

House Engrossed Senate Bill  
event wagering; fantasy sports; fees

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

# SENATE BILL 1459

AN ACT

AMENDING SECTION 5-1211, ARIZONA REVISED STATUTES; REPEALING SECTION 5-1318, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2021, CHAPTER 405, SECTION 3; AMENDING SECTION 5-1318, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 2021, CHAPTER 234, SECTION 4; RELATING TO FANTASY SPORTS CONTESTS AND EVENT WAGERING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-1211, Arizona Revised Statutes, is amended to  
3 read:

4 5-1211. Fees

5 A. The department shall establish a fee for the privilege of  
6 operating fantasy sports contests. In determining the fee, the department  
7 shall consider the highest percentage of revenue share that an Indian  
8 tribe pays to this state pursuant to the tribal-state gaming compacts and  
9 any amendments. **THE FEE MAY NOT EXCEED TEN PERCENT OF THE FANTASY SPORTS  
10 CONTEST OPERATOR'S ADJUSTED REVENUES.** A fantasy sports contest operator  
11 shall report to the department and pay the fee from its monthly fantasy  
12 sports contest adjusted revenues, on a form and in the manner prescribed  
13 by the department. This subsection does not apply to an individual who  
14 offers a fantasy sports contest under section 5-1202, subsection B.

15 B. The fee established pursuant to subsection A of this section is  
16 due and payable to the department by the twenty-fifth day of each month  
17 and shall be based on monthly fantasy sports contest adjusted revenue  
18 derived during the previous month.

19 C. The department shall deposit, pursuant to sections 35-146 and  
20 35-147, the fees collected pursuant to this section in the fantasy sports  
21 contest fund established by section 5-1212.

22 D. A licensed fantasy sports contest operator who fails to remit to  
23 the department the fees required under this section is liable, in addition  
24 to any sanction or penalty imposed under this chapter, for the payment of  
25 a penalty of five percent per month up to a maximum of twenty-five percent  
26 of the amounts ultimately found to be due, to be recovered by the  
27 department. Penalties imposed and collected by the department under this  
28 subsection must be deposited in the fantasy sports contest fund  
29 established by section 5-1212.

30 Sec. 2. Repeal

31 Section 5-1318, Arizona Revised Statutes, as amended by Laws 2021,  
32 chapter 405, section 3, is repealed.

33 Sec. 3. Section 5-1318, Arizona Revised Statutes, as added by Laws  
34 2021, chapter 234, section 4, is amended to read:

35 5-1318. Fees; event wagering fund

36 A. The department shall establish a fee for the privilege of  
37 operating event wagering. In determining the fee, the department shall  
38 consider the highest percentage of revenue share that an Indian tribe pays  
39 to this state pursuant to the tribal-state gaming compact. **THE FEE MAY  
40 NOT EXCEED TEN PERCENT OF THE EVENT WAGERING OPERATOR'S ADJUSTED GROSS  
41 EVENT WAGERING RECEIPTS.** The event wagering operator or designee has the  
42 option to choose either the cash accrual or modified accrual basis method  
43 of accounting for purposes of calculating the amount of the fee owed by  
44 the event wagering operator or designee. The fees required pursuant to  
45 this section are due and payable to the department not later than the

1 twenty-fifth day of the month following the calendar month in which the  
2 adjusted gross event wagering receipts were received and the obligation  
3 was accrued.

4 B. The event wagering fund is established consisting of monies  
5 deposited pursuant to this chapter or from any other source. The  
6 department shall administer the fund. Except as otherwise provided in  
7 this chapter, the department shall deposit, pursuant to sections 35-146  
8 and 35-147, all monies collected under this chapter in the event wagering  
9 fund. On the twenty-fifth of each month, any monies remaining in the  
10 event wagering fund shall be transferred to the state general fund. On  
11 notice from the department, the state treasurer shall invest and divest  
12 monies in the fund as provided by section 35-313, and monies earned from  
13 investment shall be credited to the fund.

14 C. Unless otherwise determined by the legislature, the department  
15 may spend not more than ten percent of monies on the department's annual  
16 costs of regulating and enforcing this chapter, and any remaining monies  
17 in the fund revert to the state general fund.