

### Instructions to Canvassers and Signers

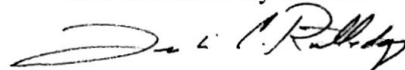
1. The Arkansas Constitution gives Arkansas citizens the power to (a) initiate legislation by petition of 8% of the legal voters or constitutional amendments by petition of 10% of legal voters, or (b) order the referendum against any general act or any item of an appropriation bill or measure passed by the General Assembly by petition of 6% of legal voters. A proposed measure must be submitted at a regular election. Referendum petitions may be referred at special elections on petition of 15% of the registered voters. Any measure submitted to the people becomes law when approved by a majority of the votes cast on the measure.
2. Only registered voters may sign. All signatures must be in the signer's own handwriting and in the presence of the person circulating the petition. Each petition part should contain only the signatures of voters residing in a single county.
3. Printed name, date of birth, residence, city or town of residence, and date of signing must be given. If a petition signer needs assistance with this information due to disability, another person may print the signer's information and that person shall sign and print their name in the margin of the petition.
4. Pursuant to Ark. Code Ann. § 7-9-103, a person commits a Class A misdemeanor, punishable by a fine of up to \$2,500 and confinement of up to one year in jail, if the person knowingly prints a name, address, or birth date other than his or her own to a petition or prints the date of signing for another person unless the signer requires assistance due to disability and the person complies with § 7-9-103.
5. Pursuant to Ark. Code Ann. § 5-55-601(c), each of the following activities constitutes "petition fraud," which is a Class D felony and is punishable by a fine of up to \$10,000 and imprisonment for up to six years. Subsection (b) states: "A person commits the offense of petition fraud:
  - (1) If the person knowingly:
    - (A) Signs a name other than his or her name to a petition;
    - (B) Signs his or her name more than one (1) time to a petition; or
    - (C) Signs a petition when he or she is not legally entitled to sign the petition;
  - (2) If the person acting as a canvasser, notary, sponsor as defined under § 7-9-101, or agent of a sponsor:
    - (A) Signs a name other than his or her own to a petition;
    - (B) Prints a name, address, or birth date other than his or her own to a petition unless the signor requires assistance due to disability and the person complies with § 7-9-103;
    - (C) Solicits or obtains a signature to a petition knowing that the person signing is not qualified to sign the petition;
    - (D) Knowingly pays a person any form of compensation in exchange for signing a petition as a petitioner;
    - (E) Accepts or pays money or anything of value for obtaining signatures on a petition when the person acting as a canvasser, sponsor, or agent of a sponsor knows that the person acting as a canvasser's name or address is not included on the sponsor's list filed with the Secretary of State under § 7-9-601; or
    - (F) Knowingly misrepresents the purpose and effect of the petition or the measure affected for the purpose of causing a person to sign a petition;
  - (3) If the person acting as a canvasser knowingly makes a false statement on a petition verification form; [or]

\* \* \*

  - (5) If the person acting as a sponsor files a petition or a part of a petition with the official charged with verifying the signatures knowing that the petition or part of the petition contains one (1) or more false or fraudulent signatures unless each false or fraudulent signature is clearly stricken by the sponsor before filing."

Revised 6/13/19

Arkansas Attorney General



Leslie Rutledge

**F I L E D**

**AUG 30 2019**

**Arkansas  
Secretary of State**

ATIVE PETITION

THE COIN OPERATED AMUSEMENT MACHINE AMENDMENT TO ARTICLE 19, SECTION 14 OF THE ARKANSAS CONSTITUTION

To the Honorable John Thurston, Secretary of State of the State of Arkansas: We, the undersigned registered voters of the State of Arkansas, respectfully propose the following amendment to the Constitution of the State, and by this, our petition, order that the same be submitted to the people of said state, to the end that the same may be adopted, enacted, or rejected by the vote of the registered voters of said state at the regular general election to be held on the 3rd day of November, 2020, and each of us for himself or herself says: I have personally signed this petition; I am a registered voter of the State of Arkansas, and my printed name, date of birth, residence, city or town of residence, and date of signing this petition are correctly written after my signature. The Popular Name is THE COIN OPERATED AMUSEMENT MACHINE AMENDMENT TO ARTICLE 19, SECTION 14 OF THE ARKANSAS CONSTITUTION and the ballot title is attached or affixed hereto.

FOR OFFICE USE ONLY

Valid of \_\_\_\_\_

By \_\_\_\_\_ Date \_\_\_\_\_

VOTERS REGISTERED IN \_\_\_\_\_ COUNTY

	Signature	Printed Name	Date of Birth	Residence (Street Address)	City or Town of Residence	County of Residence	Date of Signing
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

F I L E D  
AUG 30 2019  
Arkansas  
Secretary of State

State of Arkansas, County of \_\_\_\_\_ (county where notary signs)

I, \_\_\_\_\_, being duly sworn, state that each of the foregoing persons signed his or her own name to this sheet of the petition in my presence. To the best of my knowledge and belief, each signature is genuine and each signer is a registered voter of the State of Arkansas, in the County listed at top of the Petition. At all times during the circulation of this signature sheet, an exact copy of the popular name, ballot title, and text was attached to the signature sheet. My current residence address is correctly stated below.

Signature \_\_\_\_\_

Permanent Domicile Address \_\_\_\_\_

Current Residence Address \_\_\_\_\_

Indicate one: ☐ Paid Canvasser ☐ Volunteer/Unpaid Canvasser

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, before me, the undersigned Notary Public, personally appeared \_\_\_\_\_ well known to me (or satisfactorily proven by identification documents provided) to be the person described in the foregoing Canvasser Affidavit and acknowledged that s/he executed the same in the capacity of a Canvasser for the purposes of fulfilling legal requirements of a Canvasser in the State of Arkansas; and that I personally witnessed the signature of the Canvasser.

Signature of Notary \_\_\_\_\_

My Commission Expires \_\_\_\_\_

Residence County of Notary \_\_\_\_\_

[Notary Seal Above]

### **Popular Name**

The Coin Operated Amusement Machine Amendment  
to Article 19, Section 14 of the Arkansas Constitution

### **Ballot Title**

An amendment to Arkansas Constitution Article 19, Section 14 "Lotteries" to authorize coin operated machines, subject to laws enacted by the General Assembly in accord with this amendment and regulations promulgated by the Office of the Arkansas Lottery; defining "coin operated amusement machine" as every machine of any kind or character designed to provide amusement or entertainment, which can be legally shipped according to federal law, whose operation requires the payment of or the insertion of a coin, bill, other money, token, ticket, card, or similar object and the result of whose operation depends in whole or in part upon some skill of the player, that allows a successful player to accrue points on the machine and carry over points won on one play to a subsequent play or plays to win redeemable prizes; defining "some skill" as any presence of eye-hand coordination or dexterity employed by the player to affect in some way the outcome of the game played on a coin operated amusement machine; defining "dexterity" as the ability to use the hands skillfully in doing something; defining "redeemable prizes" as (i) free replays, (ii) merchandise limited to noncash merchandise, prizes, toys, gift certificates, or novelties, each of which has a wholesale value of not more than \$5.00, (iii) lottery tickets, if otherwise qualified under Ark. Code Ann. § 23-115-101 et seq., and/or (iv) points, tokens, vouchers tickets, or other evidence of winning which may be exchanged for free replays and merchandise as set forth herein, and expressly providing that "redeemable prizes" shall not include cash, alcoholic beverages, firearms, or any product containing tobacco; providing that individuals under 18 are prohibited from playing a coin operated amusement machine; providing that the Office of the Arkansas Lottery shall issue 50 licenses to own and lease coin operated amusement machines; defining a "coin operated amusement machine license" as a license issued by the Office of the Arkansas Lottery to own and lease coin operated amusement machines to one or more location operator licensees; providing that each license authorizes a licensee to own and lease up to 300 coin operated amusement machines; providing that the Office of the Arkansas Lottery shall require all applicants for coin operated amusement machine licenses to pay an application fee and, as of August 1, 2019, have procured at least 800 decals to operate amusement devices under Ark. Code Ann. § 26-57-401, et seq.; providing that the Office of the Arkansas Lottery may not award more than 15 licenses to a coin operated amusement machine applicant; providing that the Office of the Arkansas Lottery shall administer and regulate the issuance and renewal of location operator licenses; providing that a location operator license authorizes the location operator licensee to make up to ten coin operated amusement machines available for commercial use and play for redeemable prizes, as defined above; defining "net coin operated amusement machines receipts" as coin operated amusement machines receipts less the wholesale value of amounts awarded to players in redeemable prizes; providing that a coin operated amusement machine licensee's net coin operated amusement machines receipts are subject to a net coin operated amusement machines tax of 20% of net coin operated amusement machines receipts; providing that 100% of the net coin operated amusement machines receipts tax shall be distributed to the Office of the Arkansas Lottery; providing that no city, county, or the State shall impose any sales or gross receipts taxes on coin operated amusement machines receipts or net coin operated amusement machines receipts; prohibiting any city, town, or county from enacting any law governing the location operator licensee's placement of coin operated amusement machines or the manner in which they are made available for commercial use and play by the public; and declaring that all constitutional provisions, statutes, and common law of the state that conflict with this amendment are not to be applied to this Amendment.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF ARKANSAS

Section 1. Article 19, Section 14 of the Arkansas Constitution is amended to read as

follows:

(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 subsection shall be known as the "Coin Operated Amusement Machine Amendment."

(1) Definitions. For purposes of this subsection, the below terms are defined as follows:

(A) "Coin operated amusement machine" is defined as every machine of any kind or character designed to provide amusement or entertainment, which can be legally shipped according to federal law, whose operation requires the payment of or the insertion of a coin, bill, other money, token, ticket, card, or similar object and the result of whose operation depends in whole or in part upon some skill of the player, that allows a successful player to accrue points on the machine and carry over points won on one play to a subsequent play or plays to win redeemable prizes.

(B) "Coin operated amusement machine applicant" is defined as any individual, corporation, partnership, association, trust, or other entity applying for a license to own and lease coin operated amusement machines to one or more location operator licensees.

(C) "Coin operated amusement machines receipts" is defined as gross receipts from coin operated amusement machines.

(D) "Coin operated amusement machine license" is defined as a license issued by the Office of the Arkansas Lottery to own and lease coin operated amusement machines to one or more location operator licensees.

(E) "Coin operated amusement machine licensee" is defined as any individual, corporation, partnership, association, trust, or other entity holding a license, or licenses, issued by the Office of the Arkansas Lottery to own and lease to own and lease coin operated amusement machines to one or more location operator licensees.

(F) "Dexterity" is defined as the ability to use the hands skillfully in doing something.

(G) "Location operator license" is defined as a license issued by the Office of the Arkansas Lottery to make coin operated amusement machines available for commercial use and play by the public.

(H) "Location operator licensee" is defined as any individual, corporation, partnership, association, trust, or other entity holding a license issued by the Office of the Arkansas Lottery to make coin operated amusement machines available for commercial use and play by the public.

(I) "Redeemable prizes" is defined as (i) free replays, (ii) merchandise limited to noncash merchandise, prizes, toys, gift certificates, or novelties, each of which has a wholesale value of not more than \$5.00, (iii) lottery tickets if otherwise qualified pursuant to Ark. Code Ann. § 23-115-101, et seq., and/or (iv) points, tokens, vouchers tickets, or other evidence of winning, which may be exchanged for free replays and merchandise as set forth herein, and "redeemable prizes" shall not include cash, alcoholic beverages, firearms, or any product containing tobacco.

(J) "Some skill" is defined as eye-hand coordination or dexterity employed by the player of a coin operated amusement machine to affect in some way the outcome of the game played on a coin operated amusement machine.



(K) "Net coin operated amusement machines receipts" is defined as coin operated amusement machines receipts less the wholesale value of amounts awarded in redeemable prizes and lottery tickets to players of coin operated amusement machines.

(L) "Net coin operated amusement machines receipts tax" is defined as a tax on net coin operated amusement machines receipts.

(2) Authorizing Coin Operated Amusement Machines.

(A) Coin operated amusement machines are hereby authorized in the State of Arkansas as provided in this Amendment.

(B) To fulfill the purposes of this Amendment, the Arkansas General Assembly shall from time to time enact laws, and appropriate monies to or for the use of the Office of the Arkansas Lottery. Initial laws and appropriations enacted by the General Assembly pursuant hereto shall be in full force and effect no later than June 30, 2021.

(C) Individuals under the age of 18 are prohibited from playing a coin operated amusement machine.

(3) Licensing of Coin Operated Amusement Machine Licensees and Location Operator Licensees.

(A) The Office of the Arkansas Lottery shall administer and regulate coin operated amusement machine licenses and location operator licenses, including their issuance and renewal, and shall administer and enforce the provisions of this Amendment relating to all coin operated amusement machine licensees and location operator licensees. Each coin operated amusement machine license shall be issued for the purpose of requiring coin operated amusement machine licensees to own and lease coin operated amusement machines to location operator licensees as provided in this Amendment and by regulation of the Office of the Arkansas Lottery, and all other applicable law.

(B) Coin operated amusement machines under this Amendment shall not be regulated under or be subject to the provisions of Ark. Code Ann. § 26-57-401 et seq.

(C) The Office of the Arkansas Lottery shall adopt rules necessary to carry out the purposes of this Amendment and perform its duties under this Amendment.

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

(E) Not later than 90 days after the effective date of this Amendment, the Office of the Arkansas Lottery shall adopt rules governing:

(i) The establishment of a coin operated amusement machine license application fee which shall not exceed \$2,500, and establishment of a location operator license application fee which shall not exceed \$50;

(ii) The manner in which the Office of the Arkansas Lottery considers applications to receive coin operated amusement machine licenses and location operator licenses;

(iii) The renewal of coin operated amusement machine licenses and location operator licenses;

(iv) The form and content of renewal for coin operated amusement machine licenses and location operator licenses;

(v) Oversight requirements for coin operated amusement machines and their operation;

(vi) Recordkeeping requirements for coin operated amusement machines and their operation;

(vii) Personnel requirements for coin operated amusement machines and their operation;

(viii) Procedures for suspending or terminating coin operated amusement machine licenses held by coin operated amusement machine licensees and location operator licenses held by location operator licensees that violate the provisions of this Amendment or the rules adopted under this Amendment;

(ix) A schedule of penalties and procedures for appealing the assessment of penalties;

(x) Procedures for inspection and investigations of coin operated amusement machines and their operation;

(xi) Responsibilities of coin operated amusement machine licensees and location operator licensees related to operating coin operated amusement machines;

(xii) The Office of the Arkansas Lottery shall allow coin operated amusement machine licensees to transfer coin operated amusement machine licenses; and

(xiii) Any other matters necessary for the fair, impartial, stringent, and comprehensive administration of its duties under this Amendment.

(F) Not later than March 1, 2021, the Office of the Arkansas Lottery shall begin accepting applications for coin operated amusement machine licenses and location operator licenses.

(G) The application for coin operated amusement machine licenses shall include without limitation the following:

- (i) The application fee;
- (ii) The legal name of the coin operated amusement machine applicant;
- (iii) The physical address of the coin operated amusement machine applicant; and
- (iv) The name, address, and date of birth of each officer and owner of the coin operated amusement machine applicant.

(H) The application for location operator licenses shall include without limitation the following:

- (i) The application fee;
- (ii) The legal name of the location operator applicant;
- (iii) The physical address of the location operator applicant; and
- (iv) The name, address, and date of birth of each officer and owner of the location operator applicant.

(I) A prospective applicant for a coin operated amusement machine license or a location operator license is disqualified from being an applicant if any of the following apply:

(i) If the applicant is an individual, the applicant is under twenty-one years of age.

(ii) If the applicant is an individual, the applicant has been convicted of a disqualifying felony offense as defined by the Office of the Arkansas Lottery; or

(iii) The applicant has previously had a coin operated amusement machine license or a location operator license (or their functional equivalents) revoked in any State

(J) The Office of the Arkansas Lottery shall issue 50 coin operated amusement machine licenses and shall issue location operator licenses to any qualified location operator applicant.

(K) Coin operated amusement machine licensees are required to own and lease coin operated amusement machines to location operator licensees for as long as they have a license.

(L) The Office of the Arkansas Lottery shall require all applicants for a coin operated amusement machine license to have procured, on or before August 1, 2019, at least 800 decals pursuant to Ark. Code Ann. § 26-57-417.

(M) No individual, corporation, partnership, association, trust, or other entity may hold more than 15 coin operated amusement machine licenses in Arkansas.

(N) Each coin operated amusement machine license authorizes a coin operated amusement machine licensee to own and lease up to 300 coin operated amusement machines to location operator licensees.

(O) Each location operator license authorizes a location operator licensee to make up to ten coin operated amusement machines available for commercial use and play by the public.

(P) The Office of the Arkansas Lottery shall issue a renewal coin operated amusement machine license within ten days to any coin operated amusement machine licensee that complies with the requirements contained in this Amendment, including without limitation the payment of the coin operated amusement machine license renewal fee, which shall not exceed \$1,000 per coin operated amusement machine license. Coin operated amusement machine licenses shall be renewed every ten years.

(Q) The Office of the Arkansas Lottery shall issue a renewal location operator license within ten days to any location operator licensee that complies with the requirements contained in this Amendment, including without limitation the payment of the location operator license renewal fee, which shall not exceed \$150. Location operator licenses shall be renewed every five years.

(5) Taxation and distribution of proceeds.

(A) A coin operated amusement machine licensee's net coin operated amusement machine receipts are subject to a net coin operated amusement machine receipts tax of 20%.

(B) Each coin operated amusement machine licensee shall be subject to the same taxation on income, property, sales, gross receipts, use, employment, and other taxation as any for-profit business located in the county and city or town in which any coin operated amusement machine is located, except that no sales or gross receipts tax shall apply to coin operated amusement machine receipts or net coin operated amusement machine receipts.

(C) 100% of the net coin operated amusement machine receipts tax shall be distributed to the Office of the Arkansas Lottery.

(6) Location operator licensees are permitted to make coin operated amusement machines available for commercial use and play by the public on any day for any portion or all of any day.

(7) No city, town, or county may enact any law governing the location operator licensee's placement of coin operated amusement machines or the manner in which they are made available for commercial use and play by the public.

(8) All shipments of coin operated amusement machines that are duly registered, recorded, and labeled by the manufacturer and/or dealer thereof in accordance with applicable federal law into any county of this State in which the coin operated amusement machines are operated are authorized in accordance with this Amendment shall be deemed legal shipments.

(9) Effect on existing law.

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

(B) This Amendment does not amend, repeal, or otherwise affect Amendment 84 (authorizing bingo and raffles), Amendment 87 (creating the state scholarship lottery), Amendment 100 (authorizing casino gaming), Act 1151 of 2005 (authorizing electronic games of skill), or Ark. Code Ann. § 26-57-401, et seq. to the extent those Amendments and statutes do not conflict with this Amendment.

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

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

(12) The Coin Operated Amusement Machine Amendment shall be effective on and after November 11, 2020.

(fe) This Amendment does not repeal, supersede, amend or otherwise affect Amendments 84 (authorizing bingo and raffles), Amendment 87 (creating the state scholarship lottery), Amendment 100 (authorizing casino gaming), or Act 1151 of 2005 (authorizing electronic games of skill), to the extent those Amendments and statute do not conflict with this Amendment; ~~to the Arkansas Constitution or games of bingo and raffles permitted therein.~~

(gf) Except as herein specifically provided, lotteries and the sale of lottery tickets are prohibited.