

REFERENCE TITLE: sports league data; unofficial; bundling

State of Arizona  
Senate  
Fifty-sixth Legislature  
Second Regular Session  
2024

# **SB 1719**

Introduced by  
Senator Gonzales

AN ACT

AMENDING SECTIONS 5-1301 AND 5-1314, ARIZONA REVISED STATUTES; RELATING TO  
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 5-1301, Arizona Revised Statutes, is amended to  
3 read:

4 5-1301. Definitions

5 In this chapter, unless the context otherwise requires:

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

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

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

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

20 (d) For year six and each year thereafter, a deduction of free bets  
21 is not allowed. January 1 following the year in which the event wagering  
22 operator begins event wagering operations is considered the first year of  
23 event wagering for the purposes of this paragraph. An event wagering  
24 operator may deduct up to twenty percent of an event wagering operator's  
25 gross wagering receipts during any period that the operator conducts event  
26 wagering before January 1 of the first year of event wagering operations.

27 2. "Department" means the department of gaming.

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

31 4. "Event wagering":

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

38 (b) Does not include a fantasy sports contest as defined in section  
39 5-1201.

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

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

1           7. "Event wagering operator" means either:

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

11           (b) An Arizona Indian tribe or an entity fully owned by an Arizona  
12 Indian tribe, or its designee, licensed to operate only mobile event  
13 wagering outside the boundaries of its Indian lands and throughout this  
14 state if it has signed the most recent tribal-state gaming compact and any  
15 applicable appendices or amendments. If an Indian tribe that qualified  
16 for an event wagering operator license appoints a designee, the designee  
17 will be considered the event wagering operator and the licensee with  
18 respect to the applicable license for the purposes of this chapter.

19           ~~10.~~ 8. "Licensee" means a person that holds an event wagering  
20 operator license, limited event wagering license, supplier license or  
21 management services provider license.

22           ~~8.~~ 9. "Limited event wagering operator" means a racetrack  
23 enclosure or additional wagering facility that holds a permit issued by  
24 the division of racing to offer wagers on horseracing and that is licensed  
25 under this chapter.

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

32           ~~11.~~ 10. "Management services provider" means a person that  
33 operates, manages or controls event wagering authorized by this chapter on  
34 behalf of an event wagering operator or limited event wagering operator,  
35 including developing or operating event wagering platforms and providing  
36 odds, lines and global risk management, and may provide services to more  
37 than one licensed event wagering operator or licensed limited event  
38 wagering operator.

39           ~~12.~~ 11. "Other event" means a competition of relative skill or an  
40 event authorized by the department under this chapter.

41           ~~13.~~ 12. "Person" means an individual, partnership, committee,  
42 association, corporation, ~~OR~~ Indian tribe or an entity fully owned by an  
43 Indian tribe, or any other organization or group of persons.

44           ~~14.~~ 13. "Professional sport" means a sport conducted at the  
45 highest level league or organizational play for its respective sport and

1 includes baseball, basketball, football, golf, hockey, soccer and  
2 motorsports.

3 ~~15.~~ 14. "Prohibited conduct" includes any statement, action or  
4 other communication intended to unlawfully influence, manipulate or  
5 control a betting outcome of a sports event or other event OR of any  
6 individual occurrence or performance in a sports event or other event in  
7 exchange for financial gain or to avoid financial or physical harm.

8 ~~16.~~ 15. "Prohibited participant" means:

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

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

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

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

22 (e) An individual with access to exclusive information on any  
23 sports event or other event overseen by that individual's sports governing  
24 body that is not publicly available information or any individual  
25 identified by any lists provided by the sports governing body to the  
26 department.

27 ~~17.~~ 16. "Sports event" means a professional sport or athletic  
28 event, a collegiate sport or athletic event, a motor race event, an e-  
29 sport event or an olympic event.

30 ~~18.~~ 17. "Sports facility" means a facility that is owned by a  
31 commercial, state or local government or quasi-governmental entity that  
32 hosts professional sports events and that holds a seating capacity of more  
33 than ten thousand persons at its primary facility, one location in this  
34 state that hosts an annual golf tournament on the PGA tour and one  
35 location that holds an outdoor motorsports facility that hosts a national  
36 association for stock car auto racing national touring race.

37 ~~19.~~ 18. "Sports governing body" means an organization  
38 headquartered in the United States that prescribes final rules and  
39 enforces codes of conduct with respect to a sports event and participants  
40 in a sports event.

41 ~~22.~~ 19. "Supplier" means a person that manufactures, distributes  
42 or supplies event wagering equipment or software, including event wagering  
43 systems.

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

4           21. "Tier two sports wager" means a sports wager that is not a tier  
5 one sports wager.

6           ~~23.~~ 22. "Wager":

7           (a) Means a sum of money or thing of value risked on an uncertain  
8 occurrence.

9           (b) Includes tier one and tier two sports wagers, single-game bets,  
10 teaser bets, parlays, over-under bets, moneyline bets, pools, exchange  
11 wagering, in-game wagering, in-play bets, proposition bets, straight bets  
12 and other wagers approved by the department.

13           Sec. 2. Section 5-1314, Arizona Revised Statutes, is amended to  
14 read:

15           5-1314. Event wagering authorized

16           A. Notwithstanding any other law relating to wagering except for  
17 ~~title 5~~, chapter 1 OF THIS TITLE and title 13, chapter 33, the operation  
18 of event wagering is lawful only if the event wagering is conducted in  
19 accordance with this chapter and any other relevant laws and rules.

20           B. Notwithstanding section 5-112, wagers on racing meetings or  
21 simulcasted races may be made, offered or received through the means that  
22 other wagers allowed by this chapter are made, offered or received unless  
23 otherwise prohibited by federal law.

24           C. Each event wagering operator shall adopt and adhere to a  
25 written, comprehensive policy outlining the house rules governing the  
26 acceptance of wagers and payouts. The policy and rules must be approved  
27 by the department before the event wagering operator accepts wagers. The  
28 policy and rules must be readily available to a bettor at any event  
29 wagering facility location and on any event wagering platform.

30           D. The department shall adopt rules regarding:

31           1. The manner in which an event wagering operator accepts wagers  
32 from and issues payouts to bettors, including payouts in excess of  
33 \$10,000.

34           2. Reporting requirements necessary to comply with the bank secrecy  
35 act (P.L. 91-508; 84 Stat. 1114) and patriot act (P.L. 107-56; 115 Stat.  
36 272) and for any other applicable laws and rules governing reporting  
37 suspicious wagers.

38           E. Each wager placed in accordance with this chapter is deemed to  
39 be an enforceable contract under law.

40           F. If the governing body of a sport or sports league, organization  
41 or association or other authorized ~~entity~~ PROVIDER OF LEAGUE DATA that  
42 maintains ~~official~~ OR PROVIDES league data opts to provide ~~official~~ league  
43 data for the purposes of event wagering, an event wagering operator  
44 PURSUANT TO SECTION 5-1304, SUBSECTION A, PARAGRAPH 1 shall exclusively  
45 use ~~official~~ league data for purposes of tier two sports wagers unless the

1 event wagering operator can demonstrate to the department that the  
2 governing body of a sport or sports league, organization or association or  
3 other authorized ~~entity~~ PROVIDER OF LEAGUE DATA cannot provide a feed of  
4 ~~official~~ league data for tier two sports wagers in accordance with  
5 ~~commercially~~ reasonable terms, as determined by the department. THE  
6 GOVERNING BODY OF A SPORT OR SPORTS LEAGUE, ORGANIZATION OR ASSOCIATION OR  
7 OTHER AUTHORIZED PROVIDER OF LEAGUE DATA MAY NOT BUNDLE SPORTS DATA FOR  
8 PURPOSES OF EVENT WAGERING.