

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1389

Bill Subtitle: TO REQUIRE A SERVICE INDUSTRY LICENSE FOR CERTAIN PERSONS OR ENTITIES RELATED TO CASINO GAMING; AND TO REQUIRE BACKGROUND CHECKS FOR SERVICE INDUSTRY LICENSEES EMPLOYED BY A FRANCHISE HOLDER OR CASINO LICENSEE.

Basic Change :

Sponsors: Rep. Gramlich and Sen. Stone

HB1389 amends § 23-117-102 to require a person or entity providing certain devices or services to a franchise holder or casino licensee to obtain a service industry license from the Arkansas Racing Commission (Commission). HB1389 requires applicants for a service industry license to pass a criminal background check.

A service industry license is required for any person or entity that:

- Manufactures, sells, leases, supplies, or distributes devices, machines, equipment, accessories, objects, or articles that are designed specifically for use in casino gaming operations, are needed to carry out the activities of an authorized game, have the capacity to affect the result of the play of an authorized game, or have the capacity to affect the calculation, storage, collection, or control of the gross revenues;
- Provides maintenance services or repairs gaming equipment for casino gaming of the franchise holder or casino licensee;
- Provides management or operational services to a franchise holder or casino licensee for the person's or entity's casino gaming operations;
- Supplies materials, maintenance, management, or operational services, including without limitation security systems, gaming devices, and money handling or storage devices;
- Conducts more than \$150,000 in business with one franchise holder or casino licensee;
- Is a key employee of a licensed service industry vendor that has the ability to direct, control, or manage operations and who has the discretionary authority over the decision-making within the licensed service industry vendor; or
- Is a general employee of a licensed service industry vendor that has direct access or remote access to a franchise holder's or casino licensee's casino gaming operation.

An applicant for a service industry license is required to be fingerprinted. The fingerprints would be sent to the Arkansas State Police for state criminal and noncriminal background checks and to the Federal Bureau of Investigation for a national criminal history record check. The results of the background check would be provided by the FBI to the Commission.

Revenue Impact :

None.

Taxpayer Impact :

An applicant for a service industry license is required to be fingerprinted for statewide criminal and noncriminal background checks and an FBI national criminal background check.

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Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Casino Gaming Section (CGS) Rules and manuals will need to be updated. CGS and Commission staff will need to be educated on the changes.

Other Comments :

None.

Legal Analysis :

None.