



STATE OF ARKANSAS
Office of the Attorney General

Winston Bryant
Attorney General

Telephone:
(501) 682-2007

Opinion No. 94-157

May 24, 1994

Mr. John Wesley Hall, Jr.
Attorney at Law
523 West Third Street
Little Rock, AR 72201-2228

Dear Mr. Hall:

This is in response to your request, pursuant to A.C.A. § 7-9-107 (Repl. 1993), for certification of the following proposed popular name and ballot title for a proposed constitutional amendment:

(Popular Name)

ARKANSAS LOTTERY, BINGO,
AND RAFFLE AMENDMENT

(Ballot Title)

A PROPOSED AMENDMENT TO THE ARKANSAS
CONSTITUTION AUTHORIZING THE STATE OF
ARKANSAS TO CONDUCT A STATE LOTTERY TO
BE CONDUCTED BY THE STATE OR BY THE
STATE IN CONJUNCTION WITH OTHER STATE
LOTTERIES AND TO REGULATE BINGO AND
RAFFLES:

LOTTERY: CREATING A FIVE-MEMBER STATE
LOTTERY COMMISSION APPOINTED BY THE
GOVERNOR WHOSE MEMBERS ARE REMOVABLE FOR
CAUSE WHO SHALL OPERATE AND ADMINISTER
THE LOTTERY TO ENSURE THE INTEGRITY,
SECURITY, HONESTY, AND FAIRNESS OF THE
LOTTERY; PROVIDING FOR AN EXECUTIVE
DIRECTOR WHO SHALL BE APPOINTED BY THE
GOVERNOR AND BE REMOVABLE FOR CAUSE AND

WHO IS EXPERIENCED IN OPERATING STATE LOTTERIES TO ADMINISTER THE LOTTERY UNDER THE DIRECTION OF THE COMMISSION; PROVIDING ONLY STATE-ISSUED LOTTERY TICKETS MAY BE USED TO WIN A PRIZE; PROHIBITING MINORS FROM BUYING LOTTERY TICKETS OR TICKETS TO BE SOLD ON CREDIT; PROHIBITING STATE AND LOCAL TAXES ON LOTTERY TICKETS; PROVIDING THAT PROCEEDS FROM THE LOTTERY SHALL BE 50% TO PRIZES, 10% FOR ADMINISTRATION, 5% TO TICKET SALES COMMISSIONS, AND 35% DIVIDED EQUALLY FOR LAW ENFORCEMENT PERSONNEL AND PUBLIC EDUCATION; AND PROVIDING FOR ANNUAL AUDITS BY THE DIVISION OF LEGISLATIVE AUDIT; AND

BINGO: PROVIDING THAT BINGO AND RAFFLES SHALL BE LICENSED BY THE DEPARTMENT OF FINANCE AND ADMINISTRATION; PROSCRIBING WHO CAN CONDUCT CHARITABLE BINGO AND RAFFLES; PROVIDING THAT CHARITABLE BINGO AND RAFFLES ARE TAX EXEMPT IF ALL THE NET PROCEEDS OVER AND ABOVE THE ACTUAL COST OF CONDUCTING THE BINGO GAME OR RAFFLE IS USED FOR CHARITABLE, RELIGIOUS, OR PHILANTHROPIC PURPOSES; CRIMINALIZING OPERATION OF FRAUDULENT BINGO OR RAFFLES; TAXATION OF OTHER BINGO OPERATIONS WHICH SHALL PAY A STATE, COUNTY, AND CITY SALES TAX OF ONE AND A HALF TIMES THE ESTABLISHED SALES TAX RATE; DEFINING CRIMINAL OFFENSES UNDER THE AMENDMENT; PROSCRIBING WHO CAN WORK FOR OR OWN STOCK IN A BINGO OPERATION; AND DECLARING CERTAIN CONDUCT CRIMINAL; AND

OTHER: AUTHORIZING THE GENERAL ASSEMBLY TO IMPLEMENT THIS AMENDMENT BY APPROPRIATE LEGISLATION; PROVIDING THAT THE PROVISIONS OF THE AMENDMENT ARE SEVERABLE; REPEALING ARTICLE 19, § 14 OF THE ARKANSAS CONSTITUTION IN CONFLICT WITH THIS AMENDMENT; PROVIDING THAT THIS AMENDMENT SHOULD BE CONSTRUED TO BE IN FORCE EVEN IF GAMBLING AMENDMENTS TOUCHING THE SAME SUBJECT ARE ADOPTED IN 1994; AND DECLARING THE AMENDMENT OPERATIVE JANUARY 1, 1995.

The Attorney General is required pursuant to Section 7-9-107 to approve and certify the popular name and ballot title of all proposed initiative and referendum acts or amendments before the petitions are circulated for signature. The law provides that the Attorney General may substitute and certify a more suitable and correct popular name and ballot title, or if the proposed popular name and ballot title are sufficiently misleading, the entire petition may be rejected.

Section 7-9-107 neither requires nor authorizes this office to make legal determinations concerning the merits of the act or amendment or likelihood that it will accomplish its stated objective. Consequently, this review has been limited to determining whether the proposed popular name and ballot title accurately and impartially summarize the provisions of your proposed initiative.

The purpose of my review and certification is to insure that the popular name and ballot title honestly, intelligently, and fairly set forth the purpose of the proposed amendment. See Arkansas Women's Political Caucus v. Riviere, 282 Ark. 463, 466, 677 S.W.2d 846 (1984). The popular name is primarily a useful legislative device. Pafford v. Hall, 217 Ark. 734, 233 S.W.2d 72 (1950). It need not contain detailed information or include exceptions which might be required of a ballot title, but it must not be misleading or give partisan coloring to the merit of the proposal. Chaney v. Bryant, 259 Ark. 294, 532 S.W.2d 741 (1976); Moore v. Hall, 229 Ark. 411, 316 S.W.2d 207 (1958). The popular name is to be considered together with the ballot title in determining its sufficiency. Id.

A ballot title must include an impartial summary of the proposed amendment which will give the voter a fair understanding of the issues presented. Hoban v. Hall, 229 Ark. 416, 417, 316 S.W.2d 185 (1958); Becker v. Riviere, 270 Ark. 219, 223, 226, 604 S.W.2d 555 (1980). It has been stated that the ballot title must contain any information that would "give the elector 'serious ground for reflection'". Finn v. McCuen, 303 Ark. 418, 798 S.W.2d 34 (1990), citing Gaines v. McCuen, 296 Ark. 513, 758 S.W.2d 403 (1988). It has been stated that the ballot title must be: 1) intelligible, 2) honest, and 3) impartial. Becker v. McCuen, 303 Ark. 482, 798 S.W.2d 71 (1990) citing Leigh v. Hall, 232 Ark. 558, 339 S.W.2d 104 (1960).

Applying the above precepts, the popular name is hereby approved as submitted. The following ballot title is substituted for that submitted in order to fully apprise the voter of the substance of the proposal:

(Ballot Title)

A PROPOSED AMENDMENT TO THE ARKANSAS CONSTITUTION CREATING A STATE LOTTERY TO BE SUPERVISED BY A STATE LOTTERY COMMISSION, AND PERMITTING BINGO AND RAFFLES UNDER THE JURISDICTION OF THE DEPARTMENT OF FINANCE AND ADMINISTRATION; PROVIDING THAT THE FIVE-MEMBER LOTTERY COMMISSION SHALL BE APPOINTED BY THE GOVERNOR FOR TERMS OF THREE YEARS AND SHALL BE SUBJECT TO REMOVAL FOR CAUSE BY THE GOVERNOR; DIRECTING THE COMMISSION TO PRESCRIBE PROCEDURES FOR PUBLIC REPORTING OF TRANSACTIONS AND FOR LICENSING VENDORS AND SUPPLIERS; REQUIRING THE COMMISSION TO SPECIFY THE TYPES OF LOTTERY GAMES TO BE CONDUCTED, INCLUDING WHETHER GAMES WILL BE CONDUCTED WITH OTHER STATES; AUTHORIZING THE COMMISSION TO HIRE NECESSARY PERSONNEL, TO BE APPROVED BY THE GENERAL ASSEMBLY; PROVIDING FOR THE GOVERNOR'S APPOINTMENT OF A QUALIFIED EXECUTIVE DIRECTOR TO MANAGE THE OPERATION OF THE LOTTERY UNDER THE SUPERVISION OF THE COMMISSION, AND WHO SHALL BE SUBJECT TO REMOVAL FOR CAUSE BY THE GOVERNOR; REQUIRING THAT ONLY COMMISSION-APPROVED LOTTERY TICKETS MAY BE SOLD IN ARKANSAS; PROHIBITING LOTTERY TICKET SALES THROUGH ANY PURCHASER OPERATED SYSTEM; PROHIBITING LOTTERY TICKET SALES TO MINORS AND SALES ON CREDIT; PROHIBITING STATE AND LOCAL TAXES ON LOTTERY TICKET SALES; PROVIDING THAT 50% OF TOTAL LOTTERY TICKET SALE REVENUES SHALL BE CONSIDERED CASH FUNDS AND SHALL BE DISTRIBUTED AS PRIZES, AND THAT THE REMAINDER SHALL BE DEPOSITED INTO THE STATE TREASURY WITH 10% ALLOCATED FOR ADMINISTRATION, 5% TO TICKET SALES COMMISSIONS, AND 35% DISTRIBUTED ONE-HALF TO COUNTIES AND CITIES FOR LAW ENFORCEMENT AND CRIME PREVENTION PERSONNEL AND ONE-HALF TO LOCAL SCHOOL DISTRICTS FOR EDUCATIONAL FACILITIES AND EQUIPMENT; PROVIDING FOR ANNUAL AUDITS OF THE LOTTERY AND COMMISSION OPERATIONS BY THE DIVISION OF LEGISLATIVE AUDIT; DEFINING "BINGO" AND "RAFFLES," TO BE LICENSED BY THE DEPARTMENT OF FINANCE AND ADMINISTRATION

AS PROVIDED BY LAW OR REGULATION;
PROHIBITING ANY FELON FROM WORKING IN,
OWNING, OR OWNING STOCK IN A COMMERCIAL
OR CHARITABLE BINGO OPERATION OR RAFFLE;
EXEMPTING CHARITABLE BINGO AND RAFFLES
OPERATED BY AN AUTHORIZED ORGANIZATION,
AS DEFINED, FROM ALL STATE AND LOCAL
TAXES; REQUIRING AN AUTHORIZED
ORGANIZATION TO SHOW THAT ALL NET
RECEIPTS OVER ACTUAL EXPENSES SHALL BE
USED ONLY FOR CHARITABLE, RELIGIOUS, OR
PHILANTHROPIC PURPOSES; FURTHER
PRESCRIBING WHO CAN PARTICIPATE IN
OPERATING CHARITABLE BINGO AND RAFFLES;
PROVIDING FOR THE TAXATION OF
NON-CHARITABLE BINGO OPERATIONS AT ONE
AND ONE-HALF TIMES THE EXISTING RATE OF
ANY STATE, CITY, AND COUNTY SALES TAX;
DEFINING CRIMINAL OFFENSES UNDER THE
AMENDMENT; AUTHORIZING IMPLEMENTING
LEGISLATION BY THE GENERAL ASSEMBLY;
PROVIDING THAT THE PROVISIONS OF THE
AMENDMENT ARE SEVERABLE; REPEALING
ARTICLE 19, SECTION 14 OF THE ARKANSAS
CONSTITUTION AND ANY OTHER CONFLICTING
PROVISIONS; PROVIDING THAT THIS
AMENDMENT SHALL SUPERSEDE THE PARTS OF
ANY OTHER GAMBLING AMENDMENT ADOPTED BY
THE VOTERS IN 1994 THAT TOUCH THE SAME
SUBJECT; AND DECLARING THE AMENDMENT
EFFECTIVE JANUARY 1, 1995.

Pursuant to A.C.A. § 7-9-108(c), instructions to canvassers
and signers are enclosed herewith.

Sincerely,


WINSTON BRYANT
Attorney General

Enclosure

INSTRUCTIONS TO CANVASSERS AND SIGNERS

1. Amendment No. 7 to the Arkansas Constitution gives to the people of the State of Arkansas the power to propose legislation or constitutional amendments by initiative petition, and to order the referendum against any general act or any item of an appropriation bill, or measure passed by the General Assembly. The petition must be signed by eight percent (8%) of the legal voters in the case of proposed legislation, ten percent (10%) in the case of proposed constitutional amendments, and six percent (6%) in the case of a referendum. The proposed legislation or constitutional amendment must be submitted to the legal voters of the State at a regular election; referendum petitions may be referred to the people at special elections when fifteen percent (15%) of the legal voters petition for such special election. Any measure submitted to the people shall take effect and become a law when approved by a majority of the votes cast upon such measure.

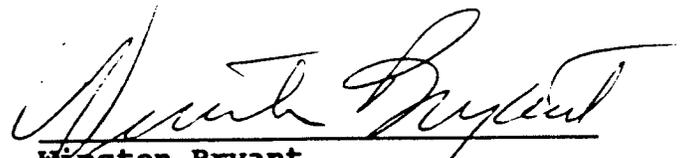
2. Only legal voters may sign. Printed names, dates of birth, residences, and cities or towns of residence must be given as an aid to verification. The petition should contain only the signatures of voters residing in a single county.

3. All signatures must be affixed in ink or indelible pencil by the signers in their own handwriting in the presence of the persons circulating the petition.

4. Do not attach additional sheets to this petition unless such sheets contain the full language of the petition. Place as many names as possible on each petition.

5. TO SIGN ANY NAME OTHER THAN YOUR OWN, TO KNOWINGLY SIGN YOUR NAME MORE THAN ONCE TO ANY PETITION, TO KNOWINGLY SIGN YOUR NAME WHEN YOU ARE NOT LEGALLY ENTITLED TO SIGN IT, TO KNOWINGLY AND FALSELY MISREPRESENT THE PURPOSE AND EFFECT OF THIS PETITION FOR THE PURPOSE OF CAUSING ANYONE TO SIGN IT, OR TO KNOWINGLY MAKE A FALSE STATEMENT ON A PETITION VERIFICATION FORM SHALL CONSTITUTE A CLASS "A" MISDEMEANOR AND SUBJECT THE OFFENDER TO A FINE OF UP TO \$1,000.00 AND IMPRISONMENT FOR UP TO ONE (1) YEAR.

The Attorney General is by law required to certify the sufficiency of the popular name and ballot title of all initiative or referendum petitions. This certification does not necessarily indicate the approval or disapproval of the contents thereof.


Winston Bryant
ATTORNEY GENERAL OF THE STATE
OF ARKANSAS

Popular Name
ARKANSAS LOTTERY, BINGO, AND RAFFLE AMENDMENT

MAY 10 1994
ATTORNEY GENERAL
OF
ARKANSAS

Ballot Title

A PROPOSED AMENDMENT TO THE ARKANSAS CONSTITUTION
AUTHORIZING THE STATE OF ARKANSAS TO CONDUCT A STATE LOTTERY TO
BE CONDUCTED BY THE STATE OR BY THE STATE IN CONJUNCTION WITH
OTHER STATE LOTTERIES AND TO REGULATE BINGO AND RAFFLES:

LOTTERY: CREATING A FIVE-MEMBER STATE LOTTERY COMMISSION
APPOINTED BY THE GOVERNOR WHOSE MEMBERS ARE REMOVABLE FOR CAUSE
WHO SHALL OPERATE AND ADMINISTER THE LOTTERY TO ENSURE THE
INTEGRITY, SECURITY, HONESTY, AND FAIRNESS OF THE LOTTERY;
PROVIDING FOR AN EXECUTIVE DIRECTOR WHO SHALL BE APPOINTED BY THE
GOVERNOR AND BE REMOVABLE FOR CAUSE AND WHO IS EXPERIENCED IN
OPERATING STATE LOTTERIES TO ADMINISTER THE LOTTERY UNDER THE
DIRECTION OF THE COMMISSION; PROVIDING ONLY STATE-ISSUED LOTTERY
TICKETS MAY BE USED TO WIN A PRIZE; PROHIBITING MINORS FROM
BUYING LOTTERY TICKETS OR TICKETS TO BE SOLD ON CREDIT;
PROHIBITING STATE AND LOCAL TAXES ON LOTTERY TICKETS; PROVIDING
THAT PROCEEDS FROM THE LOTTERY SHALL BE 50% TO PRIZES, 10% FOR
ADMINISTRATION, 5% TO TICKET SALES COMMISSIONS, AND 35% DIVIDED
EQUALLY FOR LAW ENFORCEMENT PERSONNEL AND PUBLIC EDUCATION; AND
PROVIDING FOR ANNUAL AUDITS BY THE DIVISION OF LEGISLATIVE AUDIT;
AND

BINGO: PROVIDING THAT BINGO AND RAFFLES SHALL BE LICENSED
BY THE DEPARTMENT OF FINANCE AND ADMINISTRATION; PROSCRIBING WHO
CAN CONDUCT CHARITABLE BINGO AND RAFFLES; PROVIDING THAT
CHARITABLE BINGO AND RAFFLES ARE TAX EXEMPT IF THE ALL THE NET
PROCEEDS OVER AND ABOVE THE ACTUAL COST OF CONDUCTING THE BINGO
GAME OR RAFFLE IS USED FOR CHARITABLE, RELIGIOUS, OR
PHILANTHROPIC PURPOSES; CRIMINALIZING OPERATION OF FRAUDULENT
BINGO OR RAFFLES; TAXATION OF OTHER BINGO OPERATIONS WHICH SHALL
PAY A STATE, COUNTY, AND CITY SALES TAX OF ONE AND A HALF TIMES
THE ESTABLISHED SALES TAX RATE; DEFINING CRIMINAL OFFENSES UNDER
THE AMENDMENT; PROSCRIBING WHO CAN WORK FOR OR OWN STOCK IN A

BINGO OPERATION; AND DECLARING CERTAIN CONDUCT CRIMINAL; AND
OTHER: AUTHORIZING THE GENERAL ASSEMBLY TO IMPLEMENT THIS
AMENDMENT BY APPROPRIATE LEGISLATION; PROVIDING THAT THE
PROVISIONS OF THE AMENDMENT ARE SEVERABLE; REPEALING ARTICLE 19,
§ 14 OF THE ARKANSAS CONSTITUTION AND ALL OTHER PARTS OF THE
CONSTITUTION IN CONFLICT WITH THIS AMENDMENT; PROVIDING THAT THIS
AMENDMENT SHOULD BE CONSTRUED TO BE IN FORCE EVEN IF GAMBLING
AMENDMENTS TOUCHING THE SAME SUBJECT ARE ADOPTED IN 1994; AND
DECLARING THE AMENDMENT OPERATIVE JANUARY 1, 1995.

Section 1. Title of Amendment

This amendment shall be known as the "Arkansas Lottery,
Bingo, and Raffle Amendment."

Title I

Arkansas State Lottery

Section 2. State Lottery

There is hereby created an Arkansas State Lottery which
shall be state operated by the Arkansas State Lottery Commission.

Section 3. Arkansas State Lottery Commission Created

(a) The Arkansas State Lottery Commission is hereby
created.

(b) The Commission shall consist of five members to be
appointed by the Governor.

(1) They shall be appointed for staggered terms of three
years.

(2) The first meeting of the full Commission will have the
Commissioners draw lots for the length of their terms, two for
one year, two for two years and one for three years.

(3) The Governor shall have the power to remove any
commissioner for cause.

(4) All Congressional Districts shall be represented on the
Commission.

(5) At least one commissioner shall be a certified public accountant and one shall be a lawyer.

Section 4. Administration of the Arkansas State Lottery

(a) The Arkansas State Lottery Commission shall:

(1) Ensure the integrity, security, honesty, and fairness of the operation and administration of the Arkansas State Lottery.

(2) Prescribe the duties of the Executive Director.

(3) Prescribe auditing and accounting procedures for the open and public reporting of financial transactions of the Commission and the method of payment of prizes.

(4) Prescribe the methods and procedures for investigating and licensing authorized vendors, suppliers, and ticket retailers.

(5) Promulgate rules and regulations specifying the types of lottery games to be conducted by the Arkansas State Lottery, including whether games will be conducted in conjunction with other states.

(6) Hire such professional, clerical, technical, administrative, and other personnel as may be necessary for the operation of the Commission and the administration of the lottery games to be approved by the General Assembly.

(b)(1) The Executive Director of Arkansas State Lottery shall be appointed by the Governor, and the Governor may remove the Executive Director for cause.

(2) The Executive Director shall manage the operation of the Arkansas State Lottery under the supervision of the Arkansas State Lottery Commission. The Executive Director shall be qualified by training and experience to direct the operations of a state-operated lottery. The Executive Director shall also ensure the integrity, security, honesty, and fairness of the operation and administration of the Arkansas State Lottery.

(c) The Commission, its Director, and their actions are governed by the laws of administrative procedure, open meetings, and public records.

Section 5. Ticket Sales

(a) Each lottery ticket shall provide the purchaser with a chance to win cash awards or other valuable considerations.

(b) Only lottery tickets approved by the Commission shall be sold in Arkansas.

(c) No tickets may be sold or dispensed in any way through any purchaser operated machine or system that involves any operation by the purchaser.

(d) Tickets may not be sold on credit.

(e) No tickets may be sold to minors or redeemed by minors.

(f) No state or local taxes shall be imposed on the sale of lottery tickets.

Section 6. Allocation of Revenues

(a) Revenue from lottery ticket sales shall be allocated by the Commission as follows:

(1) Prizes. (A) Fifty percent (50%) of the total revenues from the sales of lottery tickets shall be distributed as prizes.

(B) These revenues shall be considered cash funds of the Arkansas State Lottery Commission and shall not be deposited in the State Treasury.

(2) The remainder of the funds shall be deposited into the State Treasury for allocation as follows:

(A) Administration Expenses. Administration expenses shall not exceed ten percent (10%) of revenues. If these expenses do not reach ten percent, the unexpended amount shall be distributed as public revenues.

(B) Commissions. Commissions to ticket sellers shall be five percent (5%) of sales. The Commission will determine how Commissions are to be paid.

(C) Public Revenues. The remaining thirty five percent (35%) shall be public revenues to be allocated for law enforcement, crime prevention, and public schools to be appropriated by the General Assembly.

(i) One-half shall be distributed to counties and cities for law enforcement and crime prevention personnel under the same

formula as turnback revenues.

(ii) One-half shall be distributed to local school districts on the basis of average daily attendance and shall be expended for educational facilities and equipment.

(iii) These shall not be substitute funds; rather, they shall supplement the total amount of money allocated for law enforcement, crime prevention, and public schools in Arkansas.

Section 7. Public Audits

All funds and operations of the Arkansas State Lottery and Arkansas State Lottery Commission shall be audited annually by the Division of Legislative Audit.

Title II

Bingo and Raffles

Section 8. Bingo and Raffles Permitted

(a) Bingo and similar related games and raffles are hereby permitted in Arkansas under the jurisdiction of the Department of Finance and Administration subject to such terms and limitations as proscribed by the General Assembly.

(b) "Bingo" shall mean a single game commonly known by the name "bingo" where the participants are physically present at the location where the game is being conducted and pay a sum of money for the use of one or more bingo cards imprinted with at least twenty-four numbers to match numbers drawn at random and announced by a caller, in contemporaneous competition among all the players of the game, shall be considered bingo.

(c) "Raffles" shall mean a game in which a participant buys a ticket for a chance at a prize with the winner determined by a random drawing to take place at a location and date printed on the ticket.

Section 9. Administration

(a) The Department of Finance and Administration shall administer the licensing of and tax collection from bingo and raffles as provided by law or regulation.

(b) The Director of the Department of Finance and

Administration shall issue licenses for the conduct of bingo and raffles under this act.

(c) By applying for or accepting a license, a licensee consents to audits and inspection of records to determine whether the licensee is complying with the requirements of the law.

(d) No individual may work in or own or own stock in a commercial or charitable bingo operation or raffle who has been convicted of a felony.

(e) Criminal offenses for violation of laws pertaining to bingos and raffles may be investigated by any law enforcement agency with jurisdiction.

Section 10. Charitable Bingo and Raffles

(a) Charitable bingo and raffles operated by an authorized organization shall be exempt from all state and local taxes.

(b)(1) An "authorized organization" shall mean any non-profit, tax exempt charitable, religious, or other civil organization of any kind, including, but not limited to, educational, veterans', fraternal service, medical, volunteer fire or rescue service, or senior citizens' organization which has been in existence, as such, in this State for a period of not less than three years preceding its application for a bingo or raffle license.

(2) "Tax exempt" under this section means exempt from tax under § 501(c) of the Internal Revenue Code.

(c) The Department shall not issue a license for charitable bingo or raffles unless the authorized organization shows in its application that:

(1) All net receipts over and above actual expenses of conducting the bingo or raffle shall be used only for charitable, religious, or philanthropic purposes, and no receipts shall be used to compensate in any manner any person who works for or is affiliated with the authorized organization in any way.

(2)(A) All persons participating in operating the bingo game or raffle shall have been a bona fide member of the

organization for at least twenty-four months preceding the bingo game or raffle, and they shall volunteer their time and service to the organization to conduct the bingo game or raffle.

(B) The organization cannot contract with any person or entity to conduct the bingo game or raffle for it or for a non-charitable bingo operator to avoid tax liability by paying salaries or artificially inflated rents, leases, or user fees or any other artifice to defraud the state.

Section 11. Non-charitable Bingo

(a) Non-charitable bingo operations shall be licensed by the Department of Finance and Administration.

(b) The net receipts of a bingo operation, other than charitable bingo, shall be subject to sales taxes to the State, Cities, and Counties which have levied sales taxes equal one and one-half times the existing tax rate.

Section 12. Criminal Offenses

(a) The General Assembly may declare what acts in violation of this Title are misdemeanors or felonies.

(b) The following shall be declared felonies:

(1) Operating a bogus charitable bingo or raffle for the purpose of avoiding tax liability.

(2) Submitting a false application to get a bingo or raffle license.

(3) Fraudulently or improperly diverting revenues from either a charitable or commercial bingo operation to avoid potential tax liability or licensing requirements.

Title III

Implementation, Severance, Construction, and Repealer

Section 13. Implementing Legislation

The General Assembly shall pass such implementing legislation as is necessary under this amendment, including determining what shall be a criminal offense.

Section 14. Severance

If any part or subpart of this amendment is declared

invalid, the remainder of the amendment shall be valid without it if it can be so construed. It is intended that Titles I and II of this amendment are independent of each other and each can be effective without the other.

Section 15. Construction

If any gambling amendment is adopted by the voters in 1994 that also involves a lottery, bingo, or raffles as a part of it, this amendment shall be construed to supersede the parts of the other amendment touching the same subject, notwithstanding the vote, because this amendment is more specific in its scope.

Section 16. Repealer

Article 19, § 14 of the Arkansas Constitution and any other part of the Arkansas Constitution in conflict with this amendment is repealed.

Section 16. Effective Date

This amendment is effective on January 1, 1995.