares;

(8) The means of conducting drawings;

(9)

(A) The method to be used in selling tickets or shares.

(B) The selling of tickets or shares may include the use of electronic or mechanical devices.

(C) If the office elects to use electronic or mechanical devices to sell tickets or shares, the office shall provide by rule:

(i) Specifications and required features for electronic or mechanical devices that may be used to sell tickets or shares; and

(ii) Procedures and requirements to prevent the use of electronic or mechanical devices by an individual under eighteen (18) years of age.

(D) A retailer who knowingly allows a person under eighteen (18) years of age to purchase a lottery ticket from an electronic or mechanical device is subject to the penalties under § 23-115-901.

(E) The office shall publish a notice on the office's public website that provides the location, including without limitation the street address, of each self-service lottery ticket vending machine in operation in this state;

(10) The manner and amount of compensation to retailers; and

(11) Any other matters necessary, desirable, or convenient toward ensuring the efficient and effective operation of lotteries, the continued entertainment and convenience of the public, and the integrity of the lotteries.

(b) The office may adopt rules requiring the publication on a ticket or share of the odds of winning a particular lottery game.

(c)**(1)**

(A) Except as provided in subdivision (c)(1)(B) of this section, the promulgation of rules under this chapter shall comply with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(B) The office is not required to file rules under § 10-3-309.

(2)

(A) The promulgation of rules by the office is exempt from § 10-3-309.

(B) The office shall file its rules with the Legislative Council for review and approval at least thirty (30) days before the expiration of the public comment period.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2011, No. 1192, § 1; 2015, No. 218, § 25; 2015, No. 1258, § 24; 2017, No. 876, § 1; 2019, No. 682, § 2.

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23-115-208. Sovereign immunity.

(a) This chapter does not waive the sovereign immunity of the State of Arkansas.

(b)

(1) A claim in contract or in tort against the Office of the Arkansas Lottery or its employees shall be presented to the office.

(2) The office shall promulgate rules concerning the consideration of claims in contract or in tort presented to the office, including without limitation rules concerning the conduct of hearings on claims in contract or in tort.

(c)

(1) A claimant may appeal the decision of the office under subsection (b) of this section to the Arkansas State Claims Commission.

(2) The claimant may:

(A) Within forty (40) days after the decision is rendered, file with the commission a notice of appeal of the decision of the office;

(B) Within forty (40) days after the decision is rendered, file with the office a motion for reconsideration requesting the office to reconsider its decision; and

(C) Within twenty (20) days after the office's reconsideration or denial of the motion for reconsideration, file with the commission a notice of appeal of the decision of the office.

(3) When the office notifies parties of a decision of the office, it shall advise the parties of the right of appeal.

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(d)

(1)

(A) Except as provided in subdivisions (d)(2)-(4) of this section, appeals of claims in contract or in tort against the office or its employees shall be conducted by the commission in the same manner as a claim under § 19-10-201 et seq.

(B) The commission shall consider an appeal de novo.

(2) A decision of the commission relating to a claim in contract or in tort against the office or its employees shall not be appealed to the General Assembly.

(3)

(A) A valid claim in any amount against the office shall not be referred to the General Assembly for an appropriation.

(B) The Clerk of the Arkansas State Claims Commission shall notify the office of the amount of the valid claim.

(C) Upon receipt of notification from the clerk, the office shall deliver a check to the clerk, who shall deposit the sum as a nonrevenue receipt into the Miscellaneous Revolving Fund from which he or she shall disburse the amount of the claim to the claimant.

(4) Written reports under § 19-10-212 shall be filed with the Legislative Council.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25; 2015, No. 1258, § 25.

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23-115-209. Appealing administrative orders of Office of the Arkansas Lottery.

(a) A retailer, a vendor, or an applicant for a contract or a retailer license aggrieved by an administrative order of the Office of the Arkansas Lottery may appeal that decision to Pulaski County Circuit Court.

(b) The circuit court shall hear appeals from administrative orders of the office, and based upon the record of the proceedings before the office, may reverse the administrative order of the office only if the person appealing the administrative order proves the administrative order to be:

- (1)** Clearly erroneous;
 - (2)** Procured by fraud;
 - (3)** A result of substantial misconduct by the office; or
 - (4)** Contrary to the United States Constitution, the Arkansas Constitution, or this chapter.
- (c)** The circuit court may remand an appeal to the office to conduct further hearings.

(d)

(1) A person who appeals the award of a contract, including without limitation a major procurement contract, is liable for all costs of appeal and defense if the appeal is denied or the contract award upheld.

(2) If upon the motion of the office the circuit court finds the appeal to have been frivolous, the cost of appeal and defense shall include without limitation the following expenses of the office resulting from institution of the appeal:

- (A)** Court costs;
- (B)** Bond;

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(C) Legal fees; and

(D) Loss of income.

(3) A person appealing the award of a contract may be entitled to the reasonable costs incurred in connection with the contract solicitation, including without limitation bid preparation costs.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, §§ 29, 30; 2015, No. 218, § 25.

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23-115-210. [Repealed.]

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23-115-211. Certain sections inapplicable.

In addition to any provision of law expressly exempting the Office of the Arkansas Lottery, the following sections shall not apply to the office:

- (1) Section 19-1-301 et seq.;
- (2) Section 19-4-1802;
- (3) Section 19-5-206;
- (4) Section 22-9-103;
- (5) Section 22-9-104; and
- (6) Section 25-27-104.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 31; 2010, No. 265, § 25; 2010, No. 294, § 25; 2015, No. 218, § 25.

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23-115-212. Duties and responsibilities of internal auditor.

- (a)** The internal auditor employed by the Office of the Arkansas Lottery shall report directly to the Secretary of the Department of Finance and Administration.
- (b)** The secretary shall determine the duties and responsibilities of the internal auditor that:
- (1)** Assist the office in the office's obligations under § 23-115-206; and
 - (2)** Are consistent with the suggested standards for the professional practice of internal auditing as adopted by the Institute of Internal Auditors, including without limitation:
 - (A)** Preparing a formal written three-year audit plan and presenting it to the secretary for the secretary's approval;
 - (B)** Conducting ongoing reviews of the internal procedures, records, and operating procedures of the office and the lotteries to:
 - (i)** Verify compliance with established policies, procedures, and control systems;
 - (ii)** Assure compliance with regulatory and statutory conditions; and
 - (iii)** Assure adherence to generally accepted accounting principles; and
 - (C)** Advising the secretary of inconsistencies within or improvements needed to the internal controls, operating procedures, or accounting procedures of the office or the lotteries.
- (c)**
- (1)** The internal auditor shall report to the Legislative Council one (1) time per month to:
 - (A)** Advise the Legislative Council concerning current issues and problems reported to the secretary under subsection (b) of this section; and
 - (B)** Update the Legislative Council concerning the resolution of any audit findings of Arkansas Legislative Audit.

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(2) The internal auditor is not required to file a report but shall include a statement in the monthly report of the office if:

(A) There are no current issues or problems reported to the office; and

(B) The office and Arkansas Legislative Audit agree that all audit findings are resolved.

History

Acts 2011, No. 207, § 24; 2015, No. 218, § 25; 2015, No. 1258, § 26; 2019, No. 910, §§ 3535-3539.

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23-115-301. Director — Appointment — Duties.**(a)****(1)**

(A) The Governor shall appoint the Director of the Office of the Arkansas Lottery.

(B) The director is an employee of the Office of the Arkansas Lottery and shall direct the day-to-day operations and management of the office.

(2) The director is vested with powers and duties as specified by law.

(3) The director serves at the pleasure of the Governor.

(b)

(1) An individual considered for appointment as director shall apply to the Identification Bureau of the Division of Arkansas State Police for a state and federal criminal background check to be conducted by the Identification Bureau of the Division of Arkansas State Police and the Federal Bureau of Investigation.

(2) The state and federal criminal background check shall conform to the applicable federal standards and shall include the taking of fingerprints.

(3) The applicant shall sign a consent to the release of information for the state and federal criminal background check.

(4) The office shall be responsible for the payment of any fee associated with the state and federal criminal background check.

(5) Upon completion of the state and federal criminal background check, the Identification Bureau of the Division of Arkansas State Police shall forward to the Governor and the office all releasable information obtained concerning the applicant.

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(c) The Governor shall not appoint as director an individual who has:

- (1)** Been convicted of a felony or a gambling offense in a state or federal court of the United States;
- (2)** Been convicted of a crime involving moral turpitude; or
- (3)** Entered into a plea agreement to avoid felony prosecution.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-302. Duties of director.

(a) The Director of the Office of the Arkansas Lottery shall direct and supervise all administrative and technical activities related to the operation of a lottery in accordance with this chapter and with rules adopted by the Office of the Arkansas Lottery.

(b) The Director of the Office of the Arkansas Lottery shall:

(1) Facilitate the initiation and supervise and administer the operation of the lotteries;

(2) Direct personnel as deemed necessary;

(3) Employ and compensate persons and firms as deemed necessary;

(4) Appoint, select, and employ officers, agents, and employees, including professional and administrative staff and personnel and hearing officers, and fix their compensation and pay their expenses as authorized by Arkansas law;

(5) Promote or provide for the promotion of lotteries and any functions related to the operation of a lottery;

(6)

(A) Prepare a budget of the office with the information and in the form and manner required by the Chief Fiscal Officer of the State.

(B) The budget shall be presented to the Legislative Council before each regular session for pre-session budget meetings with Joint Budget Committee members attending under § 10-3-507;

(7) Require bond from retailers and vendors in amounts as required by the office;

(8) Report monthly to the office and the Legislative Council a complete statement of lottery revenues and expenses for the preceding month and an accompanying statement of net assets;

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- (9)** Annually by November 15, report to the Legislative Council the following:
- (A)** For the immediately preceding fiscal year:
- (i)** The total amount of net proceeds from the state lottery; and
- (ii)** The amounts deposited into and disbursed from the Scholarship Shortfall Reserve Trust Account under § 23-115-802; and
- (B)** The office's projection for net proceeds from the state lottery for the current fiscal year; and
- (10)** Perform other duties generally associated with a director of an organization of an entrepreneurial nature.
- (c)** The Director of the Office of the Arkansas Lottery may for good cause suspend, revoke, or refuse to renew any contract or license entered into in accordance with this chapter and the rules of the office.
- (d)** The Director of the Office of the Arkansas Lottery or his or her designee may conduct hearings and administer oaths to persons to assure the security and integrity of lottery operations or to determine the qualifications of or compliance by vendors and retailers.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2010, No. 265, § 26; 2010, No. 294, § 26; 2011, No. 207, § 25; 2015, No. 218, § 25; 2015, No. 1258, § 27.

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23-115-303. Employees — Background investigation.

(a) As required by Arkansas Constitution, Article 16, § 4, the General Assembly shall fix the salaries of all employees of the Office of the Arkansas Lottery, including without limitation the Director of the Office of the Arkansas Lottery.

(b) An office employee shall not have a financial interest in a vendor doing business or proposing to do business with the office.

(c) An office employee with decisionmaking authority shall not participate in a decision involving a retailer with whom the office employee has a financial interest.

(d)

(1) An office employee who leaves the employment of the office shall not:

(A) Represent a vendor or retailer before the office for a period of two (2) years after leaving the employment of the office; or

(B) Engage in lobbying on any matter related to the operation or conduct of a lottery for a period of two (2) years after leaving the employment of the office.

(2)

(A) Subdivision (d)(1) of this section is supplemental to § 19-11-701 et seq.

(B) If any provision of § 19-11-701 et seq. would impose a restriction on a specific employee greater than the restrictions under subdivision (d)(1) of this section, the provision of § 19-11-701 et seq. shall apply.

(e)

(1) Each person considered for employment by the office shall apply to the Identification Bureau of the Division of Arkansas State Police for a state and federal criminal background

check to be conducted by the Identification Bureau of the Division of Arkansas State Police and the Federal Bureau of Investigation.

(2) The state and federal criminal background check shall conform to the applicable federal standards and shall include the taking of fingerprints.

(3) The applicant shall sign a consent to the release of information for the state and federal criminal background check.

(4) The office shall be responsible for the payment of any fee associated with the state and federal criminal background check.

(5) Upon completion of the state and federal criminal background check, the Identification Bureau of the Division of Arkansas State Police shall forward to the office all releasable information obtained concerning the applicant.

(f) The office shall not employ an individual who has:

(1) Been convicted of a felony or a gambling offense in a state or federal court of the United States;

(2) Been convicted of a crime involving moral turpitude; or

(3) Entered into a plea agreement to avoid felony prosecution.

(g)

(1) The office shall bond an office employee with access to office funds or lottery revenue in an amount as provided by the office and may bond other office employees as deemed necessary.

(2) Bonds under subdivision (g)(1) of this section shall be fidelity bonds in excess of the amount provided by the Governmental Bonding Board.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-304. Office of the Arkansas Lottery employees — Participation in Arkansas Public Employees' Retirement System.

(a) Employees of the Office of the Arkansas Lottery shall be members of the Arkansas Public Employees' Retirement System.

(b) An office employee's compensation for retirement purposes includes the base salary of the employee under § 23-115-305 and any special salary allowances under § 23-115-306.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2011, No. 20, § 2; 2011, No. 207, § 26; 2013, No. 1173, § 15; 2015, No. 218, § 25; 2017, No. 693, § 1.

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23-115-305. Regular salaries.

There are established for the Office of the Arkansas Lottery the following titles and grades for each position. The salary for the positions assigned to grades shall be determined in accordance with the pay level for the grade assigned in this section, as established in § 21-5-209.

[Click here to view table.](#)

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 32; 2015, No. 218, § 25; 2017, No. 693, § 2.

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Class Code	Title	No. of Employees	Grade
U128U	OAL DIRECTOR	1	SE-4
G056N	OAL GAMING DIRECTOR	1	SE-4
A024N	OAL INTERNAL AUDITOR	1	SE-1
D029N	OAL DEPUTY IT GAMING DIRECTOR	1	IT08
D113C	OAL SR. DATABASE ADMINISTRATOR	1	IT07
D112C	OAL NETWORK ENGINEER	1	IT07
D110C	OAL QA SYSTEMS ANALYST	1	IT07
D111C	OAL IT SECURITY ANALYST	1	IT06
D119C	OAL LEAD COMPUTER OPERATOR	1	IT04
D108C	OAL APPLICATION SUPP SPECIALIST	1	IT02
D107C	OAL COMPUTER OPERATOR	2	IT01
G051N	OAL SALES DIRECTOR	1	GS15
G050N	OAL CHIEF LEGAL COUNSEL	1	GS15
A016N	OAL CHIEF FISCAL OFFICER	1	GS15
G057N	OAL DIR SECURITY & COMPLIANCE	1	GS14
G047N	OAL MARKETING & ADVERTISING DIR	1	GS14
G046N	OAL SALES TRNG & RETAIL COORD	1	GS13
G059N	OAL SECURITY DEPUTY DIR	1	GS12
A015N	OAL TREASURER	1	GS12
A014N	OAL CONTROLLER	1	GS12
G058N	OAL KEY CHAIN ACCOUNT MANAGER	1	GS11
G044N	OAL REGIONAL SALES MANAGER	2	GS11
A025N	OAL FINANCIAL ANALYST	1	GS10
G060N	OAL PRODUCT MANAGER	2	GS10
C106C	OAL OFFICE COORDINATOR	1	GS08
A026N	OAL AUDITOR	2	GS08
A120C	OAL ACCOUNTANT	4	GS08
A123C	OAL COLLECTIONS SPECIALIST	1	GS08
X211C	OAL SENIOR SECURITY SPECIALIST	1	GS08
X208C	OAL CLAIMS CENTER MANAGER	1	GS07
P069C	OAL GRAPHIC SPECIALIST	1	GS07
G260C	OAL MARKETING SALES REP	20	GS07
P072C	OAL PUBLICATION SPECIALIST	1	GS07
P070C	OAL OFFICE CAMPAIGN COORDINATOR	1	GS07
X210C	OAL LICENSING MANAGER	1	GS07
A122C	OAL FISCAL SPECIALIST	1	GS06
G261C	OAL DRAW MANAGER	2	GS06
X209C	OAL SECURITY SPECIALIST	1	GS06
X213C	OAL LICENSING SPECIALIST	3	GS05
X212C	OAL SECURITY SUPPORT SPECIALIST	1	GS04
X214C	OAL CLAIMS ASSISTANT	2	GS04
C105C	OAL RECEPTIONIST	1	GS03
	TOTAL NO. OF POSITIONS:	72	

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23-115-401. Minority-owned businesses and female-owned businesses.

- (a)** It is the intent of the General Assembly that the Office of the Arkansas Lottery encourage participation by minority-owned businesses and female-owned businesses in one (1) or more of the lotteries under this chapter.
- (b)** The office shall adopt a plan that encourages to the greatest extent possible a level of participation in the lotteries by minority-owned businesses and female-owned businesses and takes into account the total number of all retailers and vendors that may participate, including any subcontractors.
- (c)** The office shall provide training programs and other educational activities to encourage minority-owned businesses and female-owned businesses to compete for contracts on an equal basis.
- (d)** The office shall employ staff to develop and implement the plans and programs under subsections (b) and (c) of this section and to assist prospective vendors and retailers in entering into and competing for contracts.
- (e)** The office shall monitor the results of minority-owned business and female-owned business participation and shall report the results of minority-owned business and female-owned business participation to the Governor and the Legislative Council on at least an annual basis.

History

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Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 35; 2015, No. 218, § 25;
2015, No. 1258, § 30.

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23-115-402. Restriction on sales — Definition.**(a)**

(1) Unless authorized to do so in writing by the Director of the Office of the Arkansas Lottery, a person shall not sell a ticket or share at a price other than the price established by the Office of the Arkansas Lottery.

(2)

(A) Only a retailer holding a valid certificate of authority from the office shall sell a ticket.

(B) This subsection does not prevent an individual who may lawfully purchase a ticket or share from making a gift of the ticket or share to another individual.

(b) This chapter does not prohibit the office from designating certain of its agents and employees to sell or give tickets or shares directly to the public.

(c) Subject to prior approval by the office, retailers may give away tickets or shares as a means of promoting goods or services to customers or prospective customers.

(d) A retailer shall not sell a ticket or share except from the locations evidenced by the retailer's license issued by the office unless the office authorizes in writing any temporary location not listed in the retailer's license.

(e)

(1) A ticket or share shall not be sold or given to an individual under eighteen (18) years of age.

(2) An individual under eighteen (18) years of age is not eligible to win a lottery prize.

(f) An individual is not eligible to win a lottery prize while the individual is incarcerated in:

(1) The Division of Correction;

(2) The Division of Community Correction; or

(3) A county or municipal jail or detention facility.

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(g)

(1) A ticket or share shall not be sold by use of in-store credit, credit cards, charge cards, checks, or any form of deferred payment.

(2)

(A) A retailer may choose whether to accept as a form of payment:

(i) Cash; or

(ii) Noncash, noncredit methods of payment, including without limitation debit cards or other electronic transfer of funds of the consumer to the retailer.

(B) A retailer that chooses to accept noncash, noncredit methods of payment is responsible for any costs, fees, or charge-backs that may be incurred with the noncash, noncredit transaction.

(3) As used in this subsection, "debit card" means any card issued by a financial institution to a consumer for use in initiating an electronic fund transfer from the account of the consumer at the financial institution for the purpose of transferring money between accounts or obtaining money, property, labor, or services.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25; 2017, No. 876, § 2; 2019, No. 910, § 1018.

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23-115-403. Attachments, garnishments, or executions withheld from lottery prizes — Validity of tickets or shares — Lottery prize restrictions — Unclaimed lottery prizes.

(a) Proceeds of a lottery prize are subject to Arkansas state income tax.

(b)

(1) Except as otherwise provided in this chapter, attachments, garnishments, or executions served upon the Office of the Arkansas Lottery that are authorized and issued under Arkansas law shall be honored if timely served upon the office.

(2) Subdivision (b)(1) of this section does not apply to a retailer.

(c)

(1)

(A) The office shall adopt rules to establish a system of verifying the validity of tickets or shares claimed to win lottery prizes and to effect payment of lottery prizes.

(B) A lottery prize, any portion of a lottery prize, or any right of any individual to a lottery prize is not assignable.

(C)

(i) A lottery prize or any portion of a lottery prize remaining unpaid at the death of a lottery prize winner shall be paid to the estate of the deceased lottery prize winner or to the trustee of a trust established by the deceased lottery prize winner as settlor if:

(a) A copy of the trust document or instrument has been filed with the office along with a notarized letter of direction from the settlor; and

(b) A written notice of revocation has not been received by the office before the settlor's death.

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(ii) Following a settlor's death and before any payment to a successor trustee, the office shall obtain from the trustee a written agreement to indemnify and hold the office harmless with respect to any claims that may be asserted against the office arising from payment to or through the trust.

(D) Under an appropriate judicial order, an individual shall be paid the lottery prize to which a winner is entitled.

(2) A lottery prize shall not be paid for a claim ticket that is:

(A) Stolen, counterfeit, altered, fraudulent, unissued, produced or issued in error, unreadable, not received, or not recorded by the office within applicable deadlines;

(B) Lacking in captions that conform and agree with the play symbols as appropriate to the particular lottery involved; or

(C) Not in compliance with rules and public or confidential validation and security tests of the office appropriate to the particular lottery involved.

(3)

(A) A particular lottery prize in any lottery shall not be paid more than one (1) time.

(B) If there is a determination that more than one (1) claimant is entitled to a particular lottery prize, the sole remedy of the claimants is the award to each of them of an equal share in the lottery prize.

(4)

(A) Within one hundred eighty (180) days after the drawing in which a cash lottery prize has been won, a holder of a winning cash ticket or share from an Arkansas lottery or from a multistate or multisoovereign lottery shall claim the cash lottery prize.

(B)

(i) In an Arkansas lottery in which a player may determine instantly if he or she has won or lost, a player who has won shall claim a cash lottery prize within ninety (90) days after the playing of the instant game.

(ii) In any multistate or multisovereign lottery in which a player may determine instantly if he or she has won or lost, a player who has won shall claim a cash lottery prize within one hundred eighty (180) days after the playing of the instant game.

(C) If a valid claim is not made for a cash lottery prize within the applicable period, the cash lottery prize constitutes an unclaimed lottery prize for purposes of this section.

(D) The office at any time may alter the time periods under subdivisions (c)(4)(A) and (B) of this section by rule.

(5) If practicable, an auditor chosen by the office shall be present at a draw to determine the winners of a draw game to verify the accuracy of the results.

(d)

(1) A lottery prize shall not be paid upon a ticket or share purchased or sold in violation of this chapter.

(2) A lottery prize described in subdivision (d)(1) of this section is an unclaimed lottery prize for purposes of this section.

(e) The office is discharged of all liability upon payment of a lottery prize.

(f)

(1) The office shall not pay a lottery prize that exceeds the amount of five hundred dollars (\$500) to any:

(A) Employee of the office; or

(B) Member of the immediate family of an employee of the office living in the same household as the employee.

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(2) If an officer, employee, agent, or subcontractor of a vendor has access to confidential information that may compromise the integrity of a lottery, a ticket or share shall not be purchased by and a lottery prize shall not be paid to:

(A) The officer, employee, agent, or subcontractor of the vendor; or

(B) A member of the immediate family of the officer, employee, agent, or subcontractor of the vendor.

(g)

(1) During a fiscal year, the office may expend up to two million five hundred thousand dollars (\$2,500,000) of unclaimed lottery prize money for one (1) or more of the following:

(A) Increasing the pool from which future lottery prizes are to be awarded;

(B) Maintaining online game reserves at a fiscally sound level; or

(C) Prize promotion.

(2) On the last day of each fiscal year, the office shall deposit into the trust account for net lottery proceeds the amount of unclaimed lottery prize money existing at the end of the fiscal year less one million dollars (\$1,000,000).

(3) The office shall include in its monthly reports to the Legislative Council the following monthly and year-to-date amounts:

(A) Unclaimed lottery prize money;

(B) Expenditures from unclaimed lottery prize money; and

(C) Deposits to net lottery proceeds from unclaimed lottery prize money.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 36; 2010, No. 265, § 28; 2010, No. 294, § 28; 2011, No. 207, § 27; 2011, No. 1180, § 3; 2015, No. 218, § 25; 2015, No. 1258, § 31.

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23-115-404. Confidential information — Definition.**(a)**

(1) Except as otherwise provided in this subsection, the Office of the Arkansas Lottery shall comply with the Freedom of Information Act of 1967, § 25-19-101 et seq.

(2) The following records or information shall be treated as confidential and are exempt from public disclosure under the Freedom of Information Act of 1967, § 25-19-101 et seq.:

(A) Information pertaining to the security of lottery games and lottery operations, including without limitation:

(i) Security measures, systems, or procedures; and

(ii) Security reports; and

(B) Any records exempt from disclosure under the Freedom of Information Act of 1967, § 25-19-101 et seq.

(3)

(A) Except as provided under subdivision (a)(3)(B) of this section, if a lottery winner who wins more than five hundred thousand dollars (\$500,000) requests that his or her records or information filed with the Office of the Arkansas Lottery remain confidential, the records or information filed with the Office of the Arkansas Lottery shall be treated as confidential and are exempt from public disclosure under the Freedom of Information Act of 1967, § 25-19-101 et seq.

(B)

(i) However, the records or information of a lottery winner shall remain confidential under subdivision (a)(3)(A) of this section for only six (6) months if the lottery winner is an elected official or an individual who is related in the second degree of consanguinity to an elected official.

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(ii) As used in subdivision (a)(3)(B)(i) of this section, "elected official" means a person who holds an elected office of a governmental body, whether elected or appointed to the office.

(C) Records or information filed with the Office of the Arkansas Lottery and treated as confidential under subdivision (a)(3)(A) of this section shall become public after three (3) years.

(b) Arkansas Legislative Audit shall have full access to the records of the Office of the Arkansas Lottery.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 37; 2015, No. 218, § 25; 2021, No. 889, § 1.

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23-115-405. Intelligence sharing, reciprocal use, or restricted use agreements.

- (a)** The Office of the Arkansas Lottery may enter into an intelligence sharing, reciprocal use, or restricted use agreement with the United States Government, law enforcement agencies, lottery regulation agencies, and gaming enforcement agencies of other jurisdictions that provide for and regulate the use of information provided and received under the agreement.
- (b)** Records, documents, and information in the possession of the office received under subsection (a) of this section are exempt from the Freedom of Information Act of 1967, § 25-19-101 et seq., and shall not be released without the permission of the person or agency providing the records, documents, and information.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-406. Authority of local government.

(a)

(1) The authority of local government concerning all matters relating to the operation of lotteries is preempted by this chapter.

(2) Local government shall not take any action, including without limitation the adoption of an ordinance, relating to the operation of lotteries.

(b) This section does not prohibit local government from requiring a retailer to obtain an occupational license for any business unrelated to the sale of tickets or shares.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-407. Video lotteries prohibited.

A video lottery shall not be used as part of a lottery under this chapter.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-408. Video lotteries by institution or facility governed by other wagering laws prohibited.

This chapter does not permit the use of a video lottery for any purposes by any institution or facility governed by the:

- (1) Arkansas Horse Racing Law, § 23-110-101 et seq.;
- (2) Arkansas Greyhound Racing Law, § 23-111-101 et seq.; or
- (3) Local Option Horse Racing and Greyhound Racing Electronic Games of Skill Act, § 23-113-101 et seq.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-409. Laws under other wagering chapters not affected.

This chapter does not alter wagering that may be conducted under the Arkansas Horse Racing Law, § 23-110-101 et seq., the Arkansas Greyhound Racing Law, § 23-111-101 et seq., or the Local Option Horse Racing and Greyhound Racing Electronic Games of Skill Act, § 23-113-101 et seq.

History

Acts 2009, No. 1405, § 38; 2015, No. 218, § 25.

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23-115-410. [Repealed.]

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23-115-411. Multidraw screen-based lottery game prohibited.**(a)**

(1) A multidraw screen-based lottery game shall not be used as part of a lottery under this chapter except as provided under subdivision (a)(2) of this section.

(2) All lottery games operated by the Office of the Arkansas Lottery on or before June 29, 2014, are permitted and may continue as a part of the Arkansas Scholarship Lottery.

(b) The prohibition of multidraw screen-based lottery games shall expire on March 13, 2015.

History

Acts 2014 (2nd Ex. Sess.) No. 4; 2014 (2nd Ex. Sess.) No. 8; 2015, No. 218, § 25.

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23-115-501. Vendors — Requirements when submitting bid, proposal, or offer — Major procurement contract.

(a) The Office of the Arkansas Lottery shall investigate the financial responsibility, security, and integrity of a vendor who is a finalist in submitting a bid, proposal, or offer to perform a major procurement contract.

(b) At the time of submitting a bid, proposal, or offer to the office, a vendor shall include:

(1) A disclosure of the vendor's name and address and, as applicable, the names and addresses of the following:

(A)

(i) If the vendor is a corporation, the officers, directors, and each stockholder holding more than a ten percent (10%) interest in the corporation.

(ii) However, in the case of owners of equity securities of a publicly traded corporation, only the names and addresses of those known to the corporation to own beneficially five percent (5%) or more of the securities need be disclosed;

(B) If the vendor is a trust, the trustee and all persons entitled to receive income or benefits from the trust;

(C) If the vendor is an association, the members, officers, and directors; and

(D) If the vendor is a partnership or joint venture, all of the general partners, limited partners, or joint venturers;

(2) A disclosure of all the states and jurisdictions in which the vendor does business and the nature of the business for each state or jurisdiction;

(3) A disclosure of all the states and jurisdictions in which the vendor has contracts to supply gaming goods or services, including without limitation lottery goods and services, and the nature of the goods or services involved for each state or jurisdiction;

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(4)

(A) A disclosure of all the states and jurisdictions in which the vendor has applied for, has sought renewal of, has received, has been denied, has pending, or has had revoked a lottery or gaming license of any kind or had fines or penalties assessed to the vendor's license, contract, or operation and the disposition of each instance in each state or jurisdiction.

(B) If a lottery or gaming license or contract has been revoked or has not been renewed or any lottery or gaming license or application has been either denied or is pending and has remained pending for more than six (6) months, all of the facts and circumstances underlying the failure to receive a license shall be disclosed;

(5)

(A) A disclosure of the details of a finding or plea, conviction, or adjudication of guilt in a state, federal, foreign, or international court or tribunal for a criminal offense other than a traffic violation committed by the vendor or a person identified under subdivision (b)(1) of this section.

(B)

(i) The office may request that any or all of the persons identified under subdivision (b)(1) of this section undergo a state and federal criminal background check.

(ii) If requested, a state and federal criminal background check shall be conducted under § 23-115-601(e);

(6) A disclosure of the details of a vendor's:

(A) Bankruptcy, insolvency, or reorganization;

(B) Corporate or individual purchase or takeover of another corporation, including without limitation the assumption of bonded indebtedness or other debts or liabilities; and

(C) Pending litigation;

(7) The vendor's most recent financial statement, the most recent audit report of the vendor's operations, and a disclosure of the vendor's internal financial controls and procedures for financial reporting; and

(8) Additional disclosures and information that the office determines is appropriate for the major procurement contract involved.

(c) If any portion of a vendor's contract is subcontracted, the vendor shall disclose all of the information required by this section for the subcontractor as if the subcontractor were itself a vendor.

(d)

(1) The office shall not enter into a major procurement contract with a vendor that:

(A) Has not complied with the disclosure requirements of this section;

(B) Has been found guilty of a felony related to the security or integrity of a lottery in this or any other jurisdiction; or

(C) Has an ownership interest in an entity that has supplied lottery goods or services under contract to the office regarding the request for proposals pertaining to those particular goods or services.

(2) The office may terminate a major procurement contract with a vendor that does not comply with requirements for periodically updating disclosures during the term of a major procurement contract as specified in the major procurement contract.

(3) This section shall be construed broadly and liberally to achieve full disclosure of all information necessary to allow for a full and complete evaluation by the office of the competence, integrity, background, and character of a vendor for a major procurement contract.

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(e)

(1) A vendor who provides or proposes to provide goods or services under a major procurement contract shall not provide a gift or compensation to:

(A) The Director of the Office of the Arkansas Lottery, an employee of the office, the Secretary of the Department of Finance and Administration, the Deputy Director of the Department of Finance and Administration, or a member of the Legislative Council; or

(B) A member of the immediate family of the Director of the Office of the Arkansas Lottery, an employee of the office, the secretary, the Deputy Director of the Department of Finance and Administration, or a member of the Legislative Council.

(2)

(A) A person who knowingly violates subdivision (e)(1) of this section shall be guilty of a Class A misdemeanor.

(B) The Arkansas Ethics Commission may investigate and enforce alleged violations of subdivision (e)(1) of this section under the authority granted by §§ 7-6-217 and 7-6-218.

(f)

(1) A public official, the secretary, and the Deputy Director of the Department of Finance and Administration shall not knowingly own a financial interest in a vendor.

(2)

(A) If a public official, the secretary, or the Deputy Director of the Department of Finance and Administration becomes aware that he or she owns a financial interest in a vendor, the public official, the secretary, or the Deputy Director of the Department of Finance and Administration shall divest the financial interest as soon as possible.

(B) A public official, the secretary, or the Deputy Director of the Department of Finance and Administration shall not divest the financial interest to a member of his or her immediate family.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 39; 2015, No. 218, § 25; 2015, No. 1258, § 33; 2019, No. 910, §§ 3540, 3541.

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23-115-502. Vendor — Performance bond or letter of credit.**(a)**

(1) At the time of execution of a major procurement contract between the Office of the Arkansas Lottery and a vendor, the vendor shall post a performance bond or letter of credit from a bank or credit provider acceptable to the office in an amount deemed necessary by the office to assure the performance of the major procurement contract.

(2) In lieu of the bond, the vendor may deposit and maintain with the office securities acceptable to the office that are:

(A) Interest bearing or accruing; and

(B) Rated in one (1) of the three (3) highest classifications by an established, nationally recognized investment rating service.

(3) Securities eligible under this section are limited to:

(A) Certificates of deposit in an amount fully insured by the Federal Deposit Insurance Corporation issued by solvent banks or savings associations, if the solvent banks or savings associations are:

(i) Approved by the office; and

(ii) Organized and existing under the laws of this state or under the laws of the United States;

(B) United States Government bonds, notes, and bills for which the full faith and credit of the United States Government is pledged for the payment of principal and interest;

(C) Federal agency securities by an agency or instrumentality of the United States Government; and

(D)

(i) Corporate bonds approved by the office.

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(ii) The entity that issued the bonds shall not be an affiliate or subsidiary of the depositor.

(4) The securities shall be held in trust and shall at all times be in an amount as deemed necessary by the office for the major procurement contract.

(b)

(1) Each vendor shall be qualified to do business in this state and shall file appropriate tax returns as provided by the laws of this state.

(2) A major procurement contract under this section shall be governed by the laws of this state except as provided in this chapter.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 40; 2015, No. 218, § 25.

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23-115-503. Cancellation, suspension, revocation, or termination of major procurement contract.

(a) A major procurement contract executed by the Office of the Arkansas Lottery under this chapter shall specify the reasons for which the major procurement contract may be canceled, suspended, revoked, or terminated by the office. The reasons shall include without limitation:

- (1)** Commission of a violation of this chapter or a rule of the office;
- (2)** Commission of any fraud, deceit, or misrepresentation;
- (3)** Conduct prejudicial to public confidence in a lottery;
- (4)** The vendor's filing for or being placed in bankruptcy or receivership; or
- (5)** Any material change as determined in the sole discretion of the office in any matter considered by the office in entering into the major procurement contract with the vendor.

(b)

(1) If the Director of the Office of the Arkansas Lottery or his or her designee determines that cancellation, denial, revocation, suspension, or the failure to renew a major procurement contract is in the best interest of the Arkansas Scholarship Lottery, the public welfare, or the State of Arkansas, the director or his or her designee may:

- (A)** Subject to notice and a right to a hearing, cancel, suspend, revoke, or terminate a major procurement contract issued under this chapter; or
- (B)** Fail to renew a major procurement contract issued under this chapter.
- (2)** The major procurement contract may be temporarily suspended by the director or his or her designee without prior notice pending a hearing.
- (3)** A major procurement contract may be suspended, revoked, or terminated by the director or his or her designee for any one (1) or more of the reasons enumerated in this section.

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(c) Hearings under this section shall be held in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25; 2017, No. 334, § 8.

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23-115-504. Political contributions by vendors — Legislative findings.

(a) The General Assembly finds:

(1) That the integrity of the Office of the Arkansas Lottery and the Arkansas Scholarship Lottery is of utmost importance; and

(2) That the people of the State of Arkansas should have confidence and be assured that public officials are free of any improper political influence by vendors.

(b) A vendor awarded a major procurement contract for lottery equipment or tickets or an officer, employee, or agent of a vendor awarded a major procurement contract for lottery equipment or tickets shall not make a political contribution to a public official or a candidate for election as a public official.

(c) A vendor proposing to provide goods or services under a major procurement contract or an officer, employee, or agent of a vendor proposing to provide goods or services under a major procurement contract shall not make or promise to make a political contribution or future political contribution to a public official or a candidate for election as a public official while the award of the major procurement contract is pending.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 41; 2015, No. 218, § 25.

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23-115-601. Retailers.

- (a)** The General Assembly recognizes that to conduct a successful lottery, the Office of the Arkansas Lottery must develop and maintain a statewide network of retailers that will serve the public convenience and promote the sale of tickets or shares and the playing of lotteries while ensuring the integrity of lottery operations, games, and activities.
- (b)** The office shall make every effort to provide small retailers a chance to participate in the sales of tickets or shares.
- (c)** The office shall provide for compensation to retailers in the form of commissions in an amount of not less than five percent (5%) of gross sales of tickets and shares and may provide for other forms of compensation for services rendered in the sale or cashing of tickets or shares.
- (d)**
- (1)** For purposes of display, the office shall issue a license to each person that it licenses as a retailer.
- (2)**
- (A)** A retailer shall post its license and keep the license conspicuously displayed in a location on the premises accessible to the public.
- (B)** A license is not assignable or transferable.
- (e)**
- (1)** A person seeking to be a retailer shall apply to the Identification Bureau of the Division of Arkansas State Police for a state and federal criminal background check, to be conducted by the Identification Bureau of the Division of Arkansas State Police and the Federal Bureau of Investigation.

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- (2)** The state and federal criminal background check shall conform to applicable federal standards and shall include the taking of fingerprints.
- (3)** The applicant shall sign a consent to the release of information for the state and federal criminal background check.
- (4)** The office shall be responsible for the payment of any fee associated with the state and federal criminal background check.
- (5)** Upon completion of the state and federal criminal background check, the Identification Bureau of the Division of Arkansas State Police shall forward to the office all releasable information obtained concerning the applicant.
- (f)**
- (1)** The office shall develop a list of objective criteria upon which the qualification of retailers shall be based.
- (2)** The office shall develop separate criteria to govern the selection of retailers of instant tickets.
- (3)** In developing the criteria, the office shall consider certain factors, including without limitation:
- (A)** The applicant's financial responsibility;
- (B)** Security of the applicant's place of business or activity;
- (C)** Accessibility to the public;
- (D)** The applicant's integrity; and
- (E)** The applicant's reputation.
- (g)** The office shall not consider political affiliation, activities, or monetary contributions to political organizations or candidates for any public office.
- (h)** The office shall not select a person to be a retailer that:
- (1)**
- (A)** Is not current in filing all applicable tax returns to the State of Arkansas and in payment of all taxes, interest, and penalties owed to the State of Arkansas, excluding items under formal appeal under applicable statutes.
- (B)** The Department of Finance and Administration shall provide to the office the information required to verify compliance with subdivision (h)(1)(A) of this section;
- (2)** Has been convicted of a criminal offense related to the security or integrity of a lottery in this or any other jurisdiction;
- (3)**
- (A)** Has been convicted of any illegal gambling activity, false statements, false swearing, or perjury in this or any other jurisdiction or convicted of any crime punishable by more than one (1) year of imprisonment or a fine of more than one thousand dollars (\$1,000), or both.
- (B)** Subdivision (h)(3)(A) of this section shall not apply if the person's civil rights have been restored and at least five (5) years have elapsed from the date of the completion of the sentence without a subsequent conviction of a crime described in subdivision (h)(3)(A) of this section;
- (4)** Has been found to have violated this chapter or any rule, policy, or procedure of the office unless:
- (A)** Ten (10) years have passed since the violation; or
- (B)** The office finds the violation both minor and unintentional in nature;
- (5)** Is a vendor or an employee or agent of a vendor doing business with the office;
- (6)** Is an employee of the office or a member of the immediate family of an employee of the office;
- (7)** Has made a statement of material fact to the office knowing the statement to be false; 000 67

(8)

(A) Is engaged exclusively in the business of selling tickets or shares.

(B) Subdivision (h)(8)(A) of this section does not preclude the office from selling or giving away tickets or shares for promotional purposes.

(i)

(1) A person applying to become a retailer shall be charged a uniform application fee determined by rule for each lottery outlet.

(2) A retailer license may be renewable annually in the discretion of the office unless canceled or terminated by the office.

(3) The office may establish by rule a reasonable fee for the issuance, reissuance, fine, or penalty associated with the process, procedures, or enforcement necessary to issue or maintain a retailer license, including without limitation to cover the cost of:

(A) An initial and any subsequent state and federal criminal background check under this subchapter; and

(B) The reporting, communications technology, and banking processes necessary to implement and enforce this subchapter.

(j)

(1) A retailer or an applicant to be a retailer shall not provide a gift or compensation to:

(A) The Director of the Office of the Arkansas Lottery, an employee of the office, the Secretary of the Department of Finance and Administration, or the Deputy Director of the Department of Finance and Administration; or

(B) A member of the immediate family of the Director of the Office of the Arkansas Lottery, an employee of the office, the secretary, or the Deputy Director of the Department of Finance and Administration.

(2)

(A) A person who knowingly violates subdivision (j)(1) of this section shall be guilty of a Class A misdemeanor.

(B) The Arkansas Ethics Commission shall have the authority to investigate and enforce alleged violations of subdivision (j)(1) of this section granted by §§ 7-6-217 and 7-6-218.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 42; 2010, No. 265, § 30; 2010, No. 294, § 30; 2013, No. 1173, § 16; 2015, No. 218, § 25; 2017, No. 334, § 9; 2019, No. 910, §§ 3542-3544.

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23-115-602. Retailer license.

- (a)** A retailer license is not transferable or assignable.
- (b)** A retailer shall not contract with any person for lottery goods or services except with the approval of the Office of the Arkansas Lottery.
- (c)** Tickets and shares shall be sold only by the retailer stated on the retailer's license issued by the office under this chapter.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-603. Bond account for deposit of bond fees — Reserve account to cover losses — Retailer bond.**(a)**

- (1)** The Office of the Arkansas Lottery shall require a retailer to post a bond in a sufficient amount as determined by the office.
- (2)** The amount of the bond under subdivision (a)(1) of this section shall not exceed two hundred dollars (\$200).
- (3)** The office shall establish a separate account into which bond fees shall be deposited.
- (4)** Moneys deposited into the bond account may be:
 - (A)** Invested or deposited into one (1) or more interest-bearing accounts;
 - (B)** Used to cover losses the office experiences due to nonfeasance, misfeasance, or malfeasance of a retailer; and
 - (C)** Used to purchase blanket bonds covering the office against losses from all retailers.
- (5)** At the end of each fiscal year, the office shall pay to the trust account managed and maintained by the Division of Higher Education any amount in the bond account established under subdivision (a)(3) of this section that exceeds five hundred thousand dollars (\$500,000), and the funds shall be considered net proceeds from a lottery.

(b)

- (1)** A reserve account may be established as a general operating expense to cover amounts deemed uncollectible.
- (2)** The office shall establish procedures for minimizing any losses that may be deemed uncollectible and shall exercise and exhaust all available options in those procedures before writing off amounts to the reserve account that may be established under subdivision (b)(1) of this section.

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History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25; 2015, No. 1076, § 1; 2019, No. 683, § 1; 2019, No. 910, § 2356.

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23-115-604. Cancellation, suspension, revocation, or termination of retailer license.

(a) A retailer license executed by the Office of the Arkansas Lottery under this chapter shall specify the reasons for which the retailer license may be canceled, suspended, revoked, or terminated by the office. The reasons shall include without limitation:

- (1)** Commission of a violation of this chapter or a rule of the office;
- (2)** Failure to accurately or timely account for tickets, lottery games, revenues, or prizes as required by the office;
- (3)** Commission of any fraud, deceit, or misrepresentation;
- (4)** Insufficient sales;
- (5)** Conduct prejudicial to public confidence in a lottery;
- (6)** The retailer's filing for or being placed in bankruptcy or receivership;
- (7)** Any material change as determined in the sole discretion of the office in any matter considered by the office in granting the license of the retailer; or
- (8)** Failure to meet any of the objective criteria established by the office under this chapter.

(b)

(1) If the Director of the Office of the Arkansas Lottery or his or her designee determines that cancellation, denial, revocation, suspension, or the failure to renew a retailer license is in the best interest of the Arkansas Scholarship Lottery, the public welfare, or the State of Arkansas, the director or his or her designee may:

(A) Subject to notice and a right to a hearing, cancel, suspend, revoke, or terminate a retailer license issued under this chapter; or

(B) Fail to renew a retailer license issued under this chapter.

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(2) The retailer license may be temporarily suspended by the director or his or her designee without prior notice pending a hearing.

(3) A retailer license may be suspended, revoked, or terminated by the director or his or her designee for any one (1) or more of the reasons enumerated in subsection (a) of this section.

(4) Hearings under this subsection shall be held in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25; 2017, No. 334, § 10.

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23-115-605. Retailers — Fiduciary duty — Protection against loss.**(a)**

(1) Proceeds from the sale of tickets or shares shall be held in trust until paid to the Office of the Arkansas Lottery either directly or through the office's authorized collection representative.

(2) A retailer and officers of a retailer's business have a fiduciary duty to preserve and account for retail lottery proceeds, and retailers are personally liable for all lottery proceeds.

(3) For the purpose of this section, lottery proceeds include without limitation:

(A) Unsold instant tickets received by a retailer;

(B) Cash proceeds of the sale of lottery products;

(C) Net of allowable sales commissions; and

(D) Credit for lottery prizes paid to winners by retailers.

(4) Sales proceeds and unused instant tickets shall be delivered to the office or its authorized collection representative upon demand.

(b)

(1) The office shall require retailers to place all lottery proceeds due the office in accounts in institutions insured by the Federal Deposit Insurance Corporation not later than the close of the next banking day after the date of their collection by the retailer until the date they are paid to the office.

(2) At the time of the deposit, lottery proceeds shall be deemed to be the property of the office.

(3) The office may require a retailer to establish a single separate electronic funds transfer account when available for the purpose of:

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- (A) Receiving moneys from ticket or share sales;
- (B) Making payments to the office; and
- (C) Receiving payments for the office.
- (4) Unless authorized in writing by the office, each retailer shall establish a separate bank account for lottery proceeds that shall be kept separate and apart from all other funds and assets and shall not be commingled with any other funds or assets.
- (c) When an individual who receives proceeds from the sale of tickets or shares in the capacity of a retailer becomes insolvent or dies insolvent, the proceeds due the office from the individual or his or her estate have preference over all debts or demands.
- (d) If the office determines that a retailer failed to comply with subsection (b) of this section three (3) times within any consecutive twenty-four-month period, the office may pursue business closure against the retailer under this subchapter.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 43; 2015, No. 218, § 25.

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23-115-606. Retailer — Rental payments based on percentage of retail sales.

If a retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales and the computation of retail sales is not explicitly defined to include sales of tickets or shares, only the compensation received by the retailer from the Office of the Arkansas Lottery may be considered the amount of the lottery retail sale for purposes of computing the rental payment.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-607. Business closure authority — Notice.

(a) In addition to all other remedies provided by law for failure to remit lottery proceeds due the Office of the Arkansas Lottery, the Director of the Office of the Arkansas Lottery may close the business of a retailer if the retailer fails to comply with § 23-115-605(b) three (3) times within any consecutive twenty-four-month period.

(b)

(1) The director shall give notice to the retailer that the third delinquency in complying with § 23-115-605(b) in any consecutive twenty-four-month period may result in the closure of the business.

(2) The notice shall be in writing and delivered to the retailer by:

(A) The United States Postal Service; or

(B) Hand delivery.

(c)

(1) If the retailer has a third delinquency in complying with § 23-115-605(b) in any consecutive twenty-four-month period after the issuance of the notice provided in subsection (b) of this section and the director chooses to close the business, the director shall notify the retailer by certified mail or by hand delivery that the business will be closed within five (5) business days from the date of receipt of the notice unless the retailer avoids closure of the business under subsection (d) of this section.

(2) If the fifth day falls on a Saturday, Sunday, or legal holiday, the performance of an act to avoid closure of the business under subsection (d) of this section is timely when performed on the next succeeding business day that is not a Saturday, Sunday, or legal holiday.

(d) A retailer may avoid closure of the business by:

(1) Remitting the delinquent lottery proceeds; or

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(2) Entering into a written payment agreement approved by the director to satisfy the lottery proceeds delinquency.

History

Acts 2009, No. 1405, § 44; 2015, No. 218, § 25.

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23-115-608. Administrative hearing.

(a) A retailer may request an administrative hearing concerning the decision of the Director of the Office of the Arkansas Lottery to close the retailer's business.

(b) Within five (5) business days after the delivery or attempted delivery of the notice required by § 23-115-607(c), the retailer may file a written protest, signed by the retailer or his or her authorized agent, with the director stating the reasons for opposing the closure of the business and requesting an administrative hearing.

(c)

(1) A retailer may request that an administrative hearing be held:

(A) In person;

(B) By telephone;

(C) Upon written documents furnished by the retailer; or

(D) Upon written documents and any evidence to be produced by the retailer at an administrative hearing.

(2) The director may determine whether an administrative hearing at which testimony is to be presented will be conducted in person or by telephone.

(3) A retailer who requests an administrative hearing based upon written documents is not entitled to any other administrative hearing before the rendering of the administrative decision.

(d) The administrative hearing shall be conducted by a hearing officer appointed by the director.

(e)

(1) The hearing officer shall:

(A) Set the time and place for a hearing; and

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- (B)** Give the retailer notice of the hearing.
- (2)** At the administrative hearing, the retailer may:
 - (A)** Be represented by an authorized representative; and
 - (B)** Present evidence in support of his or her position.
- (f)** The administrative hearing shall be held within fourteen (14) calendar days of receipt by the director of the request for hearing.
- (g)** The administrative hearing and determinations made by the hearing officer under this subchapter are subject to the Arkansas Administrative Procedure Act, § 25-15-201 et seq.
- (h)** The defense or defenses to the closure of a business under this subchapter are:
 - (1)** Written proof that the retailer remitted the delinquent lottery proceeds due; or
 - (2)** That the retailer has entered into a written payment agreement, approved by the director, to satisfy the lottery proceeds delinquency.
- (i)** The decision of the hearing officer shall be in writing with copies delivered to the retailer and the director by the United States Postal Service or by hand delivery.

History

Acts 2009, No. 1405, § 44; 2015, No. 218, § 25.

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23-115-609. Judicial relief.

(a)

(1) If the decision of the hearing officer under § 23-115-608 is to affirm the closure of the business, the decision shall be submitted in writing and delivered by the United States Postal Service or by hand to the retailer.

(2) The retailer may seek judicial relief from the decision by filing suit within twenty (20) calendar days of the date of the decision.

(b)

(1) Jurisdiction for a suit under this section to contest a determination of the Director of the Office of the Arkansas Lottery shall be in Pulaski County Circuit Court, where the matter shall be tried de novo.

(2)

(A) If the circuit court finds that the business closure order was appropriately issued by the director, the circuit court shall issue an injunction against the retailer prohibiting the further operation of the business.

(B) If a business subject to an injunction issued by the circuit court as provided in this subchapter continues in operation, upon conviction, any person responsible for the decision to operate the business after the issuance of the injunction shall be guilty of a Class A misdemeanor.

(3) An appeal may be made from the circuit court to the appropriate appellate court, as provided by law.

(c) The procedures established by § 23-115-608 and this section are the sole methods for seeking relief from a written decision to close the business of a retailer for failure to comply with § 23-115-605(b).

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- (d)** The decision to close the business of a retailer shall be final:
- (1)** If the retailer fails to:
- (A)** Request an administrative hearing under § 23-115-608; or
- (B)** Seek judicial relief under this section; or
- (2)** Upon the final decision of the circuit court or an appellate court.
- (e)**
- (1)** It is unlawful for a business to continue in operation after a business closure order is issued that is:
- (A)** Upheld on appeal under this subchapter; or
- (B)** Not appealed by the retailer under this subchapter.
- (2)** Upon conviction, any person responsible for the decision to operate the business in violation of this subchapter shall be guilty of a Class A misdemeanor.

History

Acts 2009, No. 1405, § 44; 2015, No. 218, § 25.

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23-115-610. Business closure procedure.

(a) If a retailer fails to timely seek administrative or judicial review of a business closure decision or if the business closure decision is affirmed after administrative or judicial review, the Director of the Office of the Arkansas Lottery shall direct the Department of Finance and Administration to affix a written notice to all entrances of the business that:

- (1)** Identifies the business as being subject to a business closure order; and
 - (2)** States that the business is prohibited from further operation.
- (b)** The director may also direct that the business be locked or otherwise secured so that it may not be operated.
- (c)** The Secretary of the Department of Finance and Administration may request the assistance of the Division of Arkansas State Police or any state or local law enforcement official to post the notice or to secure the business as authorized in this section.
- (d)** The Office of the Arkansas Lottery may reimburse the department for the costs of administering this section after review of the amount by the Legislative Council.

History

Acts 2009, No. 1405, § 44; 2015, No. 218, § 25; 2015, No. 1258, § 34; 2019, No. 910, § 3545.

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23-115-611. Revocation and suspension of business license.

- (a)** The closure of a business under this subchapter shall be grounds for cancellation, suspension, revocation, or termination of a retailer license under § 23-115-604.
- (b)** The closure of a business under this subchapter shall be grounds for the suspension or revocation of any business license granted under the laws of the State of Arkansas, excluding professional licenses.
- (c)** After the decision to close the retailer's business becomes final, the Director of the Office of the Arkansas Lottery shall contact the appropriate administrative body responsible for granting licenses to operate the business and report the closure of the business.

History

Acts 2009, No. 1405, § 44; 2015, No. 218, § 25.

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23-115-612. Authority to promulgate rules.

The Office of the Arkansas Lottery may promulgate rules necessary for the implementation and enforcement of this subchapter.

History

Acts 2009, No. 1405, § 44; 2015, No. 218, § 25.

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23-115-701. Procurements — Major procurement contracts — Competitive bidding.

(a)

(1) The Office of the Arkansas Lottery may purchase, lease, or lease-purchase goods or services as necessary for effectuating the purposes of this chapter.

(2) The office may make procurements that integrate functions, including without limitation:

(A) Lottery design;

(B) Ticket distribution to retailers;

(C) Supply of goods and services; and

(D) Advertising.

(3) In all procurement decisions, the office shall:

(A) Take into account the particularly sensitive nature of lotteries; and

(B) Act to promote and ensure:

(i) Security, honesty, fairness, and integrity in the operation and administration of lotteries; and

(ii) The objectives of raising net proceeds for the benefit of scholarships and grants.

(b) Except as provided in subsections (c) and (d) of this section, the office shall comply with the Arkansas Procurement Law, § 19-11-201 et seq.

(c)

(1) The office shall adopt rules concerning the procurement process for major procurement contracts.

(2) The office shall arrange for the solicitation and receipt of competitive bids for major procurement contracts.

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(3) Except for printing, stationery, and supplies under Arkansas Constitution, Amendment 54, the office is not required to accept the lowest responsible bid for major procurement contracts but shall select a bid that provides the greatest long-term benefit to the state, the greatest integrity for the office, and the best service and products for the public.

(d) In any bidding process, the office may administer its own bidding and procurement or may utilize the services of the Department of Finance and Administration.

(e)

(1) Each proposed major procurement contract and each amendment or modification to a proposed or executed major procurement contract shall be filed with the Legislative Council for review at least thirty (30) days before the execution date of the major procurement contract or the amendment or modification to a proposed or executed major procurement contract.

(2) The Legislative Council, or if the General Assembly is in session, the Joint Budget Committee, shall provide the office with its review as to the propriety of the major procurement contract and each amendment or modification to a proposed or executed major procurement contract within thirty (30) days after receipt of the proposed major procurement contract or the amendment or modification to a proposed or executed major procurement contract.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 45; 2010, No. 265, § 31; 2010, No. 294, § 31; 2015, No. 218, § 25; 2015, No. 1258, § 35; 2020, No. 95, § 36.

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23-115-801. Lottery proceeds.**(a)****(1)** Lottery proceeds are the property of the Office of the Arkansas Lottery.**(2)****(A)** The office shall pay its operating expenses from its lottery proceeds.**(B)****(i)** An amount of lottery proceeds determined by the office to maximize net proceeds for scholarships shall be made available as prize money.**(ii)****(a)** Subdivision (a)(2)(B)(i) of this section does not create any lien, entitlement, cause of action, or other private right.**(b)** In setting the terms of a lottery, the office shall determine any rights of holders of tickets or shares.**(3)** The percentage of lottery proceeds determined by the office to be net proceeds shall equal an amount determined by the office to maximize net proceeds for scholarships.**(b)****(1)****(A)** On or before the fifteenth day of each month, the office shall deposit the net proceeds from the lottery into one (1) Lottery Scholarship Trust Account at one (1) or more financial institutions.**(B)****(i)** The office shall establish the Lottery Scholarship Trust Account as required under subdivision (b)(1)(A) of this section to fund the Arkansas Academic Challenge Scholarship Program, § 6-85-201 et seq., the Arkansas Workforce Challenge Scholarship Program, § 6-~~000~~ 88

85-301 et seq., the Arkansas Concurrent Challenge Scholarship Program, § 6-85-401 et seq., and any other scholarship funded with net proceeds from the state lottery in a financial institution into which the office shall transfer:

(a) Excess funding returned to the office under § 6-85-212(d)(2)(B)(i) from the previous academic year; and

(b) Net proceeds remaining in the Lottery Scholarship Trust Account from the previous academic year after the office:

(1) Transfers under subdivision (c)(2) of this section the funds requested by the Division of Higher Education; and

(2) Deposits the amount necessary into the Scholarship Shortfall Reserve Trust Account under § 23-115-802 to maintain an amount equal to twenty million dollars (\$20,000,000).

(ii) The funds transferred by the office into the Lottery Scholarship Trust Account for the Arkansas Academic Challenge Scholarship Program, § 6-85-201 et seq., the Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., the Arkansas Concurrent Challenge Scholarship Program, § 6-85-401 et seq., and any other scholarship funded with net proceeds from the state lottery as established under subdivision (b)(1)(B)(i) of this section shall be used for:

(a) Arkansas Workforce Challenge Scholarships;

(b) Any management fees charged by the financial institution to manage the trust account for scholarship award supplements;

(c) Arkansas Concurrent Challenge Scholarships;

(d) Arkansas Academic Challenge Scholarships; and

(e) Any other scholarship funded with net proceeds from the state lottery.

(iii) Annually, the office shall transfer to the division the funds from the previous academic year, if any, that were transferred by the office into the Lottery Scholarship Trust Account established under subdivision (b)(1)(B)(i) of this section for distribution of Arkansas Academic Challenge Scholarships, Arkansas Workforce Challenge Scholarships, Arkansas Concurrent Challenge Scholarships, and any other scholarship funded with net proceeds from the state lottery.

(2) The office shall follow the investment policy guidelines of the State Board of Finance in selecting a financial institution and managing the net proceeds from the lottery deposited into the Lottery Scholarship Trust Account.

(c)

(1) The Commissioner of the Division of Higher Education shall certify to the office the amount of net proceeds from the state lottery needed to fund the scholarships awarded to recipients under the following scholarship programs for each semester of an academic year based on the contents of the Lottery Scholarship Trust Account at the end of the immediately preceding fiscal year:

(A) The Arkansas Academic Challenge Scholarship Program, § 6-85-201 et seq.;

(B) The Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq.;

(C) The Arkansas Concurrent Challenge Scholarship Program, § 6-85-401 et seq.; and

(D) Any other scholarship funded with net proceeds from the state lottery.

(2)

(A) The office shall transfer the funds requested by the commissioner under subdivision (c) (1) of this section into one (1) or more trust accounts at one (1) or more financial institutions meeting the requirements of subdivision (b)(2) of this section maintained by the division.

(B) The commissioner shall disburse trust account funds only in the name of the recipient:

(i) To an approved institution of higher education; or

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- (ii)** If a recipient transfers to another approved institution of higher education, to the approved institution of higher education where the recipient transferred.
- (C)** The following shall be based on the available funds from the previous fiscal year:
- (i)** The amount transferred by the office for existing scholarships under subdivision (c)(2)(A) of this section; and
- (ii)** Any new scholarship that is funded with net proceeds from the state lottery or the Higher Education Grants Fund Account, as applicable.
- (D)**
- (i)**
- (a)** However, if available funds are insufficient to meet the amount requested under subdivision (c)(1) of this section to fund all scholarships funded with net proceeds from the state lottery or the Higher Education Grants Fund Account, as applicable, the first priority for the award of scholarships funded with available funds is the award of scholarships under the Arkansas Academic Challenge Scholarship Program, § 6-85-201 et seq.
- (b)** If available funds are insufficient to meet the amount requested under subdivision (c)(1) of this section to fund all scholarships under the Arkansas Academic Challenge Scholarship Program, § 6-85-201 et seq., then the available funds shall be distributed to recipients of scholarships under the Arkansas Academic Challenge Scholarship Program, § 6-85-201 et seq., on a pro rata basis as determined by the division and reviewed by the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.
- (c)** The commissioner shall immediately notify the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee, upon becoming aware that available funds are insufficient to meet the amount requested under subdivision (c)(1) of this section.
- (ii)**
- (a)** If available funds remain after the award of all scholarships under the Arkansas Academic Challenge Program, § 6-85-201 et seq., then the available funds shall be distributed to recipients of scholarships under the Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., and the Arkansas Concurrent Challenge Scholarship Program, § 6-85-401 et seq., on a pro rata basis as determined by the division.
- (b)** Distribution of scholarships with remaining available funds on a pro rata basis under subdivision (c)(2)(D)(ii)(a) of this section shall ensure the equal distribution of scholarships to student scholarship recipients enrolled in two-year institutions of higher education and four-year institutions of higher education.
- (3)** By August 1 of each year, the commissioner shall provide to the Secretary of the Department of Finance and Administration and to the Legislative Council for the academic year just ended an accounting of all trust accounts maintained by the division, including without limitation:
- (A)** Total deposits to all trust accounts;
- (B)** Total disbursements from the trust accounts; and
- (C)** The balance remaining in the trust accounts.
- (d)**
- (1)** The General Assembly finds that:
- (A)** The administration of scholarships with proceeds from the lottery are expenses of the office; and
- (B)** Because the division has the expertise and experienced staff needed to efficiently and appropriately administer the scholarships, the office shall use the services of the division to administer scholarships funded with net proceeds from the lottery.

(2)

(A) Annually by April 1, the division shall provide to the office and to the Legislative Council the division's budget for the administrative expenditures allowed under this subsection.

(B) Annually by October 31, the division shall provide an invoice to the office for reimbursement of the administrative expenditures allowed under this subsection, including without limitation:

(i) For each employee the:

(a) Type of position, whether full-time, part-time, permanent, or temporary; and

(b) Salary paid;

(ii) A description of other expenditures requested in the invoice; and

(iii) An explanation of the increase, if any, of actual expenditures over the budgeted expenditures.

(C) Only direct expenditures of the division to administer scholarship funding with net proceeds from the lottery may be invoiced to the office under subdivision (d)(2)(B) of this section.

(3)

(A) Annually by November 1, the office shall file a copy of the invoice with the Legislative Council for its review.

(B) The Legislative Council shall review the invoice and forward its comments, if any, to the office.

(C)

(i) The office shall reimburse the division for the costs of administering the scholarship awards funded with net proceeds from the lottery after the Legislative Council's review under this subsection.

(ii) After the reimbursement of funds received by the division from the office under subdivision (d)(3)(C)(i) of this section, the division may refund the funds to the:

(a) Division of Higher Education Fund Account; or

(b) Higher Education Grants Fund Account.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2010, No. 265, § 32; 2010, No. 294, § 32; 2013, No. 1173, § 17; 2015, No. 218, § 25; 2015, No. 1258, § 36; 2015, No. 1262, § 2; 2017, No. 613, § 5; 2019, No. 456, § 2; 2019, No. 910, §§ 3546-3548; 2021, No. 636, § 6; 2023, No. 786, § 48; 2023, No. 870, § 42.

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A.C.A. § 23-115-802

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[AR - Arkansas Code Annotated](#) [Title 23 Public Utilities and Regulated Industries](#) [Subtitle 4. Miscellaneous Regulated Industries](#) [Chapter 115 Arkansas Scholarship Lottery Act](#) [Subchapter 8 – Lottery Proceeds](#)

23-115-802. Scholarship Shortfall Reserve Trust Account.

(a) The Office of the Arkansas Lottery shall maintain a Scholarship Shortfall Reserve Trust Account.

(b)

(1) An amount equal to four percent (4%) of the total amount of net proceeds disbursed during the preceding fiscal year in the form of scholarships and grants for higher education shall be deposited from lottery proceeds each year until the amount in the Scholarship Shortfall Reserve Trust Account equals twenty million dollars (\$20,000,000).

(2) Thereafter, only the amount necessary to maintain the Scholarship Shortfall Reserve Trust Account in an amount equal to twenty million dollars (\$20,000,000) shall be deposited into the Scholarship Shortfall Reserve Trust Account.

(3) Any amount in the Scholarship Shortfall Reserve Trust Account exceeding twenty million dollars (\$20,000,000) shall be considered net proceeds and shall be deposited annually into one (1) or more trust accounts at one (1) or more financial institutions by July 1 of each year.

(c)**(1)**

(A) Except as provided in subdivision (c)(2) of this section, if net proceeds in any year are not sufficient to meet the amount allocated for scholarships under the Arkansas Academic Challenge Scholarship Program, § 6-85-201 et seq., the Scholarship Shortfall Reserve Trust Account may be drawn upon to meet the deficiency according to the procedural requirements established under subdivision (c)(3)(B) of this section.

(B) In the event that the funding available in the Scholarship Shortfall Reserve Trust Account is not sufficient to meet the remaining amount allocated for scholarships funded with net proceeds from the state lottery, up to the first twenty million dollars (\$20,000,000) of funds

allocated in the Higher Education Grants Fund Account may be drawn upon to meet the deficiency.

(2) Except as provided in subdivision (c)(3)(B) of this section, the Scholarship Shortfall Reserve Trust Account shall not be drawn upon to fund Arkansas Workforce Challenge Scholarships under the Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., Arkansas Concurrent Challenge Scholarships under the Arkansas Concurrent Challenge Scholarship Program, § 6-85-401 et seq., or any other scholarship funded with net proceeds from the state lottery.

(3)

(A) Determining the maximum amount of loans from the Scholarship Shortfall Reserve Trust Account to the Arkansas Academic Challenge Scholarship Program, § 6-85-201 et seq., the Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., or the Arkansas Concurrent Challenge Scholarship Program, § 6-85-401 et seq., is the prerogative of the General Assembly. This is usually accomplished by the General Assembly's delineating such funding allocations for the various scholarship programs, with the approval of the Administrative Rules Subcommittee of the Legislative Council and through oversight as required by law by the Lottery Oversight Subcommittee of the Legislative Council. Further, the General Assembly determines that the Division of Higher Education may operate more efficiently with some flexibility, therefore it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or the Joint Budget Committee as provided by this section.

(B) If the division determines it is necessary to borrow from the Scholarship Shortfall Reserve Trust Account to fund scholarships under the Arkansas Academic Challenge Scholarship Program, § 6-85-201 et seq., the Arkansas Workforce Challenge Scholarship Program, § 6-85-301 et seq., or the Arkansas Concurrent Challenge Scholarship Program, § 6-85-401 et seq., the division shall first obtain review and approval from the Legislative Council or, if the General Assembly is in session, the Joint Budget Committee.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, § 46; 2010, No. 265, §§ 33, 34; 2010, No. 294, §§ 33, 34; 2015, No. 218, § 25; 2015, No. 1105, § 7; 2017, No. 613, § 6; 2019, No. 456, § 3; 2021, No. 636, § 7.

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A.C.A. § 23-115-803

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23-115-803. Disposition of funds — Definition.**(a)**

(1) To effectuate the purposes of the Office of the Arkansas Lottery, the office may borrow moneys from the State of Arkansas or accept and expend moneys from the State of Arkansas and shall repay any sums borrowed from the state as soon as practicable.

(2) As used in this section, “purposes” includes without limitation the payment of the initial expenses of initiation, administration, and operation of the office and lotteries.

(3) The office shall not issue bonds for any purpose.

(b)

(1) The office shall be self-sustaining and self-funded.

(2)

(A) Except as provided in subsection (a) of this section, moneys in the General Revenue Fund Account of the State Apportionment Fund shall not be used or obligated to pay the expenses of the office or prizes of a lottery.

(B) A claim for the payment of an expense of a lottery or prizes of a lottery shall not be made against any moneys other than moneys credited to the office's operating account.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; Acts 2015, No. 218, § 25.

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A.C.A. § 23-115-901

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[AR - Arkansas Code Annotated](#) [Title 23 Public Utilities and Regulated Industries](#) [Subtitle 4. Miscellaneous Regulated Industries](#) [Chapter 115 Arkansas Scholarship Lottery Act](#) [Subchapter 9 – Penalties](#)

23-115-901. Sale of ticket or share to person under 18 years of age prohibited — Penalty.

(a) A retailer who knowingly sells a ticket or share to a person under eighteen (18) years of age or permits a person under eighteen (18) years of age to play a lottery is guilty of a violation and subject to the following penalties:

(1) A fine not to exceed two hundred fifty dollars (\$250) for a first violation;

(2) For a second violation within a forty-eight-month period:

(A) A fine not to exceed five hundred dollars (\$500); and

(B) Suspension of the retailer license issued under § 23-115-601 et seq. for a period not to exceed two (2) days;

(3) For a third violation within a forty-eight-month period:

(A) A fine not to exceed one thousand dollars (\$1,000); and

(B) Suspension of the retailer license issued under § 23-115-601 et seq. for a period not to exceed seven (7) days;

(4) For a fourth or subsequent violation within a forty-eight-month period:

(A) A fine not to exceed two thousand dollars (\$2,000); and

(B) Suspension of the retailer license issued under § 23-115-601 et seq. for a period not to exceed fourteen (14) days; and

(5) For a fifth or subsequent violation within a forty-eight-month period, the retailer license issued under § 23-115-601 et seq. may be revoked.

(b) An employee of a retailer who violates this section is subject to a fine not to exceed one hundred dollars (\$100) per violation.

(c) It is an affirmative defense to a prosecution under this section that the retailer reasonably and in good faith relied upon representation of proof of age in making the sale.

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(d) A person convicted of violating any provision of this section whose retailer license is suspended or revoked upon conviction shall surrender to the court his or her retailer license, and the court shall transmit the retailer license to the Office of the Arkansas Lottery and instruct the office:

(1) To suspend or revoke the person's retailer license or to not renew the license; and

(2) Not to issue any new retailer license to that person for the period of time determined by the court in accordance with this section.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25; 2017, No. 334, § 11.

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23-115-902. Fraud — Penalty.

The offense of lottery fraud and penalties for a conviction of lottery fraud are provided under § 5-55-501.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2011, No. 207, § 29; 2015, No. 218, § 25.

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23-115-903. False statement on license application — Penalty.

(a) A person shall not knowingly make:

(1) A material false statement in an application for a license or proposal to conduct a lottery; or

(2) A material false entry in any book or record that is compiled, maintained, or submitted to or for the benefit of the Office of the Arkansas Lottery.

(b)

(1) A person who violates this section is guilty of a Class D felony.

(2) A person convicted for violating subsection (a) of this section is subject to an additional fine of not more than twenty-five thousand dollars (\$25,000) or the dollar amount of the material false entry or material false statement, whichever is greater.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-904. Inconsistent statutes inapplicable.

(a) Section 5-66-101 et seq. and all other laws and parts of laws inconsistent with this chapter are expressly declared not to apply to any person engaged in, conducting, or otherwise participating in lotteries.

(b) A person is not guilty of any criminal offense set forth in § 5-66-101 et seq. or any other law relating to illegal gambling to the extent the person relied on any rule, order, finding, or other determination by the Arkansas Lottery Commission [abolished] or the Office of the Arkansas Lottery that the activity was authorized by this chapter during the time that the rule, order, finding, or other determination was in effect.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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A.C.A. § 23-115-1001

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[AR - Arkansas Code Annotated](#) [Title 23 Public Utilities and Regulated Industries](#) [Subtitle 4. Miscellaneous Regulated Industries](#) [Chapter 115 Arkansas Scholarship Lottery Act](#) [Subchapter 10 – Debtors Owning Money to the State](#)

23-115-1001. Legislative intent.

(a) The purposes of this subchapter are to establish:

(1) A policy and to provide a system whereby all claimant agencies of this state in conjunction with the Office of the Arkansas Lottery shall cooperate in identifying debtors who owe money to the state through its various claimant agencies or to persons on whose behalf the state and its claimant agencies act and who qualify for lottery prizes under this chapter from the office; and

(2) Procedures for setting off against any prize the sum of any debt owed to the state or to persons on whose behalf the state and its claimant agencies act.

(b) This subchapter shall be liberally construed to effectuate the purposes stated in subsection (a) of this section.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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[AR - Arkansas Code Annotated](#) [Title 23 Public Utilities and Regulated Industries](#) [Subtitle 4. Miscellaneous Regulated Industries](#) [Chapter 115 Arkansas Scholarship Lottery Act](#) [Subchapter 10 — Debtors Owning Money to the State](#)

23-115-1002. Definitions.

As used in this subchapter:

- (1) "Claimant agency" means a state agency, department, board, bureau, commission, or authority:
- (A) To which a person owes a debt; or
 - (B) That acts on behalf of a person to collect a debt;
- (2) "Debt" means a:
- (A) Liquidated sum due and owing any claimant agency when the sum has accrued through contract, subrogation, tort, or operation of law regardless of whether there is an outstanding judgment for the sum; or
 - (B) Sum that is due and owing any person and is enforceable by the state;
- (3) "Debtor" means an individual owing money to or having a delinquent account with a claimant agency when the obligation has not been:
- (A) Adjudicated as satisfied by court order;
 - (B) Set aside by court order; or
 - (C) Discharged in bankruptcy; and
- (4) "Prize" means the proceeds of any lottery prize awarded under this chapter.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-1003. Collection remedy not exclusive.

The collection remedy authorized by this subchapter is in addition to and not in substitution for any other remedy available by law.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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[AR - Arkansas Code Annotated](#) [Title 23 Public Utilities and Regulated Industries](#) [Subtitle 4. Miscellaneous Regulated Industries](#) [Chapter 115 Arkansas Scholarship Lottery Act](#) [Subchapter 10 — Debtors Owing Money to the State](#)

23-115-1004. List of debtors — Withholding winnings — Ranking of liens.**(a)**

(1) A claimant agency may submit to the Office of the Arkansas Lottery a list of the names of all debtors owing in excess of one hundred dollars (\$100) to the claimant agency or to persons on whose behalf the claimant agency is acting.

(2) The full amount of the debt is collectible from any prize without regard to limitations on the amounts that may be collectible in increments through garnishment or other proceedings.

(3) The list shall constitute a valid lien upon and claim of lien against the prize of any debtor named in the list.

(4) The list shall contain:

(A) The name of each debtor;

(B) The Social Security number of each debtor if available; and

(C) Any other information that would assist the office in identifying each debtor named in the list.

(b)

(1) The office shall withhold any prizes subject to the lien created by this section and send notice to the winner by certified mail, return receipt requested, of the action and the reason the prizes were withheld.

(2)

(A) However, if the winner appears and claims prizes in person, the office shall notify the winner at that time by hand delivery of the action.

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(B) If the debtor does not protest the withholding of the prizes in writing within thirty (30) days of receipt of the notice, the office shall pay the prizes subject to the lien to the claimant agency.

(C) If the debtor protests the withholding of the prizes subject to the lien within thirty (30) days of receipt of the notice, the office shall:

(i) File an action in interpleader in the circuit court of the county where the debtor resides;

(ii) Pay the disputed sum into the registry of the circuit court; and

(iii) Give notice to the claimant agency and debtor of the initiation of the action.

(c) The liens created by this section are ranked by priority as follows:

(1) Taxes due the state;

(2) Delinquent child support; and

(3) All other judgments and liens in order of the date entered or perfected.

(d) The office is not required to deduct claimed debts from prizes paid out by retailers or entities other than the office.

(e) Any list of debt provided under this section shall be provided periodically as the office shall provide by rule, and the office is not obligated to retain the lists or deduct debts appearing on the lists beyond the period determined by the rules.

(f) The office may prescribe forms and promulgate rules it deems necessary to implement this section.

(g) The office and any claimant agency shall incur no civil or criminal liability for good faith adherence to this section.

(h) The claimant agency shall pay the office for all costs incurred by the office in setting off debts in the manner provided in this subchapter.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-1005. Confidential information.**(a)**

(1) Notwithstanding any other confidentiality statute, the Office of the Arkansas Lottery may provide to a claimant agency all information necessary to accomplish and effectuate the intent of this subchapter.

(2) Information shall be used by a claimant agency only in the pursuit of its debt collection duties and practices.

(b) Confidential information obtained by a claimant agency from the office under this section shall retain its confidentiality.

(c) An employee or prior employee of a claimant agency who unlawfully discloses any information for any other purpose, except as otherwise specifically authorized by law, is guilty of a Class A misdemeanor.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-1006. Applicability.

This subchapter only applies to prizes of more than five hundred dollars (\$500).

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2015, No. 218, § 25.

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23-115-1101. Duties of Legislative Council.

- (a)** The Legislative Council shall:
- (1)** Review whether expenditures of lottery proceeds have been in accordance with this chapter;
 - (2)** Review and approve proposed rules of the Office of the Arkansas Lottery under § 10-3-309;
 - (3)**
 - (A)** Review proposed contracts of twenty-five thousand dollars (\$25,000) or more before the execution of the contracts.
 - (B)** The office shall provide a list of all contracts less than twenty-five thousand dollars (\$25,000) to the Legislative Council on a monthly basis;
 - (4)** Review reports filed with the Legislative Council by the Division of Higher Education, including without limitation reports filed under §§ 6-85-205 and 6-85-220;
 - (5)** Perform its duties under § 6-85-220; and
 - (6)** Study other lottery matters as the Legislative Council considers necessary to fulfill its mandate.
- (b)**
- (1)** Annually by December 15, the Legislative Council shall provide to the General Assembly:
 - (A)** Any analysis or findings resulting from its activities under this section that the Legislative Council deems relevant; and
 - (B)** Its recommendations for any changes to the:
 - (i)** Scholarship award amounts;
 - (ii)** Number or type of scholarships; and

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(iii) Scholarship eligibility requirements.

(2) The Legislative Council may make interim reports to the General Assembly regarding the expenditure of net lottery revenues.

(c)

(1) During a regular, fiscal, or extraordinary session of the General Assembly, the Joint Budget Committee shall perform the functions assigned to the Legislative Council under:

(A) This chapter;

(B) Section 6-60-902;

(C) Section 6-60-903;

(D) Section 6-85-205;

(E) Section 6-85-212;

(F) Section 6-85-216;

(G) Section 6-85-219;

(H) Section 6-85-220; and

(I) Section 19-10-212.

(2) This subsection does not limit the authority of the Legislative Council to meet during a recess as authorized by § 10-2-223 or § 10-3-211.

(d) The Legislative Council and the Joint Budget Committee may:

(1) Establish or utilize one (1) or more subcommittees to assist in their duties under this chapter;

(2) Assign information filed with the Legislative Council under this subchapter to one (1) or more subcommittees of the Legislative Council, including without limitation a subcommittee created under subdivision (d)(1) of this section; and

(3) Delegate their duties under this chapter to one (1) or more subcommittees of the Legislative Council, subject to the final approval of the Legislative Council or the Joint Budget Committee.

History

Acts 2009, No. 605, § 1; 2009, No. 606, § 1; 2009, No. 1405, §§ 47, 48; 2010, No. 265, § 35; 2010, No. 294, § 35; 2011, No. 207, § 30; 2015, No. 218, § 25; 2015, No. 1258, § 37; 2019, No. 910, § 2357.

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[AR - Arkansas Code Annotated](#) [Title 5 Criminal Offenses](#) [Subtitle 6. Offenses Against Public Health, Safety, or Welfare](#) [Chapter 66 Gambling](#)

5-66-118. Lottery, etc. — Tickets.

(a) Except as authorized under the Charitable Bingo and Raffles Enabling Act, § 23-114-101 et seq., it is unlawful for a person to:

(1) Keep an office, room, or place for the sale or disposition of a lottery ticket or slip, policy ticket or slip, gift concert ticket or slip, or like device;

(2) Vend, sell, or otherwise dispose of any lottery ticket or slip, policy ticket or slip, gift concert ticket or slip, or like device;

(3) Possess any lottery ticket or slip, policy ticket or slip, or gift concert ticket or slip, or like device, except a lottery ticket issued in another state where a lottery is legal; or

(4) Be interested, either directly or indirectly, in the sale or disposition of any lottery ticket or slip, policy ticket or slip, or gift concert ticket or slip, or like device.

(b) In any prosecution or investigation under this section, it is no exemption for a witness that his or her testimony may incriminate himself or herself, but no such testimony given by the witness shall be used against him or her in any prosecution except for perjury, and the witness is discharged from liability for any violation of the law upon his or her part disclosed by his or her testimony.

(c)

(1) The General Assembly recognizes that:

(A) The present laws relating to lotteries are vague in certain areas and, although designed to prohibit the operation of lotteries in the state, may be interpreted to prohibit even the printing of lottery tickets by companies in this state for distribution in other states where lotteries are legal;

(B) There are companies in this state that print various types of tickets, stamps, tags, coupon books, and similar devices and that may be interested in printing lottery tickets for states where lotteries are lawful; and

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(C) It is the intent and purpose of this subsection to clarify the present law relating to lotteries to specifically permit businesses in Arkansas to print lottery tickets for use in states where lotteries are lawful.

(2)

(A) The printing or other production of lottery tickets by a business located in Arkansas for use in a state where a lottery is permitted is declared to be lawful.

(B) Nothing contained in this section and § 5-66-119 or any other law shall be construed to make printing or production of lottery tickets described in subdivision (c)(2)(A) of this section unlawful.

(d)

(1) Upon conviction, any person who violates this section is guilty of a violation and shall be fined an amount not to exceed ten thousand dollars (\$10,000).

(2) A second or subsequent offense is a Class D felony.

History

Acts 1939, No. 209, §§ 1-6; A.S.A. 1947, §§ 41-3272 — 41-3277; Acts 1987, No. 835, §§ 1, 2; 1993, No. 1053, § 1; 2007, No. 388, § 2; 2009, No. 748, §§ 38, 39.

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Document:

A.C.A. § 5-66-119

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Current through all legislation of the 2023 Regular Session and the 2023 First Extraordinary Session.

[AR - Arkansas Code Annotated](#) [Title 5 Criminal Offenses](#) [Subtitle 6. Offenses Against Public Health, Safety, or Welfare](#) [Chapter 66 Gambling](#)

5-66-119. Lottery — Promotion through sales.**(a)**

(1) Any person who in this state, directly or indirectly, sets up, promotes, engages in, or in any manner participates in any plan, scheme, device, or other means, either alone or in concert with any other person, firm, or corporation, either within or without the State of Arkansas, in which goods, property, or any other thing of value is sold to any person, firm, or corporation for any consideration, either cash or otherwise, and upon the further consideration that the purchaser agrees to obtain one (1) or more persons to participate in the plan, scheme, device, or other means by making a similar purchase and a similar agreement to secure one (1) or more other persons to participate in the plan, scheme, device, or other means in the same manner, each purchaser being given the right to obtain money, credits, goods, or some other thing of value, depending upon the number of persons joining in or participating in the plan, scheme, device, or other means, is declared to have set up, promoted, engaged in, or participated in a lottery, which is declared to be unlawful.

(2) The promotion, engaging in, or participation in the plan, scheme, device, or other means described in subdivision (a)(1) of this section is punishable as provided in this section.

(b)

(1) Upon a complaint filed by any interested person, on relation of the State of Arkansas, the Attorney General, or any prosecuting attorney of any county where a plan, scheme, device, or other means described in subdivision (a)(1) of this section is proposed, promoted, operated, engaged in, or participated in, the circuit court of the county where the plan, scheme, device, or other means described in subdivision (a)(1) of this section is set up, proposed, operated, promoted, engaged in, or participated in may enjoin the further operation, promotion of, engagement, or participation in the plan, scheme, device, or other means.

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(2) Any injunction under subdivision (b)(1) of this section may be granted without bond furnished by the plaintiff, and the circuit court may make further orders touching upon the subject matter as it may find necessary and desirable.

(c)

(1) The General Assembly recognizes that:

(A) The present laws relating to lotteries are vague in certain areas and, although designed to prohibit the operation of lotteries in the state, may be interpreted to prohibit even the printing of lottery tickets by companies in this state for distribution in other states where lotteries are legal;

(B) There are companies in this state that print various types of tickets, stamps, tags, coupon books, and similar devices and that may be interested in printing lottery tickets for states where lotteries are lawful; and

(C) It is the intent and purpose of this subsection to clarify the present law relating to lotteries to specifically permit businesses in Arkansas to print lottery tickets for use in states where lotteries are lawful.

(2)

(A) The printing or other production of lottery tickets by a business located in Arkansas for use in a state where a lottery is permitted is declared to be lawful.

(B) Nothing contained in this section and § 5-66-119 or any other law shall be construed to make printing or production of lottery tickets described in subdivision (c)(2)(A) of this section unlawful.

(d) Any person who violates a provision of this section commits a Class D felony.

History

Acts 1961, No. 49, §§ 1-3; 1975, No. 928, § 10; A.S.A. 1947, §§ 41-3285 — 41-3287; Acts 1987, No. 835, §§ 1, 2.

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A.C.A. § 5-66-120



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A.C.A. § 5-66-120

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[AR - Arkansas Code Annotated](#) [Title 5 Criminal Offenses](#) [Subtitle 6. Offenses Against Public Health, Safety, or Welfare](#) [Chapter 66 Gambling](#)

5-66-120. Application to Arkansas Scholarship Lottery Act.

This chapter does not apply to a lottery under the Arkansas Scholarship Lottery Act, § 23-115-101 et seq.

History

Acts 2009, No. 605, § 2; 2009, No. 606, § 2.

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Document:

A.C.A. § 5-55-501

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Current through all legislation of the 2023 Regular Session and the 2023 First Extraordinary Session.

[AR - Arkansas Code Annotated](#) [Title 5 Criminal Offenses](#) [Subtitle 5. Offenses Against the Administration of Government](#) [Chapter 55 Fraud Against the Government](#) [Subchapter 5 – Lottery Fraud](#)

5-55-501. Lottery fraud.

(a) As used in this subchapter:

(1) "Lottery" means the same as defined in § 23-115-103 of the Arkansas Scholarship Lottery Act, § 23-115-101 et seq.; and

(2) "Ticket or share" means the same as defined in § 23-115-103 of the Arkansas Scholarship Lottery Act, § 23-115-101 et seq.

(b) A person commits the offense of lottery fraud if he or she:

(1) Falsely makes, alters, forges, utters, passes, or counterfeits a ticket or share in a lottery with a purpose to defraud the Office of the Arkansas Lottery; or

(2) Purposely influences the winning of a lottery prize through the use of coercion, fraud, deception, or tampering with lottery equipment or materials.

(c) A violation of this section is a Class D felony.

(d) In addition to the fine for a conviction under § 5-4-201, a person convicted of a violation of this section is subject to an additional fine of not more than fifty thousand dollars (\$50,000).

History

Acts 2011, No. 207, § 1; 2015, No. 218, § 2.

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1 State of Arkansas As Engrossed: S1/15/15 S1/27/15 S2/3/15
2 90th General Assembly
3 Regular Session, 2015

A Bill

SENATE BILL 7

4
5 By: Senator Hickey
6 By: Representative Lundstrum

For An Act To Be Entitled

7
8
9 AN ACT TO ABOLISH THE ARKANSAS LOTTERY COMMISSION; TO
10 ESTABLISH THE OFFICE OF THE ARKANSAS LOTTERY WITHIN
11 THE MANAGEMENT SERVICES DIVISION OF THE DEPARTMENT OF
12 FINANCE AND ADMINISTRATION BY A TYPE 3 TRANSFER TO
13 ADMINISTER THE ARKANSAS LOTTERY; TO DECLARE AN
14 EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

15
16
17 TO ABOLISH THE ARKANSAS LOTTERY
18 COMMISSION; TO ESTABLISH THE OFFICE OF
19 THE ARKANSAS LOTTERY WITHIN THE
20 DEPARTMENT OF FINANCE AND ADMINISTRATION
21 TO ADMINISTER THE ARKANSAS LOTTERY; AND
22 TO DECLARE AN EMERGENCY.
23

24
25
26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

27
28 SECTION 1. DO NOT CODIFY. Arkansas Lottery Commission abolished -
29 Type 3 transfer to Department of Finance and Administration.

30 (a) The Arkansas Lottery Commission, created by § 23-115-201, is
31 abolished and its powers and duties are transferred to the Office of the
32 Arkansas Lottery within the Management Services Division of the Department of
33 Finance and Administration by a type 3 transfer under § 25-2-106.

34 (b) For purposes of this act, the Department of Finance and
35 Administration shall be considered a principal department established by Acts
36 1971, No. 38.





Article 19, Section 14 of the Arkansas Constitution, as amended by Amendment 87 to the Arkansas Constitution (the Lottery Amendment), which was approved by Arkansas voters as proposed Amendment 3 on November 4, 2008, sets forth the Constitutional provisions for lotteries in the State of Arkansas. It appears as follows:

Document:

Ark. Const. Art. 19, § 14

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Ark. Const. Art. 19, § 14

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Current through all legislation of the 2023 Regular Session and the 2023 First Extraordinary Session.

[AR - Arkansas Constitution](#) [Constitution Of The State Of Arkansas Of 1874](#) [Article 19 Miscellaneous Provisions](#)

§ 14. Lotteries.

- (a)** The General Assembly may enact laws to establish, operate, and regulate State lotteries.
- (b)** Lottery proceeds shall be used solely to pay the operating expenses of lotteries, including all prizes, and to fund or provide for scholarships and grants to citizens of this State enrolled in public and private non-profit two-year and four-year colleges and universities located within the State that are certified according to criteria established by the General Assembly. The General Assembly shall establish criteria to determine who is eligible to receive the scholarships and grants pursuant to this Amendment.
- (c)** Lottery proceeds shall not be subject to appropriation by the General Assembly and are specifically declared to be cash funds held in trust separate and apart from the State treasury to be managed and maintained by the General Assembly or an agency or department of the State as determined by the General Assembly.
- (d)** Lottery proceeds remaining after payment of operating expenses and prizes shall supplement, not supplant, non-lottery educational resources.
- (e)** This Amendment does not repeal, supersede, amend or otherwise affect Amendment 84 to the Arkansas Constitution or games of bingo and raffles permitted therein.
- (f)** Except as herein specifically provided, lotteries and the sale of lottery tickets are prohibited. [As amended by Const. Amend. 87.]

Constitution Of The State Of Arkansas Of 1874
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