

House Engrossed

unauthorized racing meetings; penalties; racketeering

State of Arizona
House of Representatives
Fifty-fifth Legislature
First Regular Session
2021

CHAPTER 6
HOUSE BILL 2012

AN ACT

AMENDING SECTIONS 5-101, 5-107.01 AND 13-2301, ARIZONA REVISED STATUTES;
RELATING TO RACING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 5-101, Arizona Revised Statutes, is amended to
3 read:

4 5-101. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Additional wagering facility" means a facility that is not the
7 enclosure in which authorized racing takes place but that meets the
8 requirements of section 5-111, subsection A and is used by a permittee for
9 handling pari-mutuel wagering.

10 2. "Advance deposit wagering" means a form of pari-mutuel wagering
11 that allows a person to deposit monies in advance in an account with an
12 advance deposit provider and use the monies to pay for pari-mutuel
13 wagering on live or simulcast racing that the advance deposit pari-mutuel
14 wagering permittee accepts or makes.

15 3. "Advance deposit wagering provider" means a betting system or
16 multijurisdictional wagering provider that is authorized to conduct
17 advance deposit wagering pursuant to this article.

18 4. "Applicant" means a person, partnership, association or
19 corporation placing before the department an application for a permit or
20 license.

21 5. "Association" means a body of persons, corporations,
22 partnerships or associations, united and acting together without a charter
23 from the state for the prosecution of some common enterprise.

24 6. "Commercial horse racing" means horse racing conducted other
25 than by a county fair association.

26 7. "Commission" means the Arizona racing commission.

27 8. "Concessionaire" means a person, partnership, association or
28 corporation that offers goods or services for sale to the public, a
29 permittee or a licensee at an enclosure in which authorized racing takes
30 place or an additional wagering facility.

31 9. "County fair facility" means any place, enclosure or track
32 constructed in accordance with a permit issued by the commission for the
33 purpose of running county fair horse racing dates as well as any
34 commercial dates for horse racing that may be awarded by the commission in
35 reference to the location.

36 10. "County fair racing association" means an association duly
37 authorized by the board of supervisors to conduct a county fair racing
38 meeting for the benefit of the county.

39 11. "Dark day simulcast" means a simulcast received on a day when
40 there are no posted races conducted at the enclosure in which authorized
41 racing takes place.

42 12. "Department" means the department of gaming.

43 13. "Desensitized" means that a horse's legs on arrival at the
44 receiving barn or saddling paddock do not respond appropriately to tests
45 for feeling administered by an official veterinarian.

46 14. "Director" means the director of the department of gaming.

- 1 15. "Dog racing" means racing in which greyhound dogs chase a
2 mechanical lure.
- 3 16. "Entered" means that a horse or dog has been registered with an
4 authorized racing official as a participant in a specified race and has
5 not been withdrawn prior to presentation of the horse or dog for
6 inspection and testing as provided in section 5-105.
- 7 17. "Financial interest" means any direct pecuniary interest.
- 8 18. "Firm" means a business unit or enterprise that transacts
9 business.
- 10 19. "Handle" means the total amount of money contributed to all
11 pari-mutuel pools by bettors.
- 12 20. "Harness racing" means horse racing in which the horses are
13 harnessed to a sulky, carriage or similar vehicle and driven by a driver.
- 14 21. "Horse racing" means racing in which horses are mounted and
15 ridden by jockeys. For purposes of county fair racing meetings, "horse
16 racing" means racing in which horses or mules are mounted and ridden by
17 jockeys.
- 18 22. "License" means the license issued by the department to each
19 employee or other person participating in any capacity in a racing
20 meeting, including officials and employees of the pari-mutuel department.
- 21 23. "Pari-mutuel wagering" means a system of betting that provides
22 for the distribution among the winning patrons of at least the total
23 amount wagered less the amount withheld under state law.
- 24 24. "Permit" means a permit for a racing meeting issued under ~~the~~
25 ~~provisions of~~ this article.
- 26 25. "Racing meeting" means a number of days of racing allotted by
27 the commission in one permit.
- 28 26. "Simulcast" means the telecast shown within this state of live
29 audio and visual signals of horse, harness or dog races conducted at an
30 out-of-state track or the telecast shown outside this state of live audio
31 and visual signals of horse or harness races originating within this state
32 for the purpose of pari-mutuel wagering.
- 33 27. "Source market fee" means the fee that an advance deposit
34 wagering provider pays to a commercial permittee in the state where the
35 advance deposit wagering customer resides.
- 36 28. "Telephone" means any device that a person uses for voice
37 communications in connection with the services of a telephone company.
- 38 29. "UNAUTHORIZED RACING MEETING" MEANS ANY RACING MEETING
39 CONDUCTED OUTSIDE THE BOUNDS OF A PERMIT.
- 40 ~~29.~~ 30. "Undesirable" includes known bookmakers, touts, persons
41 convicted of a violation of ~~any provision of~~ this article or of any law
42 prohibiting bookmaking or any other illegal forms of wagering, or any
43 other person whose presence would, in the opinion of the director, be
44 inimical to the interests of the state.
- 45 ~~30.~~ 31. "Week" means seven consecutive days beginning on Monday and
46 ending on Sunday, mountain standard time.

1 Sec. 2. Section 5-107.01, Arizona Revised Statutes, is amended to
2 read:

3 5-107.01. Necessity for permits for racing meetings; licenses
4 for officials and other persons; unauthorized
5 racing meetings; violation; classification

6 A. A person, association or corporation shall not hold any racing
7 meeting without having first obtained and having in full force and effect
8 a permit that is issued by the department.

9 B. A trainer, driver, jockey, apprentice jockey, horse owner,
10 exercise rider, agent, jockey's agent, stable foreman, groom, valet,
11 veterinarian, horseshoer, steward, stable watchman, starter, timer, judge,
12 food and beverage concessionaire, manager or other person acting as a
13 participant or official at any racing meeting including all employees of
14 the pari-mutuel department and any other person or official the department
15 deems proper shall not participate in racing meetings without having first
16 obtained and having in full force and effect a license or credentials that
17 are issued by the department, pursuant to such rules as the commission
18 shall make. The department shall not revoke a license except for cause
19 and after a hearing.

20 C. Each person, association or corporation that holds a permit or a
21 license under this chapter shall comply with all rules and orders of the
22 commission or department.

23 D. Any credential or license that is issued by the department to a
24 licensee shall be used only as prescribed by commission rule or order of
25 the director. Use for purposes other than those prescribed is grounds for
26 suspension or revocation or imposition of a civil penalty as provided in
27 section 5-108.02, subsection E.

28 E. All applicants for a permit or license shall submit to the
29 department a full set of fingerprints, background information and the fees
30 that are required pursuant to section 41-1750. The department of gaming
31 shall submit the fingerprints to the department of public safety for the
32 purpose of obtaining a state and federal criminal records check pursuant
33 to section 41-1750 and Public Law 92-544. The department of public safety
34 may exchange this fingerprint data with the federal bureau of
35 investigation. The applicant shall pay the fingerprint fee and costs of
36 the background investigation in an amount that is determined by the
37 department. For such purpose the department of gaming and the department
38 of public safety may enter into an intergovernmental agreement pursuant to
39 title 11, chapter 7, article 3. The fees shall be credited pursuant to
40 section 35-148.

41 F. The director may issue a temporary license to an owner, trainer,
42 driver or jockey who is duly licensed in another jurisdiction for special
43 races or special circumstances for a period of not to exceed thirty days.
44 The director may allow a trainer so licensed to complete an application
45 for a temporary license for an owner if the owner is not immediately
46 available to personally submit the application.

1 G. A licensed owner, lessee or trainer of a qualified horse who has
2 applied to a permittee to be stabled at a track and who has not been
3 granted a stall shall not be prohibited from bringing the horse on the
4 race grounds for the purpose of entering the animal in races that are held
5 by the permittee or for the purposes of qualifying to race solely for the
6 reason that the animal is not being stabled at the track if the owner,
7 lessee or trainer is in compliance with rules adopted by the commission.

8 H. A PERSON, ASSOCIATION OR CORPORATION THAT KNOWINGLY HOLDS AN
9 UNAUTHORIZED RACING MEETING IS GUILTY OF A CLASS 6 FELONY.

10 Sec. 3. Section 13-2301, Arizona Revised Statutes, is amended to
11 read:

12 13-2301. Definitions

13 A. For the purposes of sections 13-2302, 13-2303 and 13-2304:

14 1. "Collect an extension of credit" means to induce in any way any
15 person to make repayment of that extension.

16 2. "Creditor" means any person making an extension of credit or any
17 person claiming by, under or through any person making an extension of
18 credit.

19 3. "Debtor" means any person to whom an extension of credit is made
20 or any person who guarantees the repayment of an extension of credit, or
21 in any manner undertakes to indemnify the creditor against loss resulting
22 from the failure of any person to whom an extension is made to repay the
23 extension.

24 4. "Extend credit" means to make or renew any loan or to enter into
25 any agreement, tacit or express, whereby the repayment or satisfaction of
26 any debt or claim, whether acknowledged or disputed, valid or invalid, and
27 however arising, may or shall be deferred.

28 5. "Extortionate extension of credit" means any extension of credit
29 with respect to which it is the understanding of the creditor and the
30 debtor when the extension is made that delay in making repayment or
31 failure to make repayment could result in the use of violence or other
32 criminal means to cause harm to the person or the reputation or property
33 of any person.

34 6. "Extortionate means" means the use, or an express or implicit
35 threat of use, of violence or other criminal means to cause harm to the
36 person or the reputation or property of any person.

37 7. "Repayment of any extension of credit" means the repayment,
38 satisfaction or discharge in whole or in part of any debt or claim,
39 acknowledged or disputed, valid or invalid, resulting from or in
40 connection with that extension of credit.

41 B. For the purposes of section 13-2305, 13-2306 or 13-2307:

42 1. "Dealer in property" means a person who buys and sells property
43 as a business.

44 2. "Stolen property" means property of another as defined in
45 section 13-1801 that has been the subject of any unlawful taking.

1 3. "Traffic" means to sell, transfer, distribute, dispense or
2 otherwise dispose of stolen property to another person, or to buy,
3 receive, possess or obtain control of stolen property, with the intent to
4 sell, transfer, distribute, dispense or otherwise dispose of the property
5 to another person.

6 C. For the purposes of this chapter:

7 1. "Animal activity" means a commercial enterprise that uses
8 animals for food, clothing or fiber production, agriculture or
9 biotechnology.

10 2. "Animal facility" means a building or premises where a
11 commercial activity in which the use of animals is essential takes place,
12 including a zoo, rodeo, circus, amusement park, hunting preserve and horse
13 and dog event.

14 3. "Animal or ecological terrorism" means any felony in violation
15 of section 13-2312, subsection B that involves at least three persons
16 acting in concert, that involves the intentional or knowing infliction of
17 property damage in an amount of more than \$10,000 to the property that is
18 used by a person for the operation of a lawfully conducted animal activity
19 or to a commercial enterprise that is engaged in a lawfully operated
20 animal facility or research facility and that involves either:

21 (a) The use of a deadly weapon or dangerous instrument.

22 (b) The intentional or knowing infliction of serious physical
23 injury on a person engaged in a lawfully conducted animal activity or
24 participating in a lawfully conducted animal facility or research
25 facility.

26 4. "Biological agent" means any microorganism, virus, infectious
27 substance or biological product that may be engineered through
28 biotechnology or any naturally occurring or bioengineered component of any
29 microorganism, virus, infectious substance or biological product and that
30 is capable of causing any of the following:

31 (a) Death, disease or physical injury in a human, animal, plant or
32 other living organism.

33 (b) The deterioration or contamination of air, food, water,
34 equipment, supplies or material of any kind.

35 5. "Combination" means persons who collaborate in carrying on or
36 furthering the activities or purposes of a criminal syndicate even though
37 such persons may not know each other's identity, membership in the
38 combination changes from time to time or one or more members may stand in
39 a wholesaler-retailer or other arm's length relationship with others as to
40 activities or dealings between or among themselves in an illicit
41 operation.

42 6. "Communication service provider" has the same meaning prescribed
43 in section 13-3001.

44 7. "Criminal syndicate" means any combination of persons or
45 enterprises engaging, or having the purpose of engaging, on a continuing

1 basis in conduct that violates any one or more provisions of any felony
2 statute of this state.

3 8. "Explosive agent" means an explosive as defined in section
4 13-3101 and flammable fuels or fire accelerants in amounts over fifty
5 gallons but excludes:

6 (a) Fireworks as defined in section 36-1601.

7 (b) Firearms.

8 (c) A propellant actuated device or propellant actuated industrial
9 tool.

10 (d) A device that is commercially manufactured primarily for the
11 purpose of illumination.

12 (e) A rocket having a propellant charge of less than four ounces.

13 9. "Material support or resources" includes money or other
14 financial securities, financial services, lodging, sustenance, training,
15 safehouses, false documentation or identification, communications
16 equipment, facilities, weapons, lethal substances, explosives, personnel,
17 transportation, disguises and other physical assets but does not include
18 medical assistance, legal assistance or religious materials.

19 10. "Public establishment" means a structure, vehicle or craft that
20 is owned, leased or operated by any of the following:

21 (a) This state or a political subdivision as defined in section
22 38-502.

23 (b) A public agency as defined in section 38-502.

24 (c) The federal government.

25 (d) A health care institution as defined in section 36-401.

26 11. "Research facility" means a laboratory, institution, medical
27 care facility, government facility, public or private educational
28 institution or nature preserve at which a scientific test, experiment or
29 investigation involving the use of animals is lawfully carried out,
30 conducted or attempted.

31 12. "Terrorism" means any felony, including any completed or
32 preparatory offense, that involves the use of a deadly weapon or a weapon
33 of mass destruction or the intentional or knowing infliction of serious
34 physical injury with the intent to do any of the following:

35 (a) Influence the policy or affect the conduct of this state or any
36 of the political subdivisions, agencies or instrumentalities of this
37 state.

38 (b) Cause substantial damage to or substantial interruption of
39 public communications, communication service providers, public
40 transportation, common carriers, public utilities, public establishments
41 or other public services.

42 (c) Intimidate or coerce a civilian population and further the
43 goals, desires, aims, public pronouncements, manifestos or political
44 objectives of any terrorist organization.

45 13. "Terrorist organization" means any organization that is
46 designated by the United States department of state as a foreign terrorist

1 organization under section 219 of the immigration and nationality act
2 (8 United States Code section 1189).

3 14. "Toxin" means the toxic material of plants, animals,
4 microorganisms, viruses, fungi or infectious substances or a recombinant
5 molecule, whatever its origin or method of reproduction, including:

6 (a) Any poisonous substance or biological product that may be
7 engineered through biotechnology and that is produced by a living
8 organism.

9 (b) Any poisonous isomer or biological product, homolog or
10 derivative of such a substance.

11 15. "Vector" means a living organism or molecule, including a
12 recombinant molecule or biological product that may be engineered through
13 biotechnology, that is capable of carrying a biological agent or toxin to
14 a host.

15 16. "Weapon of mass destruction" means:

16 (a) Any device or object that is designed or that the person
17 intends to use to cause multiple deaths or serious physical injuries
18 through the use of an explosive agent or the release, dissemination or
19 impact of a toxin, biological agent or poisonous chemical, or its
20 precursor, or any vector.

21 (b) Except as authorized and used in accordance with a license,
22 registration or exemption by the department of health services pursuant to
23 section 30-672, any device or object that is designed or that the person
24 intends to use to release radiation or radioactivity at a level that is
25 dangerous to human life.

26 D. For the purposes of sections 13-2312, 13-2313, 13-2314 and
27 13-2315, unless the context otherwise requires:

28 1. "Control", in relation to an enterprise, means the possession of
29 sufficient means to ~~permit~~ ALLOW substantial direction over the affairs of
30 an enterprise and, in relation to property, means to acquire or possess.

31 2. "Enterprise" means any corporation, partnership, association,
32 labor union or other legal entity or any group of persons associated in
33 fact although not a legal entity.

34 3. "Financial institution" means a banking or securities regulatory
35 agency of the United States, a business coming within the definition of a
36 bank, financial agency or financial institution as prescribed by 31 United
37 States Code section 5312 or 31 Code of Federal Regulations section
38 1010.100 or a business under the jurisdiction of the securities division
39 of the corporation commission, the state real estate department or the
40 department of insurance and financial institutions.

41 4. "Racketeering" means any act, including any preparatory or
42 completed offense, that is chargeable or indictable under the laws of the
43 state or country in which the act occurred and, if the act occurred in a
44 state or country other than this state, that would be chargeable or
45 indictable under the laws of this state if the act had occurred in this
46 state, and that would be punishable by imprisonment for more than one year

1 under the laws of this state and, if the act occurred in a state or
2 country other than this state, under the laws of the state or country in
3 which the act occurred, regardless of whether the act is charged or
4 indicted, and the act involves either:

5 (a) Terrorism, animal terrorism or ecological terrorism that
6 results or is intended to result in a risk of serious physical injury or
7 death.

8 (b) Any of the following acts if committed for financial gain:

9 (i) Homicide.

10 (ii) Robbery.

11 (iii) Kidnapping.

12 (iv) Forgery.

13 (v) Theft.

14 (vi) Bribery.

15 (vii) Gambling.

16 (viii) Usury.

17 (ix) Extortion.

18 (x) Extortionate extensions of credit.

19 (xi) Prohibited drugs, marijuana or other prohibited chemicals or
20 substances.

21 (xii) Trafficking in explosives, weapons or stolen property.

22 (xiii) Participating in a criminal syndicate.

23 (xiv) Obstructing or hindering criminal investigations or
24 prosecutions.

25 (xv) Asserting false claims, including false claims asserted
26 through fraud or arson.

27 (xvi) Intentional or reckless false statements or publications
28 concerning land for sale or lease or sale of subdivided lands or sale and
29 mortgaging of unsubdivided lands.

30 (xvii) Resale of realty with intent to defraud.

31 (xviii) Intentional or reckless fraud in the purchase or sale of
32 securities.

33 (xix) Intentional or reckless sale of unregistered securities or
34 real property securities.

35 (xx) A scheme or artifice to defraud.

36 (xxi) Obscenity.

37 (xxii) Sexual exploitation of a minor.

38 (xxiii) Prostitution.

39 (xxiv) Restraint of trade or commerce in violation of section
40 34-252.

41 (xxv) Terrorism.

42 (xxvi) Money laundering.

43 (xxvii) Obscene or indecent telephone communications to minors for
44 commercial purposes.

45 (xxviii) Counterfeiting marks as proscribed in section 44-1453.

46 (xxix) Animal terrorism or ecological terrorism.

- 1 (xxx) Smuggling of human beings.
2 (xxxi) Child sex trafficking.
3 (xxxii) Sex trafficking.
4 (xxxiii) Trafficking of persons for forced labor or services.
5 (xxxiv) Manufacturing, selling or distributing misbranded drugs in
6 violation of section 13-3406, subsection A, paragraph 9.
7 (xxxv) **HOLDING AN UNAUTHORIZED RACING MEETING AS PROSCRIBED IN**
8 **SECTION 5-107.01.**
9 5. "Records" means any book, paper, writing, computer program,
10 data, image or information that is collected, recorded, preserved or
11 maintained in any form of storage medium.
12 6. "Remedy racketeering" means to enter a civil judgment pursuant
13 to this chapter or chapter 39 of this title against property or a person
14 who is subject to liability, including liability for injury to the state
15 that is caused by racketeering or by actions in concert with racketeering.
16 E. For the purposes of sections 13-2316, 13-2316.01 and 13-2316.02:
17 1. "Access" means to instruct, communicate with, store data in,
18 retrieve data from or otherwise make use of any resources of a computer,
19 computer system or network.
20 2. "Access device" means any card, token, code, account number,
21 electronic serial number, mobile or personal identification number,
22 password, encryption key, biometric identifier or other means of account
23 access, including a canceled or revoked access device, that can be used
24 alone or in conjunction with another access device to obtain money, goods,
25 services, computer or network access or any other thing of value or that
26 can be used to initiate a transfer of any thing of value.
27 3. "Computer" means an electronic device that performs logic,
28 arithmetic or memory functions by the manipulations of electronic or
29 magnetic impulses and includes all input, output, processing, storage,
30 software or communication facilities that are connected or related to such
31 a device in a system or network.
32 4. "Computer contaminant" means any set of computer instructions
33 that is designed to modify, damage, destroy, record or transmit
34 information within a computer, computer system or network without the
35 intent or permission of the owner of the information, computer system or
36 network. Computer contaminant includes a group of computer instructions,
37 such as viruses or worms, that is self-replicating or self-propagating and
38 that is designed to contaminate other computer programs or computer data,
39 to consume computer resources, to modify, destroy, record or transmit data
40 or in some other fashion to usurp the normal operation of the computer,
41 computer system or network.
42 5. "Computer program" means a series of instructions or statements,
43 in a form acceptable to a computer, that ~~permits~~ **ALLOW** the functioning of
44 a computer system in a manner designed to provide appropriate products
45 from the computer system.

- 1 6. "Computer software" means a set of computer programs, procedures
2 and associated documentation concerned with the operation of a computer
3 system.
- 4 7. "Computer system" means a set of related, connected or
5 unconnected computer equipment, devices and software, including storage,
6 media and peripheral devices.
- 7 8. "Critical infrastructure resource" means any computer or
8 communications system or network that is involved in providing services
9 necessary to ensure or protect the public health, safety or welfare,
10 including services that are provided by any of the following:
- 11 (a) Medical personnel and institutions.
12 (b) Emergency services agencies.
13 (c) Public and private utilities, including water, power,
14 communications and transportation services.
15 (d) Fire departments, districts or volunteer organizations.
16 (e) Law enforcement agencies.
17 (f) Financial institutions.
18 (g) Public educational institutions.
19 (h) Government agencies.
- 20 9. "False or fraudulent pretense" means the unauthorized use of an
21 access device or the use of an access device to exceed authorized access.
- 22 10. "Financial instrument" means any check, draft, money order,
23 certificate of deposit, letter of credit, bill of exchange, credit card or
24 marketable security or any other written instrument as defined in section
25 13-2001 that is transferable for value.
- 26 11. "Network" includes a complex of interconnected computer or
27 communication systems of any type.
- 28 12. "Property" means financial instruments, information, including
29 electronically produced data, computer software and programs in either
30 machine or human readable form, and anything of value, tangible or
31 intangible.
- 32 13. "Proprietary or confidential computer security information"
33 means information about a particular computer, computer system or network
34 that relates to its access devices, security practices, methods and
35 systems, architecture, communications facilities, encryption methods and
36 system vulnerabilities and that is not made available to the public by its
37 owner or operator.
- 38 14. "Services" includes computer time, data processing, storage
39 functions and all types of communication functions.

APPROVED BY THE GOVERNOR FEBRUARY 12, 2021.

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