



*Under review by the Arkansas Supreme Court

ISSUE NUMBER 2

(Proposed by Petition of the People)

Repealing Pope County Casino License and Requiring Local Elections

POPULAR NAME: An amendment requiring local voter approval in a countywide special election for certain new casino licenses and repealing authority to issue a casino license in Pope County, Arkansas.

BALLOT TITLE: An amendment to the Arkansas Constitution, Amendment 100, § 4, subsection (i), to reduce the number of casino licenses that the Arkansas Racing Commission is required to issue from four to three; amending Amendment 100, § 4, subsections (k) through (n), to repeal authorization for a casino in Pope County, Arkansas and to repeal the authority of the Arkansas Racing Commission to issue a casino license for Pope County, Arkansas; amending Amendment 100 § 4, to add subsection (s), providing that if the Arkansas Racing Commission, or other governing body, issues a casino license for a casino in Pope County, Arkansas prior to the effective date of this Amendment, then said license is revoked on the effective date of this Amendment; amending Amendment 100 § 4, to add subsection (t), providing that if a future constitutional amendment authorizes the issuance of a casino license in any county other than those issued now or hereafter for Crittenden County (to Southland Racing Corporation), Garland County (to Oaklawn Jockey Club,

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QUICK LOOK: What does your vote mean?

FOR: A FOR vote means you are in favor of changing the state constitution to remove the Pope County casino gaming license from the Arkansas Constitution and, should any future amendments authorizing additional casino licenses be approved by a statewide vote, requiring a special election and approval of voters in the county where that casino would be located to approve it.

AGAINST: An AGAINST vote means you are not in favor of changing the state constitution. The Pope County casino gaming license would remain in the Arkansas Constitution and, should any future casino licenses be approved by a statewide vote, a special election and approval of voters in the county where that casino would be located would not be required.

Where can I find more information?

The complete wording of this amendment can be found at uaex.uada.edu/issue2

The following statements are examples of what supporters and opponents have made public either in media statements, campaign literature, on websites, or in interviews with Public Policy Center staff. The University of Arkansas System Division of Agriculture does not endorse or validate these statements.

What do supporters say?

- One thing we should all agree on is that casinos should not be forced into communities that don't want them – Issue 2 protects ALL Arkansas communities from having that happen to them.
- Some communities might want a casino, and others do not, but we trust local voters to decide what's best for their communities, and that's all Issue 2 does – puts local voters in charge.
- One county (Pope County) authorized for a casino license by Amendment 100, voted against Amendment 100. But Amendment 100 would force a casino there, despite local voter opposition. Issue 2 ensures that NO county will be forced to have a casino without local voter approval.
- Our opponents want to deprive local voters of having the final say on this issue. If our opponents are confident in the benefits of their casinos and local support for them, why do they oppose giving local voters the final say?

What do opponents say?

- Don't be fooled by this out-of-state ploy to repeal the casino measure. This group claims its effort is about local choice, but in reality, their proposal would only eliminate the casino license in Pope County, going against the will of what Arkansans voted for in 2018.
- It would also require a future constitutional amendment – and another statewide vote – before any local election to allow a casino could take place. This attempt to repeal the Pope County casino license is being driven by the Choctaw Nation of Oklahoma, which controls a competing casino just across the state line near Fort Smith. Their mission is to keep Arkansas tourism and tax dollars flowing across state lines and into their pockets.
- With this amendment, we lose thousands of jobs for Arkansans and \$5 billion in economic impact that includes improvements to roads, education, health care and more.
- It would also cost Pope County over \$40 million by nullifying Pope County's economic development agreement with Cherokee Nation Entertainment.

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Inc.) and Jefferson County (to Downstream Development Authority of the Quapaw Tribe of Oklahoma and later transferred to Saracen Development, LLC), then the quorum court of each county where a casino is to be located shall call a special election by ordinance to submit the question of whether to approve of a casino in the county; amending Amendment 100 § 4, to add subsection (t)(1)-(3), setting the date for the special election and requiring the ordinance calling the special election to state the election date and to specify the format of the question on the ballot as “FOR a casino in [] County” and “AGAINST a casino in [] County,” and, “The question presented to voters must include whether or not a casino may be located in the county”—“A casino is defined as a facility where casino gaming is conducted”; amending Amendment 100 § 4, to add subsection (t)(4), requiring the county board of election commissioners to publish the ordinance calling the special election as soon as practicable in a newspaper of general circulation in the county in which the special election is held; amending Amendment 100 § 4, to add subsection (t)(5), requiring a majority of those in the county who vote at the election in certain counties where a future casino is proposed to be located to approve of the casino at the special election before the Arkansas Racing Commission, or other governing body, may accept any applications for a casino license in that county; making this Amendment effective on and after November 13, 2024; providing that the provisions of this Amendment are severable in that if any provision or section of this Amendment or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect any other provision or application that can be given effect without the invalid provision or application; and repealing all laws or parts of laws in conflict with this Amendment.

What is being proposed?

Sponsors propose removing a fourth casino license authorized by the Arkansas Constitution, specifically, a license meant to develop a casino in Pope County within two

miles of the county seat of Russellville. They also propose that the establishment of future casinos anywhere in Arkansas require approval by voters in the county where the casino would be located.

Specifically, Issue 2 would:

1. Remove every reference to Pope County from Amendment 100, which originally authorized the casino location.
2. Revoke any casino gaming license issued for Pope County prior to this amendment taking effect.
3. *Require the quorum court where any future casino license is proposed to call for a countywide vote in a special election.
4. *Establish ballot issue language to be used for any future countywide votes on casino licenses.
5. *Require voter approval at the county level before the Arkansas Racing Commission could issue a casino license in the future.

If passed, this proposal would eliminate from Amendment 100 a casino gaming license for Pope County. Because voters statewide approved establishing the Pope County casino license in 2018 as part of Amendment 100, the only way to stop it from moving forward is to have voters statewide approve a new constitutional amendment to remove it.

**Sections 3-5 would only apply if voters in a future statewide election amend the state constitution to add additional licenses and counties where a casino could be authorized.*

How did this issue get on the ballot?

Issue 2 is a citizen-initiated ballot measure. Citizen-initiative ballot groups must collect a certain percentage of signatures from at least 50 counties. Issue 2's sponsors collected signatures from at least 90,704 Arkansas voters, equal to 10% of the people who voted for governor in the last election, to qualify Issue 2 for the statewide General Election ballot.

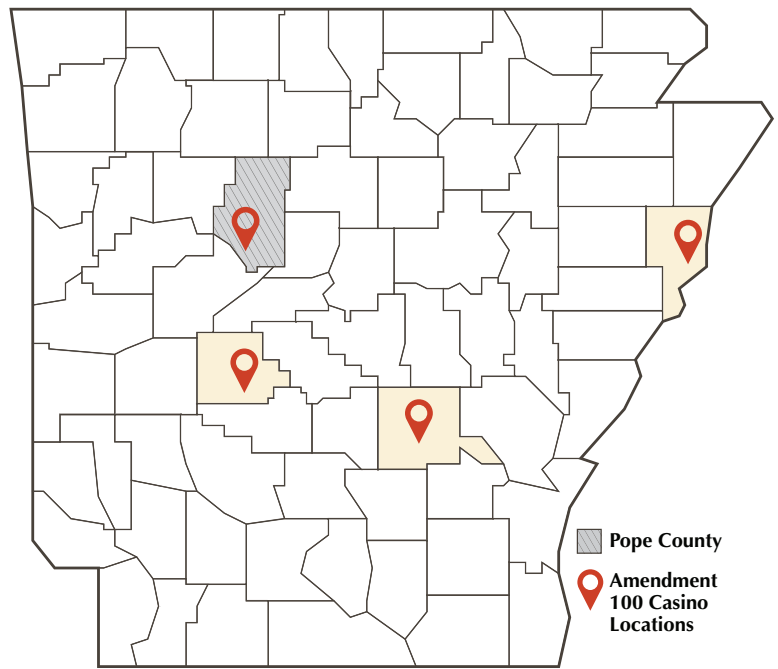
Constitutional amendments require the approval of a majority of voters in a statewide election. Election Day is Nov. 5, 2024.

Who is the amendment's sponsor?

Local Voters in Charge, which is a ballot question committee registered with the Arkansas Ethics Commission, formed to support this ballot measure.

You can find information on the Arkansas Ethics Commission website, www.arkansasethics.com, about who contributed to supporter or opposition campaigns related to Issue 2.

Issue 2 would only affect the Pope County casino



When was the last time Arkansas voted on this issue?

Arkansas voters approved a constitutional amendment, which is now Amendment 100, in 2018, by a statewide vote of 470,954 in favor (54.1%) to 399,530 against (45.9%).

Amendment 100 authorized four casino locations: one in West Memphis to Southland Racing, one in Hot Springs to Oaklawn Jockey Club, one in Jefferson County and one in Pope County.

A majority of voters in three of the four counties for which Amendment 100 authorized a license voted in favor of the amendment. Voters in Pope County voted 61% against Amendment 100.

Ballot issue groups formed in 2020 and 2022 proposed to remove the Pope County casino gaming license from the constitution but did not collect enough voter signatures during the petition process to qualify for the state ballot.

What is the current status of the Pope County casino license?

Amendment 100 provided specifications for applicants for the Pope and Jefferson County licenses, requiring that they demonstrate experience in conducting casino gaming, pay an application fee of no more than \$250,000, and submit a letter of support from the county judge or quorum court. If located within city limits, the applicant would also have to submit a letter of support from the city's mayor.



Amendment 100 gave the Arkansas Racing Commission authority to adopt other rules necessary to carry out the amendment, including the application process. The commission was required to begin accepting applications no later than June 1, 2019.

Prior to 2024, the Arkansas Racing Commission took applications and issued the Pope County license, once to Gulfside Casino Partnership and once to Cherokee Nation Businesses/Legends Resort & Casino.

Both times, the Arkansas Supreme Court voided the licenses after finding the groups ineligible. Gulfside lost the license because the company submitted a letter of support from the outgoing Pope County judge, who was not the active county judge during the application period (see CV-21-289). The state then awarded the license for Legends to be built but Gulfside successfully challenged this decision. The Arkansas Supreme Court agreed with a lower court ruling that Legends as a standalone entity didn't qualify for the license despite it being run by Cherokee Nation Businesses, and that two names couldn't be on the license (see CV-23-50).

The Arkansas Racing Commission opened the most recent application period in June 2024. Three companies submitted letters of interest, including Gulfside and Cherokee Nation Entertainment. Cherokee Nation Entertainment was the only entity that satisfied Amendment 100's local support requirement, commission officials said at meetings where the applications were considered. Cherokee Nation Entertainment submitted a letter of support from the current Pope County judge and a resolution of support from the quorum court. The

commission unanimously approved issuing the license to Cherokee Nation Entertainment for its proposed Legends Resort & Casino.

According to a company website about the casino development, Legends Resort & Casino would be built on 325 acres purchased northeast of Russellville on land north of Interstate 40, between the Weir Road and Bradley Cove Road exits. Current plans include a 50,000-square-foot casino gaming area, 200-room hotel, 15,000-square-foot event space, and an outdoor entertainment venue with a capacity of 5,000 people. Cherokee Nation Businesses estimates construction of the casino and resort would take 18 months.

Gulfside Casino Partnership filed a lawsuit in July 2024 seeking to void the state's most recent casino license decision. The lawsuit names the Arkansas Racing Commission, the county judge and individual quorum court members, as well as Cherokee Nation Businesses and Cherokee Nation Entertainment. Gulfside Casino Partnership says the economic development agreement Pope County officials signed in 2019 with Cherokee Nation Entertainment prevented other companies from competing for their support because it said the county would be in default if it endorsed any other casino license applicant. The agreement promised to pay various governmental entities and institutions in the county a combined \$38.8 million.

This lawsuit, which Cherokee Nation Entertainment has asked a judge to dismiss, would be moot if voters approved Issue 2.

Could another county obtain Pope County's license under this proposal?

No. The fourth location authorized in Amendment 100 would be eliminated if voters approve this ballot measure.

Would this proposal change the status of the other three casino locations?

No. Issue 2 would not affect licenses for the existing casinos in Crittenden, Garland or Jefferson counties.

What happens if voters reject Issue 2?

Amendment 100 as currently written in the state constitution would remain, including provisions regarding a casino in Pope County.

If passed, when would the changes in Issue 2 take effect?

If approved, the changes listed in this proposal would take effect Nov. 13, 2024.

The following is the proposed constitutional amendment name and title as they will appear on the state's November General Election ballot.

Issue No. 2
(Popular Name)

An amendment requiring local voter approval in a countywide special election for certain new casino licenses and repealing authority to issue a casino license in Pope County, Arkansas.

(Ballot Title)

AN AMENDMENT TO THE ARKANSAS CONSTITUTION, AMENDMENT 100, § 4, SUBSECTION (I), TO REDUCE THE NUMBER OF CASINO LICENSES THAT THE ARKANSAS RACING COMMISSION IS REQUIRED TO ISSUE FROM FOUR TO THREE; AMENDING AMENDMENT 100, § 4, SUBSECTIONS (K) THROUGH (N), TO REPEAL AUTHORIZATION FOR A CASINO IN POPE COUNTY, ARKANSAS AND TO REPEAL THE AUTHORITY OF THE ARKANSAS RACING COMMISSION TO ISSUE A CASINO LICENSE FOR POPE COUNTY, ARKANSAS; AMENDING AMENDMENT 100 § 4, TO ADD SUBSECTION (S), PROVIDING THAT IF THE ARKANSAS RACING COMMISSION, OR OTHER GOVERNING BODY, ISSUES A CASINO LICENSE FOR A CASINO IN POPE COUNTY, ARKANSAS PRIOR TO THE EFFECTIVE DATE OF THIS AMENDMENT, THEN SAID LICENSE IS REVOKED ON THE EFFECTIVE DATE OF THIS AMENDMENT; AMENDING AMENDMENT 100 § 4, TO ADD SUBSECTION (T), PROVIDING THAT IF A FUTURE CONSTITUTIONAL AMENDMENT AUTHORIZES THE ISSUANCE OF A CASINO LICENSE IN ANY COUNTY OTHER THAN THOSE ISSUED NOW OR HEREAFTER FOR CRITTENDEN COUNTY (TO SOUTHLAND RACING CORPORATION), GARLAND COUNTY (TO OAKLAWN JOCKEY CLUB, INC.) AND JEFFERSON COUNTY (TO DOWNSTREAM DEVELOPMENT AUTHORITY OF THE QUAPAW TRIBE OF OKLAHOMA AND LATER TRANSFERRED TO SARACEN DEVELOPMENT, LLC), THEN THE QUORUM COURT OF EACH COUNTY WHERE A CASINO IS TO BE LOCATED SHALL CALL A SPECIAL ELECTION BY ORDINANCE TO SUBMIT THE QUESTION OF WHETHER TO APPROVE OF A CASINO IN THE COUNTY; AMENDING AMENDMENT 100 § 4, TO ADD SUBSECTION

(T)(1)-(3), SETTING THE DATE FOR THE SPECIAL ELECTION AND REQUIRING THE ORDINANCE CALLING THE SPECIAL ELECTION TO STATE THE ELECTION DATE AND TO SPECIFY THE FORMAT OF THE QUESTION ON THE BALLOT AS “FOR A CASINO IN [] COUNTY” AND “AGAINST A CASINO IN [] COUNTY,” AND, “THE QUESTION PRESENTED TO VOTERS MUST INCLUDE WHETHER OR NOT A CASINO MAY BE LOCATED IN THE COUNTY”— “A CASINO IS DEFINED AS A FACILITY WHERE CASINO GAMING IS CONDUCTED”; AMENDING AMENDMENT 100 § 4, TO ADD SUBSECTION (T)(4), REQUIRING THE COUNTY BOARD OF ELECTION COMMISSIONERS TO PUBLISH THE ORDINANCE CALLING THE SPECIAL ELECTION AS SOON AS PRACTICABLE IN A NEWSPAPER OF GENERAL CIRCULATION IN THE COUNTY IN WHICH THE SPECIAL ELECTION IS HELD; AMENDING AMENDMENT 100 § 4, TO ADD SUBSECTION (T)(5), REQUIRING A MAJORITY OF THOSE IN THE COUNTY WHO VOTE AT THE ELECTION IN CERTAIN COUNTIES WHERE A FUTURE CASINO IS PROPOSED TO BE LOCATED TO APPROVE OF THE CASINO AT THE SPECIAL ELECTION BEFORE THE ARKANSAS RACING COMMISSION, OR OTHER GOVERNING BODY, MAY ACCEPT ANY APPLICATIONS FOR A CASINO LICENSE IN THAT COUNTY; MAKING THIS AMENDMENT EFFECTIVE ON AND AFTER NOVEMBER 13, 2024; PROVIDING THAT THE PROVISIONS OF THIS AMENDMENT ARE SEVERABLE IN THAT IF ANY PROVISION OR SECTION OF THIS AMENDMENT OR THE APPLICATION THEREOF TO ANY PERSON OR CIRCUMSTANCE IS HELD INVALID, SUCH INVALIDITY SHALL NOT AFFECT ANY OTHER PROVISION OR APPLICATION THAT CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION; AND REPEALING ALL LAWS OR PARTS OF LAWS IN CONFLICT WITH THIS AMENDMENT.

FOR ISSUE NO. 2

AGAINST ISSUE NO. 2