

REFERENCE TITLE: **amusements; 2022-2023.**

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

## **SB 1722**

Introduced by  
Senators Fann: Borrelli, Gowan, Gray, Leach (with permission of Committee  
on Rules)

### **AN ACT**

**AMENDING SECTIONS 5-1211 AND 5-1212, 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 AMUSEMENTS.**

(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; penalty

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. Section 5-1212, Arizona Revised Statutes, is amended to  
31 read:

32 5-1212. Fantasy sports contest fund

33 A. The fantasy sports contest fund is established consisting of  
34 monies deposited pursuant to section 5-1211 or from any other source. The  
35 department shall administer the fund. Monies in the fund are subject to  
36 legislative appropriation.

37 B. On notice from the department, the state treasurer shall invest  
38 and divest monies in the fund as provided by section 35-313, and monies  
39 earned from investment shall be credited to the fund.

40 C. The department may spend not more than ten percent of monies on  
41 the department's annual costs of regulating and enforcing this chapter  
42 unless otherwise provided by the legislature. ~~The department~~ **AT THE END  
43 OF EACH FISCAL YEAR, ANY REVENUES COLLECTED IN EXCESS OF THE AMOUNT  
44 APPROPRIATED FROM THE FUND** shall ~~transfer any remaining monies in the fund~~  
45 **BE TRANSFERRED** to the state general fund.

1           Sec. 3. Repeal  
2           Section 5-1318, Arizona Revised Statutes, as amended by Laws 2021,  
3 chapter 405, section 3, is repealed.

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

6           5-1318. Fees; event wagering fund

7           A. The department shall establish a fee for the privilege of  
8 operating event wagering. In determining the fee, the department shall  
9 consider the highest percentage of revenue share that an Indian tribe pays  
10 to this state pursuant to the tribal-state gaming compact. **THE FEE MAY**  
11 **NOT EXCEED TEN PERCENT OF THE EVENT WAGERING OPERATOR'S ADJUSTED GROSS**  
12 **EVENT WAGERING RECEIPTS.** The event wagering operator or designee has the  
13 option to choose either the cash accrual or modified accrual basis method  
14 of accounting for purposes of calculating the amount of the fee owed by  
15 the event wagering operator or designee. The fees required pursuant to  
16 this section are due and payable to the department not later than the  
17 twenty-fifth day of the month following the calendar month in which the  
18 adjusted gross event wagering receipts were received and the obligation  
19 was accrued.

20           B. The event wagering fund is established consisting of monies  
21 deposited pursuant to this chapter or from any other source. The  
22 department shall administer the fund. Except as otherwise provided in  
23 this chapter, the department shall deposit, pursuant to sections 35-146  
24 and 35-147, all monies collected under this chapter in the event wagering  
25 fund. On **OR BEFORE** the twenty-fifth of each month, ~~any~~ **NINETY PERCENT OF**  
26 **THE** monies ~~remaining~~ **DEPOSITED** in the event wagering fund **FROM THE**  
27 **PREVIOUS MONTH** shall be transferred to the state general fund. On notice  
28 from the department, the state treasurer shall invest and divest monies in  
29 the fund as provided by section 35-313, and monies earned from investment  
30 shall be credited to the fund.

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

35           Sec. 5. Department of gaming regulatory assessment;  
36 pari-mutuel pool

37           Notwithstanding any other law, in fiscal year 2022-2023, the  
38 department of gaming shall establish and collect a regulatory assessment  
39 from each commercial racing permittee, payable from amounts deducted from  
40 pari-mutuel pools by the permittee, in addition to the amounts the  
41 permittee is authorized to deduct pursuant to section 5-111, subsection B,  
42 Arizona Revised Statutes, from amounts wagered on live and simulcast races  
43 from in-state and out-of-state wagering handled by the permittee, in the  
44 amount of 0.5 percent of the amounts wagered.