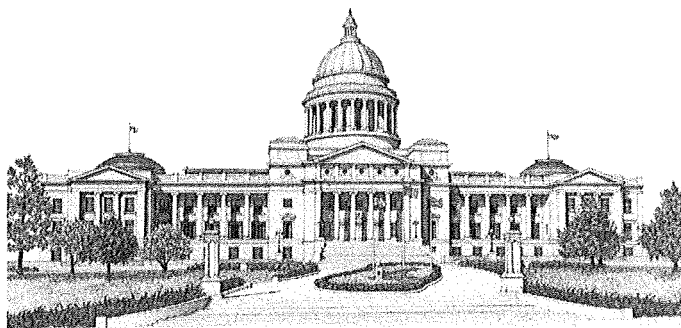


ARKANSAS REGISTER

Transmittal Sheet

Use only for **FINAL** and **EMERGENCY RULES**



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For Office

Use Only:

Effective Date _____ Code Number _____

Name of Agency Arkansas Racing Commission

Department Department of Finance and Administration

Contact Byron Freeland (attorney) E-mail bfreeland@mwlaw.com Phone 501-688-8810

Statutory Authority for Promulgating Rules Amendment 100 to Arkansas Constitution

Rule Title: Rule 9 Closing of Business; Death or Disability; Insolvency

Intended Effective Date
(Check One)

Date

☐ Emergency (ACA 25-15-204)

Legal Notice Published

01-15-19

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02-25-19

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02-21-19

Electronic Copy of Rule e-mailed from: (Required under ACA 25-15-218)

Byron Freeland

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03-01-19

Contact Person

E-mail Address

Date

CERTIFICATION OF AUTHORIZED OFFICER

I Hereby Certify That The Attached Rules Were Adopted
In Compliance with the Arkansas Administrative Act. (ACA 25-15-201 et. seq.)

Byron Freeland
Signature

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Phone Number

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Attorney for Arkansas Racing Commission

Title

03-01-19

Date

RULE 9
CLOSING OF BUSINESS; DEATH OR DISABILITY; INSOLVENCY

9.010 Surrender of license on closing of business; closing due to natural disasters.

9.020 Death or disability of licensee.

9.030 Insolvency of a licensee.

9.010 Surrender of license on closing of business; closing due to natural disasters.

1. If a gaming establishment is conveyed to a secured party who does not possess the licenses necessary to operate the establishment, and the licensee ceases gaming operations as a result, the licensee must immediately surrender the licensee's Casino license and, upon written notification from the Commission that the surrender is accepted, the license shall be deemed to have lapsed. The Commission may, upon its own initiative or upon a request by the former secured party of the establishment, petition a court of competent jurisdiction for the appointment of a supervisor pursuant to these Rules to ensure the continuation of the gaming operation upon lapse of the license.

2. Except as provided in subsection 1, any licensee who surrenders, abandons or quits his or her licensed establishment, or who closes all of his or her licensed games for a period exceeding 1 month, shall within 10 days after surrendering, quitting or abandoning his or her licensed establishment or so closing his or her games, surrender his or her license to the Commission. The Commission may, upon request, authorize closing for longer periods; however, such extension will not permit closing for an entire calendar quarter.

3. Subsection 2 shall not apply if the Commission authorizes closure of any licensed gaming establishment that temporarily ceases the operation of all licensed games because of natural disaster, fire or other physical destruction of the licensed gaming establishment. In such circumstances, the licensee shall notify the Commission of the circumstances requiring closure of the licensed games pending rebuilding or repair of the premises; the anticipated duration of the closure; and the intent of the licensee to commence operation as soon as rebuilding or repairs have been completed. Upon receipt of such notice, the Commission, if satisfied that the premises are in fact unusable for continuing gaming, may authorize closure for such time as is necessary.

4. Any licensee granted temporary closure by the Commission under subsection 4 is a continuing state Casino licensee subject to the provisions of the Amendment and Rules adopted thereunder, and shall also be subject to such conditions, by way of placement of a bond, reporting, or otherwise, as may be deemed necessary by the Commission. Prior to resumption or partial resumption of gaming operations, licensees shall pay in advance any license fees and taxes due.

9.020 Death or disability of licensee.

1. In the event of the death or judicially established disability of a licensee or a stockholder of a corporate licensee, the spouse, next of kin, personal representative or guardian of such deceased or disabled person or the person in charge of the licensed establishment, or, in the case of a corporate licensee, a managing officer of such corporation, shall notify the Commission immediately of the fact of such death or disability.

2. In case such deceased or disabled person is the sole licensee for an establishment, the Commission may in the Commission's sole and absolute discretion, authorize the spouse, next of kin, personal representative or guardian of such person to continue the operation of such

establishment pending action on an application by such spouse, next of kin, personal representative or guardian for a license to operate such establishment.

3. In any case in which the interest held by such deceased or disabled person in any licensed establishment would pass by operation of law or otherwise to the person's estate or to any person other than a co-licensee, such person or the personal representative or guardian of the deceased or disabled person shall, within 30 days after the date of death or disability, make application to the Commission for a temporary license as successor in interest, representative or guardian, whichever is appropriate.

4. The Commission may, in its discretion and if satisfied of the necessity of such action, recommend to the Commission that a temporary license be issued to the applicant for such period of time as it may deem necessary. Such temporary license will entitle the person named therein to take part in the operation of such establishment and to receive profits therefrom as successor in interest, representative or guardian of the deceased or disabled person. Such temporary license may not be assigned in whole or in part.

5. No licensee shall permit any spouse, heir, next of kin, personal representative or guardian to take part in the operation of the licensed establishment, nor pay over to such person any part of the profits of such operation which accrue after the date of death or disability, unless such person is either a co-licensee or the holder of a temporary license as successor in interest, representative or guardian.

6. In any case in which the interest held by a deceased or disabled trustee in any licensed establishment would pass to a successor trustee other than a co-licensee, such successor trustee shall, within 30 days after the date of death or disability, make application to the Commission for a temporary license as successor in interest.

9.030 Insolvency of a licensee.

1. In the event that a licensee files any petition with the bankruptcy court for relief as a debtor or has such a petition filed against it, or a receiver is appointed for such licensed business or an assignment of such business is made for the benefit of creditors, the licensee, trustee, receiver or assignee, as the case may be, shall immediately notify the Commission of such fact in writing. Such written notice shall have attached a copy of the petition filed with the court, and any relevant court orders such as orders appointing trustees, receivers, or assignees.

2. No licensed establishment shall be operated by any trustee, receiver or assignee for the benefit of creditors until such operation has been authorized by the Commission. In an emergency situation, any three members of the Commission may authorize the continuation of such operation pending action by the Commission.

3. Any such trustee, receiver, or assignee desiring to continue operation of the licensed establishment shall immediately make application for permission to do so. Application shall be made in the same manner as an application for an initial license; but the operation, if approved, shall be deemed to continue under the existing license of the establishment.

4. Permission for such trustee, receiver, or assignee to continue the operation of the licensed establishment may be summarily withdrawn at any time in the discretion of the Commission without the necessity of any hearing or proceedings for revocation or suspension.

End – Rule 9