



Regulatory Oversight

COMMERCIAL GAMING

Governing Body: The Arkansas Racing Commission (ARC) is responsible for all licensing, adjudication of fines, certification of casino games, appeals/rulings and approval of all casino gaming plans.

Enacted in 2005, the Games of Skill Act, Ark. Code §§ 23-113-101 et seq., legalized the operation of gaming machines at licensed pari-mutuel racetracks subject to voter approval.

Following the approval of a ballot referendum in November 2018, casinos in the state are authorized to offer all casino games, including sports betting. The constitutional amendment authorizes four casino licenses to be issued in the state: one each in Pope and Jefferson counties and one at each existing racetrack.

Southland Casino Racing, formerly Southland Park Gaming & Racing, offers slots, and table games. Oaklawn Racing Casino Resort, formerly Oaklawn Park Race track, offers slots, table games and horseracing. Saracen Casino Resort officially opened in October 2020 offering both slot machines and table games. In November 2021, the commission voted to award a license for the Pope County casino to Cherokee Nation Business. However, in October 2023, the Arkansas Supreme Court upheld a ruling voiding the Cherokee Nation Pope County license.

In June 2024, the ARC approved a new Cherokee Nation proposal for the Pope County license. Nevertheless, following the November 2024 U.S. elections, Arkansas voters through a constitutional amendment known as Issue 2 repealed the award of the Pope County license. Under Issue 2, county-wide elections are now required for any future casino expansion. This amendment took effect on November 13, 2024.



Licensing

COMMERCIAL GAMING

Operator: The Southland and Oakland gaming facilities are not required to pay any additional casino licensing fees.

Applicants for the additional two casino licenses are required to pay an application fee of up to \$250,000 for the right to operate casinos.

Casino licenses must be renewed every ten years, for a fee of \$10,000.

Supplier License: Applicants for a manufacturer/distributor of games license are required to pay a \$6,000 application fee and a \$1,000 annual license renewal fee.

Additionally, under Rule 3.03, a service industry license is required by any entity that manufactures, sells or leases, supplies or distributes devices, machines, equipment, or articles which are used in casino gaming operation or are needed to carry out an authorized game. Applicants for a service industry license are required to pay a \$5,000 application fee and a \$1,000 annual license renewal fee.



Taxation & Tribal Revenue Sharing

COMMERCIAL GAMING

Gaming Tax Rate: Under Rule 6.030, casino gaming is subject to a tax of 13 percent on the first \$150m of net casino gaming receipts and 20 percent on net casino gaming receipts exceeding \$150m.

Tax Allocation: Tax revenue from Arkansas casinos is distributed as follows:

- Arkansas General Revenue Fund: 55 percent
- Casino Host City: 19.5 percent
- Arkansas Racing Commission Purse and Awards Fund: 17.5 percent
- Casino Host County: 8 percent

Promotional Credits: In Arkansas, operators are permitted to offer players a number of promotional items that meet the requirements of Rule 12.210.

Withholding Tax on Gambling Winnings: Gambling winnings, minus any losses up to the amount of winnings, are treated as taxable income in Arkansas, the rate of which is determined by the amount of income a person makes.

Additionally, winnings are taxed by the federal government. Generally speaking, if a player wins \$600 or more and the winnings are at least 300 times the wager, this must be reported as income (the winnings minus the wager) and will be taxed at a rate of 24 percent.



Responsible Gaming

COMMERCIAL GAMING

Statutory Funding Requirement: There are no statutorily mandated funding requirements for responsible gaming.

Self-exclusion: There are no statutorily mandated self-exclusion programs in Arkansas.

Advertising Restrictions: Operators may be sanctioned for a failure to conduct advertising in accordance with decency, dignity, good taste, honesty and inoffensiveness, including, but not limited to, advertising that is false or materially misleading.

On-Premise Display Requirements: Licensees must conspicuously display a responsible gambling message,



which includes a helpline and/or website that can provide problem gambling information and assistance, to patrons upon accessing their wagering account.

Restrictions on Minors on the Gambling Premises: Individuals must be at least 21 years of age to participate in gambling.



Other Regulations

COMMERCIAL GAMING

Testing Requirements: All casino gaming and associated equipment must be tested by an ARC-licensed laboratory to ensure that the games and equipment comply with Arkansas law and the rules of the ARC. No casino licensee may operate or allow wagering on any casino gaming equipment that has not been tested by a licensed laboratory. Additionally, the ARC must approve the test results from the licensed laboratory prior to the licensee allowing wagering on the casino gaming equipment.

AML requirements: Under federal U.S. law, commercial casino operators, tribal gaming operators and card clubs are required to comply with various statutes to prevent money laundering activities and other financial crimes, including terrorism financing.

Shipping Requirements: Rule 12.180 states that category I manufacturers and distributors may not distribute gaming devices out of the state of Arkansas without applying for and receiving the prior written approval of the Commission. Category I manufacturers and distributors may be exempt from the requirements of this rule if various conditions are met.

Restrictions on Political Contributions: Restrictions on political contributions are not outlined in state gaming statutes or gaming regulations.

Credit: Patrons may be extended credit for the purposes of gaming.

Smoking Bans: No. An owner or operator of designated smoking areas on the gaming floor of any casino licensee may exempt itself from the Arkansas Clean Indoor Air Act.

Cashless Gaming & Alternative Payments: Cashless wagering systems are explicitly authorized under Arkansas' Casino Gaming Rules and comprise the collective hardware, software, communications technology, and other associated equipment used to facilitate wagering on any game or gaming device including mobile gaming systems and interactive gaming systems with other than chips or legal tender of the United States.

Further, Arkansas does not currently accept cryptocurrency as a form of payment for gambling transactions.



Sports Betting

Authorized Operators: The state's existing gaming facilities, Oaklawn Racing Casino Resort, Southland Casino,



and Saracen Casino Resort, are all authorized to offer sports betting.

Mobile/Online: Licensed casinos may accept wagers within their facilities through betting stations or via a mobile account wagering system. In addition, mobile sports wagering may be operated directly or through an intermediary by a casino licensee currently operating a land-based sports pool.

Taxes and Fees: The Southland and Oakland gaming facilities are not required to pay any additional licensing fees to offer sports betting.

The applicants for the additional two casino licenses are required to pay an application fee of up to \$250,000 for the right to operate casinos, including sportsbook operations.

Sports betting is subject to a tax of 13 percent on the first \$150m of net casino gaming receipts and 20 percent on net casino gaming receipts exceeding \$150m.

Amateur Restrictions: No wagers may be placed on any amateur sport or athletic event other than Olympic sporting or athletic events sanctioned by the International Olympic Committee and collegiate sporting events.

Tax on Promotional Credits: Arkansas does address taxes on promotional credits within its regulatory framework. However, under its definition of “net casino gaming receipts” and R. 6.030, promotional coupons or promotional electronic credits are specifically exempted from Arkansas’ computation of its net casino gaming receipts tax.

Age Restrictions: Under R. 20.140(5), patrons must be 21 years of age to place sports wagers.