



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: HB1634

Bill Subtitle: TO ESTABLISH THE ARKANSAS SPORTS RAFFLE ACT; AND TO DECLARE AN EMERGENCY.

Sponsors:

Reps. Hawk, M. Shepherd, Eubanks, Evans, Achor, Duffield, Brooks, Maddox, Ray, L. Johnson

Sens. Dismang, Hester, Boyd, and McKee

Basic Change:

HB1634 creates the "Arkansas Sports Raffle Act" to permit an institution of higher education or its affiliated nonprofit organization ("qualifying organizations") to conduct a raffle for educational, charitable, or philanthropic purposes under certain conditions. A raffle conducted under the new law is not subject to the provisions of the Charitable Bingo and Raffles Enabling Act, § 23-114-101 et seq. HB1634 provides that a raffle conducted under the Arkansas Sports Raffle Act is governed by Amendment 84 of the Arkansas Constitution.

The raffle must be based on an official game or sporting event between a qualifying organization's collegiate athletic team and an opposing institution of higher education's collegiate athletic team and is limited to one raffle per game or sporting event.

The bill provides that a qualifying raffle may be conducted on:

- A digital or electronic device;
- An online platform, website, or software application; or
- Any premises owned, leased, or otherwise utilized by a qualifying organization.

The bill also provides how funds earned from the raffle may be used and places certain restrictions on the use of such funds.

HB1634 prohibits a third party from conducting or administering a raffle on behalf of a qualifying organization. The bill places a limit of \$250 per transaction if a qualifying organization allows a credit card to be used as the method of payment for purchase of a raffle ticket.

The bill also provides that the subject raffles do not constitute prohibited gambling activities for purposes of laws governing certain licenses and permits issued and administered by the Department of Finance and Administration's Alcoholic Beverage Control Division (ABC).

Fiscal Impact:

None.

Taxpayer Impact:

An institution of higher education or its affiliated nonprofit organization would be authorized to conduct a raffle and utilize receipts from the raffle for eligible purposes. If an institution of higher education or its affiliated nonprofit organization elects to accept credit card payments for raffles conducted for eligible purposes, a \$250 transaction limit shall apply.



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Resources Required:

None.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

Enforcement officers of the Regulatory Division of the Department of Finance and Administration will be notified and trained on the change to allow this type of raffle at an alcohol-permitted establishment.

Other Comments:

None.

Legal Analysis:

The Arkansas Constitution generally prohibits lotteries other than the Arkansas Scholarship Lottery. Ark. Const. art. 19, § 14(f). The lone exception is a raffle or bingo conducted by an authorized bingo and raffles organization pursuant to amendment 84. Ark. Const. amend. 84, § 1(b). Because the prohibition on lotteries (and lone exception thereto) is constitutional, the General Assembly cannot by statute create new exceptions to the prohibition. To be constitutional, a raffle must comply with amendment 84.

HB1634 clearly defines and outlines which organizations may be involved in a raffle, when a raffle may be held, under what circumstances, who can play, and that the purpose is to fund student athletes and athletic programs in Arkansas.