REFERENCE TITLE: racing; boxing; transfer; gaming commission.

State of Arizona House of Representatives Fifty-fifth Legislature Second Regular Session 2022

HB 2509

Introduced by Representative Biasiucci

AN ACT

AMENDING SECTIONS 5-101 AND 5-221, ARIZONA REVISED STATUTES; AMENDING TITLE 5, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 5; REPEALING SECTIONS 5-601, 5-602, 5-602.01, 5-603 AND 5-604, ARIZONA REVISED STATUTES; AMENDING SECTIONS 5-1201 AND 5-1301, ARIZONA REVISED STATUTES; REPEALING SECTIONS 41-3024.28, 41-3026.04 AND 41-3026.22, ARIZONA REVISED STATUTES; AMENDING TITLE 41, CHAPTER 27, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 41-3032.01; RELATING TO GAMING.

(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. <u>Definitions</u> 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 advance deposit provider and use the monies to pay for pari-mutuel 12 13 wagering on live or simulcast racing that the advance deposit pari-mutuel 14 wagering permittee accepts or makes. 3. "Advance deposit wagering provider" means a betting system or 15 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. means 21 5. "Association" а 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 GAMING commission. 27 8. "Concessionaire" means a person, partnership, association or corporation that offers goods or services for sale to the public, a 28 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 constructed in accordance with a permit issued by the commission for the 32 purpose of running county fair horse racing dates as well as any 33 commercial dates for horse racing that may be awarded by the commission in 34 35 reference to the location. 10. "County fair racing association" means an association duly 36 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. 12. "Department" means the department of gaming ARIZONA GAMING 42 43 COMMISSION.

1 13. "Desensitized" means that a horse's legs on arrival at the receiving barn or saddling paddock do not respond appropriately to tests 2 3 for feeling administered by an official veterinarian. 4 14. "Director" means the director of the department of gaming 5 COMMISSION. 6 15. "Dog racing" means racing in which greyhound dogs chase a 7 mechanical lure. 8 16. "Entered" means that a horse or dog has been registered with an 9 authorized racing official as a participant in a specified race and has 10 not been withdrawn prior to BEFORE presentation of the horse or dog for 11 inspection and testing as provided in section 5-105. 12 "Financial interest" means any direct pecuniary interest. 17. 13 "Firm" means a business unit or enterprise that transacts 18. 14 business. "Handle" means the total amount of money contributed to all 15 19. 16 pari-mutuel pools by bettors. 17 "Harness racing" means horse racing in which the horses are 20. 18 harnessed to a sulky, carriage or similar vehicle and driven by a driver. 21. "Horse racing" means racing in which horses are mounted and 19 20 ridden by jockeys. For purposes of county fair racing meetings, "horse 21 racing" means racing in which horses or mules are mounted and ridden by 22 jockeys. 23 22. "License" means the license issued by the department to each 24 employee or other person participating in any capacity in a racing meeting, including officials and employees of the pari-mutuel department. 25 23. "Pari-mutuel wagering" means a system of betting that provides 26 27 for the distribution among the winning patrons of at least the total 28 amount wagered less MINUS the amount withheld under state law. 29 24. "Permit" means a permit for a racing meeting issued under this article. 30 31 25. "Racing meeting" means a number of days of racing allotted by 32 the commission in one permit. "Simulcast" means the telecast shown within this state of live 33 26. audio and visual signals of horse, harness or dog races conducted at an 34 35 out-of-state track or the telecast shown outside this state of live audio 36 and visual signals of horse or harness races originating within this state 37 for the purpose of pari-mutuel wagering. 38 27. "Source market fee" means the fee that an advance deposit 39 wagering provider pays to a commercial permittee in the state where the 40 advance deposit wagering customer resides. 41 28. "Telephone" means any device that a person uses for voice 42 communications in connection with the services of a telephone company. 43 29. "Unauthorized racing meeting" means any racing meeting 44 conducted outside the bounds of a permit.

1 30. "Undesirable" includes known bookmakers, touts, persons 2 convicted of a violation of this article or of any law prohibiting 3 bookmaking or any other illegal forms of wagering, or any other person 4 whose presence would, in the opinion of the director, be inimical to the 5 interests of the state. 6 31. "Week" means seven consecutive days beginning on Monday and 7 ending on Sunday, mountain standard time. 8 Sec. 2. Section 5-221, Arizona Revised Statutes, is amended to 9 read: 10 5-221. Definitions 11 In this article, unless the context otherwise requires: 12 1. "Boxing": 13 (a) Means the act of attack and defense with the fists, using padded gloves, that is practiced as a sport. Where applicable, boxing 14 15 (b) Includes kickboxing, WHERE APPLICABLE. 16 2. "Commission" means the Arizona state boxing and mixed martial 17 arts GAMING commission. 18 3. "Contest" means any boxing or mixed martial arts bout, event, 19 contest, match or exhibition between two persons. 20 4. "Department" means the department of gaming COMMISSION. 21 5. "Director" means the director of the department of gaming 22 COMMISSION. 23 6. "Executive director" means the executive director of the 24 commission. "Kickboxing" means a form of boxing, including muay thai 25 7. 6. 26 pursuant to rules and regulations of the United States muay thai association or another muay thai sanctioning body that is approved by the 27 28 commission, in which blows are delivered with any part of the arm below 29 the shoulder, including the hand, and any part of the leg below the hip, including the foot. 30 31 8. 7. "Mixed martial arts" means any form of competition or contest, other than boxing or kickboxing, in which blows are delivered and 32 33 in which the competitors use any combination of tactics including boxing, wrestling, striking, kicking, martial arts and submission techniques. 34 9. 8. "Professional" means any person who competes for any money 35 36 prize or a prize that exceeds the value of thirty-five dollars \$35 or teaches or pursues or assists in the practice of boxing or mixed martial 37 arts as a means of obtaining a livelihood or pecuniary gain. 38 39 10. 9. "Tough man contest": 40 (a) Means any boxing match consisting of one minute rounds, between 41 two or more persons who use their hands, wearing padded gloves that weigh 42 at least twelve ounces, or their feet, or both, in any manner. Tough man 43 contest

44 (b) Does not include kickboxing or any recognized martial arts 45 competition.

1 2	Sec. 3. Title 5, Arizona Revised Statutes, is amended by adding
2 3	chapter 5, to read:
	CHAPTER 5
4	ARIZONA GAMING COMMISSION
5	ARTICLE 1. GENERAL PROVISIONS
6	5-421. <u>Arizona gaming commission; qualifications; membership;</u>
7	appointment; terms; powers and duties; definition
8	A. THE ARIZONA GAMING COMMISSION IS ESTABLISHED CONSISTING OF THE
9	FOLLOWING MEMBERS, WHO SHALL BE CITIZENS OF THE UNITED STATES AND
10	RESIDENTS OF THIS STATE:
11	1. ONE MEMBER SHALL BE A CERTIFIED PUBLIC ACCOUNTANT LICENSED BY
12	THIS STATE OR ANOTHER STATE AND HAVING AT LEAST FIVE YEARS OF EXPERIENCE
13	IN GENERAL ACCOUNTING, PRINCIPLES AND PRACTICE OF CORPORATE FINANCE,
14	GENERAL FINANCE, GAMING OR ECONOMICS, APPOINTED BY THE GOVERNOR.
15	2. ONE MEMBER WITH AT LEAST FIVE YEARS OF EXPERIENCE IN LAW
16	ENFORCEMENT, APPOINTED BY THE GOVERNOR.
17	3. THE DIRECTOR OF THE COMMISSION, WHO SHALL HAVE AT LEAST FIVE
18	YEARS OF EXPERIENCE IN PUBLIC OR BUSINESS ADMINISTRATION.
19	4. THREE PUBLIC MEMBERS, ONE APPOINTED BY THE GOVERNOR, ONE
20	APPOINTED BY THE PRESIDENT OF THE SENATE AND ONE APPOINTED BY THE SPEAKER
21	OF THE HOUSE OF REPRESENTATIVES.
22	B. THE GOVERNOR SHALL APPOINT THE DIRECTOR PURSUANT TO SECTION
23	38-211.
24	C. INITIAL TERMS OF THE MEMBERS SHALL BE AS FOLLOWS:
25	1. THE INITIAL TERMS OF THE MEMBERS APPOINTED BY THE GOVERNOR SHALL
26	EXPIRE IN STAGGERED YEARS BEGINNING ON THE LAST MONDAY IN JANUARY 2025,
27	THE LAST MONDAY IN JANUARY 2026 AND THE LAST MONDAY IN JANUARY 2027.
28	2. THE INITIAL TERMS OF THE MEMBERS APPOINTED BY THE PRESIDENT OF
29	THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES SHALL EXPIRE ON
30	THE LAST MONDAY IN JANUARY 2026.
31	3. AFTER THE INITIAL TERMS, EACH MEMBER SHALL BE APPOINTED FOR A
32	FOUR-YEAR TERM.
33	D. THE GOVERNOR MAY REMOVE ANY MEMBER OF THE COMMISSION FOR CAUSE.
34	E. ANY MEMBER OF THE COMMISSION MAY BE REMOVED BY A VOTE OF A
35	MAJORITY OF THE MEMBERS OF THE COMMISSION WITHOUT CAUSE.
36	F. BEFORE ENTERING ON THE DISCHARGE OF THE APPOINTEE'S DUTIES, EACH
37	MEMBER SHALL TAKE THE OFFICIAL OATH.
38	G. MEMBERS OF THE COMMISSION ARE ELIGIBLE TO RECEIVE COMPENSATION
39	PURSUANT TO SECTION 38-611 FOR EACH DAY SPENT IN THE DISCHARGE OF THEIR
40	DUTIES AND REIMBURSEMENT FOR ALL EXPENSES NECESSARILY AND PROPERLY
41	INCURRED IN ATTENDING A MEETING OF OR FOR THE COMMISSION, INCLUDING
42	MILEAGE EXPENSES.
43	H. A PERSON WHO HAS A FINANCIAL INTEREST, EITHER DIRECTLY OR
44	INDIRECTLY, IN GAMING IS NOT QUALIFIED FOR MEMBERSHIP ON THE COMMISSION,
45	APPOINTMENT TO THE COMMISSION OR EMPLOYMENT BY THE COMMISSION.

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1 I. A PERSON WHO HOLDS ELECTED OFFICE IN THIS STATE OR ANY OFFICER 2 OR OFFICIAL OF A POLITICAL PARTY OR POLITICAL CONVENTION ARE NOT QUALIFIED 3 FOR MEMBERSHIP ON THE COMMISSION, APPOINTMENT TO THE COMMISSION OR 4 EMPLOYMENT BY THE COMMISSION. 5 J. THE COMMISSION SHALL MEET AT THE DISCRETION OF THE COMMISSION. 6 A MAJORITY OF THE COMMISSION MEMBERS CONSTITUTE A QUORUM. 7 K. THE COMMISSION SHALL HAVE AN OFFICE LOCATED IN PHOENIX AND MAY 8 MAINTAIN AN OFFICE IN TUCSON. ON REQUEST OF THE COMMISSION, AN AGENCY OF 9 THIS STATE OR A POLITICAL SUBDIVISION OF THIS STATE SHALL PROVIDE THE COMMISSION WITH ITS SERVICES, EQUIPMENT, DOCUMENTS, PERSONNEL 10 AND 11 FACILITIES TO THE EXTENT POSSIBLE WITHOUT COST TO THE COMMISSION. 12 L. THE COMMISSION SHALL: 13 1. ASSUME ALL THE POWERS AND DUTIES OF THE ARIZONA RACING COMMISSION, THE ARIZONA STATE BOXING AND MIXED MARTIAL ARTS COMMISSION AND 14 15 THE DEPARTMENT OF GAMING. 16 2. ENFORCE ALL RULES ADOPTED RELATING TO GAMING. 17 3. ENSURE THE CONTINUED GROWTH AND SUCCESS OF GAMING IN THIS STATE 18 BY ESTABLISHING PUBLIC CONFIDENCE. 19 4. REGULATE THE LOCATION, PRACTICE, ASSOCIATION AND ACTIVITIES 20 RELATING TO THE OPERATION OF LICENSED GAMING ESTABLISHMENTS AND THE 21 MANUFACTURE, SALE OR DISTRIBUTION OF GAMING DEVICES AND ASSOCIATED 22 EQUIPMENT. 5. LICENSE ALL ESTABLISHMENTS WHERE GAMING IS CONDUCTED AND WHERE 23 24 GAMING DEVICES ARE OPERATED TO PROTECT THE PUBLIC HEALTH, SAFETY, ORDER AND GENERAL WELFARE OF RESIDENTS OF THE STATE OF ARIZONA 25 26 M. FOR THE PURPOSES OF THIS SECTION, "GAMING" MEANS ALL RACING, 27 BOXING, KICKBOXING, MIXED MARTIAL ARTS, GAMBLING ON INDIAN RESERVATIONS, 28 FANTASY SPORTS CONTESTS AND EVENT WAGERING CONDUCTED IN THIS STATE. 29 Sec. 4. <u>Repeal</u> Sections 5-601, 5-602, 5-602.01, 5-603 and 5-604, Arizona Revised 30 31 Statutes, are repealed. Sec. 5. Section 5-1201, Arizona Revised Statutes, is amended to 32 33 read: 34 5-1201. Definitions In this chapter, unless the context otherwise requires: 35 36 1. "Applicant" means any person that has applied for a license as a 37 fantasy sports contest operator or that has been approved for any act 38 related to fantasy sports contests. 2. "Application" means a request to issue a license as a fantasy 39 40 sports contest operator or to approve any act related to fantasy sports 41 contests. 3. "Athletic event": 42 43 (a) Means a real-world professional, collegiate or nationally recognized sports game, contest or competition that involves the physical 44

exertion and skill of the participating individual athletes who are each

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1 physically present at the location in which the sports game, contest or 2 competition occurs, and the outcome of the sports game, contest or 3 competition is directly dependent on the performance of the participating 4 athletes.

(b) Includes events involving motor vehicles.

6 4. "Department" means the department of gaming ARIZONA GAMING 7 COMMISSION.

8 5. "Entry fee" means cash or A cash equivalent that is paid by a 9 participant to a fantasy sports contest operator to participate in a 10 fantasy sports contest.

11 6. "Fantasy sports contest" means a simulated game or contest that 12 is offered to the public with an entry fee and that meets all of the 13 following conditions:

14 (a) No fantasy sports contest team is composed of the entire roster 15 of a real-world sports team.

16 (b) No fantasy sports contest team is composed entirely of 17 individual athletes who are members of the same real-world sports team.

18 (c) Each prize or award or the value of all prizes or awards 19 offered to winning fantasy sports contest players is made known to the 20 fantasy sports contest players in advance of the fantasy sports contest.

21 (d) Each winning outcome reflects the relative knowledge and skill 22 of the fantasy sports contest players and is determined by the aggregated statistical results of the performance of multiple individual athletes or 23 24 participants selected by the fantasy sports contest player to form the fantasy sports contest team, whose individual performances in the fantasy 25 26 sports contest directly correspond with the actual performance of those 27 athletes or participants in the athletic events in which those individual 28 athletes or participants participated.

(e) A winning outcome is not based on randomized or historical events or on the score, point spread or performance in an athletic event of a single real-world sports team, a single athlete or any combination of real-world sports teams.

33 (f) The fantasy sports contest does not constitute or involve and 34 is not based on any of the following:

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(i) Racing that involves animals.

36 (ii) A game or contest ordinarily offered by a horse track or 37 casino for money, credit or any representative of value, including any 38 races, games or contests that involve horses or that are played with cards 39 or dice.

40 (iii) A slot machine or other mechanical, electromechanical or 41 electronic device, equipment or machine.

42 (iv) Poker, blackjack, faro, monte, keno, bingo, fan-tan,
43 twenty-one, seven and a half, klondike, craps, chuck-a-luck, Chinese
44 chuck-a-luck, wheel of fortune, chemin de fer, baccarat, pai gow, beat the
45 banker, panguingue, roulette or other banking or percentage games.

1 (v) Any other game or device that is authorized or that is not 2 authorized by this state.

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(vi) A high school or youth sporting event or any event that is not an athletic event.

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(vii) A contest that involves or results in betting on a race, a game, a contest or a sport that constitutes event wagering as defined in section 5-1301.

8 7. "Fantasy sports contest adjusted revenues" means the amount 9 equal to the total of all entry fees that a fantasy sports contest operator collects from all fantasy sports contest players minus the total 10 11 of all sums paid out as prizes or awards to all fantasy sports contest 12 players, multiplied by the in-state percentage.

13 8. "Fantasy sports contest operator" or "operator" means a person that is engaged in the business of professionally conducting paid fantasy 14 sports contests for cash or other prizes or awards for members of the 15 16 general public that requires cash or cash equivalent as an entry fee to be 17 paid by a member of the general public who participates in a paid fantasy 18 sports contest.

19 9. "Fantasy sports contest platform" means the hardware, software, 20 firmware, communications technology or other equipment, including operator 21 procedures implemented to allow player participation in digital or online 22 fantasy sports contests, and if supported, the corresponding equipment related to the display of the outcomes, and other similar information 23 24 necessary to facilitate player participation in which a player is provided 25 with the means to establish a player account and the fantasy sports 26 contest operator is provided with the means to review player accounts, suspend fantasy sports contests, generate various financial transaction 27 28 and account reports, input outcomes for fantasy sports contests and set 29 any configurable parameters.

30 10. "Fantasy sports contest player" or "player" means an individual 31 who participates in a fantasy sports contest offered by a fantasy sports 32 contest operator.

"Fantasy sports contest team" means the simulated team composed 33 11. of multiple individual athletes, each of whom is a member of a real-world 34 35 sports team that a fantasy sports contest player selects to compete in a 36 fantasy sports contest.

37 "Highly experienced player" means a fantasy sports contest 12. 38 player who has done at least one of the following:

(a) Entered more than one thousand fantasy sports contests offered 39 40 by a single fantasy sports contest operator.

41 (b) Won more than three prizes or awards valued at \$1,000 each or 42 more from a single fantasy sports contest operator.

43 "Holding company" means a corporation, firm, partnership, 13. 44 limited partnership, limited liability company, trust or other form of 1 business organization that is not an individual and that directly or 2 indirectly does either of the following:

3 (a) Holds an ownership interest of ten percent or more, as 4 determined by the holding company's board, in a fantasy sports contest 5 operator.

6 (b) Holds voting rights with the power to vote ten percent or more 7 of the outstanding voting rights of a fantasy sports contest operator.

8 14. "In-state percentage" means, for each fantasy sports contest, 9 the percentage, rounded to the nearest tenth of a percent, equal to the 10 total entry fees collected from all in-state participants divided by the 11 total entry fees collected from all participants in the fantasy sports 12 contest, unless otherwise prescribed by the department.

13 15. "Key employee" means an employee of a fantasy sports contest 14 operator who has the power to exercise significant influence over 15 decisions concerning the fantasy sports contest operator.

16 16. "License" means an approval that is issued by the department to 17 any person or entity to be involved in a fantasy sports operation.

18 17. "Management company" means a person retained by a fantasy 19 sports contest operator to manage a fantasy sports contest platform and 20 provide general administration and other operational services.

18. "Person" means an individual, partnership, corporation,
 association, limited liability company, federally recognized Indian tribe
 or other legal entity.

19. "Player account" means an account that is established by a
patron for the purpose of participating in fantasy sports contests,
including deposits, withdrawals, entry fees and payouts.

27 20. "Prize or award" means anything of value or any amount of cash 28 or cash equivalents.

29 21. "Protected information" means information related to playing 30 fantasy sports contests by a fantasy sports contest player that is not 31 readily available to the general public and that is obtained as a result 32 of a person's employment in relation to a fantasy sports contest.

22. "Script" means a list of commands that a fantasy SPORTS contest-related computer program can execute and that is created by a fantasy sports contest player or by a third party for a fantasy sports contest player to automate processes on a fantasy sports contest platform.

37 Sec. 6. Section 5-1301, Arizona Revised Statutes, is amended to 38 read:

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5-1301. Definitions

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In this chapter, unless the context otherwise requires:

1. "Adjusted gross event wagering receipts" means an event wagering operator's gross wagering receipts, excluding voided bets, minus winnings paid to authorized participants and any federal excise tax. A deduction from adjusted gross event wagering receipts equal to the value of free bets or promotional credits redeemed by authorized participants may be 1 taken as provided in this paragraph. The deduction under this paragraph 2 for free bets or promotional credits is limited to the first five years 3 following the effective date of this section APRIL 15, 2021 as follows:

4 (a) For years one and two, a deduction not to exceed twenty percent 5 of an event wagering operator's gross wagering receipts.

6 (b) For year three, a deduction not to exceed fifteen percent of an 7 event wagering operator's gross wagering receipts.

8 (c) For years four and five, a deduction not to exceed ten percent 9 of an event wagering operator's gross wagering receipts.

10 (d) For year six and each year thereafter, a deduction of free bets 11 is not allowed. January 1 following the year in which the event wagering 12 operator begins event wagering operations is considered the first year of 13 event wagering for the purposes of this paragraph. An event wagering 14 operator may deduct up to twenty percent of an event wagering operator's 15 gross wagering receipts during any period that the operator conducts event 16 wagering before January 1 of the first year of event wagering operations.

17 2. "Department" means the department of gaming ARIZONA GAMING 18 COMMISSION.

3. "E-sport EVENT" means an organized, multiplayer video game
 competition, particularly between professional players, individually or as
 teams.

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"Event wagering":

(a) Means accepting wagers on sports events or other events,
portions of sports events or other events, the individual performance
statistics of athletes in a sports event or combination of sports events
or the individual performance of individuals in other events or a
combination of other events by any system or method of wagering, including
in person or over the Internet through websites and on mobile devices.

29 (b) Does not include a fantasy sports contest as defined in section 30 5-1201.

5. "Event wagering employee" means an employee of an event wagering operator, sports facility, management services provider or limited event wagering operator who is directly involved in the management or control of the conduct of event wagering under this chapter in this state.

35 6. "Event wagering facility" means a facility at which event 36 wagering is conducted under this chapter.

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7. "Event wagering operator" means either:

(a) An owner or operator of an Arizona professional sports team or franchise, an operator of a sports facility in this state that hosts an annual tournament on the PGA tour or a promoter of a national association for stock car auto racing national touring race in this state, or the designee of such an owner, operator or promoter, who is licensed to offer event wagering under this chapter. If an owner, operator or promoter that qualified for an event wagering operator license appoints a designee, the 1 designee will be considered the event wagering operator and the licensee 2 with respect to the applicable license for the purposes of this chapter.

3 (b) An Arizona Indian tribe or an entity fully owned by an Arizona 4 Indian tribe, or its designee, licensed to operate only mobile event 5 wagering outside the boundaries of its Indian lands and throughout this 6 state if it has signed the most recent tribal-state gaming compact and any 7 applicable appendices or amendments. If an Indian tribe that qualified 8 for an event wagering operator license appoints a designee, the designee 9 will be considered the event wagering operator and the licensee with respect to the applicable license for the purposes of this chapter. 10

11 10. 8. "Licensee" means a person that holds an event wagering 12 operator license, limited event wagering license, supplier license or 13 management services provider license.

14 8. 9. "Limited event wagering operator" means a racetrack 15 enclosure or additional wagering facility that holds a permit issued by 16 the division of racing to offer wagers on horseracing and that is licensed 17 under this chapter.

18 11. "Management services provider" means a person that 19 operates, manages or controls event wagering authorized by this chapter on 20 behalf of an event wagering operator or limited event wagering operator, 21 including developing or operating event wagering platforms and providing 22 odds, lines and global risk management, and may provide services to more 23 than one licensed event wagering operator or licensed limited event 24 wagering operator.

9. 11. "Official league data" means statistics, results, outcomes and other data related to a sports event or other event obtained pursuant to an agreement with the relevant sports governing body or an entity expressly authorized by the sports governing body to provide such information to licensees that authorizes the use of such data for determining the outcome of sports wagers on sports events or other events.

31 12. "Other event" means a competition of relative skill or an event 32 authorized by the department under this chapter.

13. "Person" means an individual, partnership, committee,
 association, corporation, OR Indian tribe or an entity fully owned by an
 Indian tribe, or any other organization or group of persons.

14. "Professional sport" means a sport conducted at the highest
level league or organizational play for its respective sport and includes
baseball, basketball, football, golf, hockey, soccer and motorsports.

39 15. "Prohibited conduct" includes any statement, action or other 40 communication intended to unlawfully influence, manipulate or control a 41 betting outcome of a sports event or other event of any individual 42 occurrence or performance in a sports event or other event in exchange for 43 financial gain or to avoid financial or physical harm. 1

16. "Prohibited participant" means:

2 (a) Any individual whose participation may undermine the integrity 3 of the wagering, the sports event or the other event.

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(b) Any individual who is prohibited from placing a wager as an agent, proxy or because of self-exclusion.

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6 (c) Any individual who is an athlete, coach, referee, player, 7 trainer or personnel of a sports organization in any sports event or other 8 event overseen by that individual's sports organization who, based on 9 information that is not publicly available, has the ability to determine 10 or to unlawfully influence the outcome of a wager.

(d) An individual who holds a position of authority or influence
sufficient to exert influence over the participants in a sporting contest,
including coaches, managers, handlers and athletic trainers, such that
their actions can affect the outcome of a wager.

15 (e) An individual with access to exclusive information on any 16 sports event or other event overseen by that individual's sports governing 17 body that is not publicly available information or any individual 18 identified by any lists provided by the sports governing body to the 19 Department.

20 17. "Sports event" means a professional sport or athletic event, a 21 collegiate sport or athletic event, a motor race event, an e-sport event 22 or an olympic event.

18. "Sports facility" means a facility that is owned by a commercial, state or local government or quasi-governmental entity that hosts professional sports events and that holds a seating capacity of more than ten thousand persons at its primary facility, one location in this state that hosts an annual golf tournament on the PGA tour and one location that holds an outdoor motorsports facility that hosts a national association for stock car auto racing national touring race.

19. "Sports governing body" means an organization headquartered in the United States that prescribes final rules and enforces codes of conduct with respect to a sports event and participants in a sports event.

33 20. "Tier one sports wager" means a sports wager that is determined 34 solely by the final score or final outcome of the sports event and that is 35 placed before the sports event has begun.

36 21. "Tier two sports wager" means a sports wager that is not a tier 37 one sports wager.

38 22. "Supplier" means a person that manufactures, distributes or 39 supplies event wagering equipment or software, including event wagering 40 systems.

41 23. "Wager":

42 (a) Means a sum of money or thing of value risked on an uncertain43 occurrence.

(b) Includes tier one and tier two sports wagers, single-game bets,
 teaser bets, parlays, over-under bets, moneyline bets, pools, exchange

1 wagering, in-game wagering, in-play bets, proposition bets, straight bets 2 and other wagers approved by the department. 3 Sec. 7. <u>Repeal</u> 4 Sections 41-3024.28, 41-3026.04 and 41-3026.22, Arizona Revised 5 Statutes, are repealed. 6 Sec. 8. Title 41, chapter 27, article 2, Arizona Revised Statutes, 7 is amended by adding section 41-3032.01, to read: 8 41-3032.01. Arizona gaming commission; termination July 1, 9 2032 10 A. THE ARIZONA GAMING COMMISSION TERMINATES ON JULY 1, 2032. 11 B. TITLE 5, CHAPTERS 1, 2 AND 5 AND THIS SECTION ARE REPEALED ON 12 JANUARY 1, 2033. 13 Sec. 9. Purpose Pursuant to section 41-2955, subsection E, Arizona Revised Statutes, 14 the legislature establishes the Arizona gaming commission to regulate and 15 16 promote gaming. 17 Sec. 10. Transferring powers 18 The Arizona gaming commission succeeds to the powers and duties of 19 the following: 20 1. The Arizona racing commission. 21 2. The Arizona state boxing and mixed martial arts commission. 22 3. The department of gaming. 23 Sec. 11. Conforming legislation 24 The legislative council staff shall prepare proposed legislation 25 conforming the Arizona Revised Statutes to the provisions of this act for 26 consideration in the fifth-sixth legislature, first regular session. 27 Sec. 12. Effective date This act is effective from and after June 30, 2023. 28