

REFERENCE TITLE: racing omnibus

State of Arizona
Senate
Fifty-first Legislature
Second Regular Session
2014

SB 1282

Introduced by
Senators Pierce: Shooter

AN ACT

AMENDING SECTIONS 5-101, 5-111, 5-112, 5-113 AND 44-313, ARIZONA REVISED
STATUTES; RELATING TO HORSE AND DOG 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 ~~which~~ THAT is not
7 the enclosure in which authorized racing takes place but ~~which~~ 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 WAGERING
13 ON LIVE OR SIMULCAST RACING THAT THE ADVANCE DEPOSIT PARI-MUTUEL WAGERING
14 PERMITTEE ACCEPTS OR MAKES.

15 3. "ADVANCE DEPOSIT WAGERING PROVIDER" MEANS A BETTING SYSTEM OR
16 MULTIJURISDICTIONAL WAGERING PROVIDER THAT IS LOCATED OUTSIDE THIS STATE AND
17 THAT IS AUTHORIZED TO CONDUCT ADVANCE DEPOSIT WAGERING PURSUANT TO THIS
18 ARTICLE.

19 ~~2-~~ 4. "Applicant" means a person, partnership, association or
20 corporation placing before the department an application for a permit or
21 license.

22 ~~3-~~ 5. "Association" means a body of persons, corporations,
23 partnerships or associations, united and acting together without a charter
24 from the state for the prosecution of some common enterprise.

25 ~~4-~~ 6. "Commercial horse racing" means horse racing conducted other
26 than by a county fair association.

27 ~~5-~~ 7. "Commission" means the Arizona racing commission.

28 ~~6-~~ 8. "Concessionaire" means a person, partnership, association or
29 corporation that offers goods or services for sale to the public, a permittee
30 or a licensee at an enclosure in which authorized racing takes place or an
31 additional wagering facility.

32 ~~7-~~ 9. "County fair facility" means any place, enclosure or track
33 constructed in accordance with a permit issued by the commission for the
34 purpose of running county fair horse racing dates as well as any commercial
35 dates for horse racing that may be awarded by the commission in reference to
36 ~~such-a~~ THE location.

37 ~~8-~~ 10. "County fair racing association" means an association duly
38 authorized by the board of supervisors to conduct a county fair racing
39 meeting for the benefit of the county.

40 ~~9-~~ 11. "Dark day simulcast" means a simulcast received on a day when
41 there are no posted races conducted at the enclosure in which authorized
42 racing takes place.

43 ~~10-~~ 12. "Department" means the Arizona department of racing.

1 ~~11.~~ 13. "Desensitized" means that a horse's or dog's legs upon arrival
2 at the receiving barn, saddling paddock or lockout kennel do not respond
3 appropriately to tests for feeling administered by an official veterinarian.
4 ~~12.~~ 14. "Director" means the director of the Arizona department of
5 racing.
6 ~~13.~~ 15. "Dog racing" means racing in which greyhound dogs chase a
7 mechanical lure.
8 ~~14.~~ 16. "Entered" means that a horse or dog has been registered with
9 an authorized racing official as a participant in a specified race and has
10 not been withdrawn prior to presentation of the horse or dog for inspection
11 and testing as provided in section 5-105.
12 ~~15.~~ 17. "Financial interest" means any direct pecuniary interest.
13 ~~16.~~ 18. "Firm" means a business unit or enterprise that transacts
14 business.
15 ~~17.~~ 19. "Handle" means the total amount of money contributed to all
16 pari-mutuel pools by bettors.
17 ~~18.~~ 20. "Harness racing" means horse racing in which the horses are
18 harnessed to a sulky, carriage or similar vehicle and driven by a driver.
19 ~~19.~~ 21. "Horse racing" means racing in which horses are mounted and
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 ~~20.~~ 22. "License" means the license issued by the department to each
24 employee or other person participating in any capacity in a racing meeting,
25 including officials and employees of the pari-mutuel department.
26 ~~21.~~ 23. "Pari-mutuel wagering" means a system of betting ~~which~~ THAT
27 provides for the distribution among the winning patrons of at least the total
28 amount wagered less the amount withheld under state law.
29 ~~22.~~ 24. "Permit" means a permit for a racing meeting issued under the
30 provisions of this article.
31 ~~23.~~ 25. "Racing meeting" means a number of days of racing allotted by
32 the commission in one permit.
33 ~~24.~~ 26. "Simulcast" means the telecast shown within this state of live
34 audio and visual signals of horse, harness or dog races conducted at an
35 out-of-state track or the telecast shown outside this state of live audio and
36 visual signals of horse, harness or dog 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 WAGERING
39 PROVIDER PAYS TO A COMMERCIAL LIVE-RACING 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 WHETHER THE VOICE COMMUNICATIONS ARE TRANSMITTED IN ANALOG, DIGITAL OR ANY
44 OTHER FORM.

1 ~~25-~~ 29. "Undesirable" includes known bookmakers, touts, persons
 2 convicted of a violation of any provision of this article or of any law
 3 prohibiting bookmaking or any other illegal forms of wagering, or any other
 4 person whose presence would, in the opinion of the director, be inimical to
 5 the interests of the state.

6 ~~26-~~ 30. "Week" means seven consecutive days beginning on Monday and
 7 ending on Sunday, mountain standard time.

8 Sec. 2. Section 5-111, Arizona Revised Statutes, is amended to read:
 9 5-111. Wagering percentage to permittee and state; exemptions

10 A. The commission shall prescribe rules governing wagering on races
 11 under the system known as pari-mutuel wagering. Wagering shall be conducted
 12 by a permittee only by pari-mutuel wagering and only on the dates for which
 13 racing or dark day simulcasting has been authorized by the commission.
 14 Wagering for a licensed racing meeting shall be conducted by a **COMMERCIAL**
 15 **LIVE-RACING** permittee only within an enclosure in which authorized racing
 16 takes place and, in counties having a population of less than five hundred
 17 thousand persons or at least one million five hundred thousand persons, ~~as~~
 18 ~~shown by the most recent United States decennial census,~~ at those additional
 19 facilities ~~which~~ **THAT** are owned or leased by a permittee, **THAT ARE APPROVED**
 20 **BY THE COMMISSION** and ~~which~~ **THAT** are used by a permittee for handling
 21 wagering as part of the pari-mutuel system ~~and pool of the permittee at the~~
 22 ~~enclosure where the authorized racing is conducted~~ **OF THE COMMERCIAL**
 23 **LIVE-RACING PERMITTEE**. In all other counties, wagering may also be conducted
 24 at additional facilities ~~which~~ **THAT** are owned or leased by a **COMMERCIAL**
 25 **LIVE-RACING** permittee who is licensed to conduct live racing in those
 26 counties or who has the consent of all commercial permittees currently
 27 licensed to conduct live racing in those counties and ~~which~~ **THAT** are used by
 28 a permittee for handling wagering and as part of the pari-mutuel system ~~and~~
 29 ~~pool of the permittee at the enclosure where the authorized racing is~~
 30 ~~conducted~~ **OF THE COMMERCIAL LIVE-RACING PERMITTEE**. If the additional
 31 facilities have not been used for authorized racing before their use for
 32 handling wagering, a permittee shall not use the facilities for handling
 33 wagering before receiving approval for ~~such~~ use by the governing body of the
 34 city or town, if located within the corporate limits, or by the board of
 35 supervisors, if located in an unincorporated area of the county. A permittee
 36 may televise ~~the races~~ **ANY LIVE OR SIMULCAST RACES RECEIVED AT THE**
 37 **PERMITTEE'S RACING ENCLOSURE** to the additional facilities at the times the
 38 races are conducted **OR RECEIVED AT THE PERMITTEE'S ENCLOSURE**. For the
 39 purpose of section 5-110, subsection C only, a race ~~upon~~ **ON** which wagering is
 40 permitted under this subsection shall be deemed to also occur at the
 41 additional facility in the county in which the additional facility is
 42 located, and ~~as such~~ shall be limited in the same manner as actual live
 43 racing in ~~such~~ **THAT** county. For the purpose of subsections B and C of this
 44 section, the wagering at the additional facility shall be deemed to occur in
 45 the county in which the additional facility is located.

1 B. During the period of any permit for dog racing in any county, the
2 state shall receive five and one-half per cent of all monies handled in the
3 pari-mutuel pool operated by the permittee, to be paid daily during the
4 racing meeting. In all counties having a population of one million five
5 hundred thousand persons or more, ~~according to the most recent United States~~
6 ~~decennial census~~, four and three-quarters per cent of the gross amount of
7 monies handled in a pari-mutuel pool shall be deducted from the pari-mutuel
8 pool and shall be deposited daily into a trust account for the payment of
9 purse amounts. In counties having a population of less than one million five
10 hundred thousand persons ~~according to the most recent United States decennial~~
11 ~~census~~, four per cent of the gross amount of monies handled in a pari-mutuel
12 pool shall be deducted from the pari-mutuel pool and shall be deposited daily
13 in a trust account for the payment of purse amounts. In addition,
14 twenty-five per cent of any reduction in pari-mutuel taxes each year
15 resulting from the application of the hardship tax reduction credit
16 determined pursuant to subsection I of this section shall be deposited in the
17 trust account for supplementing purse amounts in an equitable manner over the
18 racing meeting as determined by the commission. Notwithstanding any other
19 provision of this subsection, the percentage paid by a permittee to the state
20 does not apply to monies handled in a pari-mutuel pool for wagering on
21 simulcasts of out-of-state races. During a week in which a permittee
22 conducts live racing at the permittee's racetrack enclosure, the permittee
23 shall deduct from monies handled in a pari-mutuel pool for wagering on
24 simulcasts of out-of-state races and deposit daily in a trust account for the
25 payment of purse amounts the same percentage of the pari-mutuel pool as is
26 deducted for purses for live races unless otherwise agreed by written
27 contract. Unless otherwise agreed by written contract, if the commission
28 reasonably determines that live racing will not be conducted within one
29 calendar year at a racetrack enclosure, the permittee shall deduct from
30 monies handled in a pari-mutuel pool for wagering on simulcasts of
31 out-of-state races and deposit daily in a trust account to supplement purses
32 of any dog track where live racing is conducted within a one hundred mile
33 radius. The supplementing provided by this subsection shall be in the most
34 equitable manner possible as determined by the commission. The permittee
35 shall allocate the funds in the trust account and pay purse amounts at least
36 biweekly. The permittee ~~may~~, at the permittee's discretion, ~~MAY~~ pay
37 additional amounts to augment purses from the amounts received by the
38 permittee under this subsection.

39 C. During the period of a permit for horse, harness or dog racing, the
40 permittee ~~which THAT~~ conducts ~~such THE~~ meeting may deduct up to and including
41 twenty-five per cent of the total amount handled in the regular pari-mutuel
42 pools and ~~may~~, at the permittee's option, ~~MAY~~ deduct up to and including
43 thirty per cent of the total amount handled in the exacta, daily double,
44 quinella and other wagering pools involving two horses or dogs, and up to and
45 including thirty-five per cent of the total amount handled in the trifecta or

1 other wagering pools involving more than two horses or dogs in one or more
2 races. The amounts if deducted shall be distributed as prescribed in
3 subsection D of this section and section 5-111.02 for horse or harness racing
4 permittees. For dog racing permittees, unless otherwise agreed by written
5 contract, the permittee shall allocate to purses from amounts wagered on live
6 racing conducted in this state an amount equal to fifty per cent of any
7 amounts that are deducted pursuant to this subsection in excess of twenty per
8 cent of the total amount handled in the regular pari-mutuel pools, twenty-one
9 per cent of the total amount handled in the exacta, daily double, quinella
10 and other wagering pools involving two dogs or twenty-five per cent of the
11 total amount handled in the trifecta or other wagering pools involving more
12 than two dogs in one or more races. For dog racing permittees the
13 percentages prescribed in subsection B of this section shall be distributed
14 to the state and to the trust account for payment of purse amounts and the
15 permittee shall receive the balance. If the dog racing permittee has made
16 capital improvements, the distribution to the state shall be adjusted as
17 provided in section 5-111.03. Monies deposited in the trust account for
18 payment of purses pursuant to this subsection shall be in addition to amounts
19 deposited pursuant to subsection B of this section.

20 D. During the period of a permit for horse or harness racing, the
21 state shall receive two per cent of the gross amount of the first one million
22 dollars of the daily pari-mutuel pools and five per cent of the gross amount
23 exceeding one million dollars of the daily pari-mutuel pools.
24 Notwithstanding any other provision of this subsection, the percentage paid
25 by a permittee to the state does not apply to monies handled in a pari-mutuel
26 pool for wagering on simulcasts of out-of-state races. The permittee shall
27 retain the balance of the total amounts deducted pursuant to subsection C of
28 this section. Of the amount retained by the permittee, ~~less~~ MINUS the amount
29 payable to the permittee for capital improvements pursuant to section
30 5-111.02, breakage distributed to the permittee pursuant to section 5-111.01
31 and other applicable state, county and city transaction privilege or other
32 taxes, unless otherwise agreed by written contract, fifty per cent shall be
33 used for purses. Unless otherwise agreed by written contract, fifty per cent
34 of the revenues received by the permittee from simulcasting races as provided
35 in section 5-112, net of costs of advertising, shall be utilized as a
36 supplement to the general purse structure. All amounts ~~which~~ THAT are
37 deducted from the pari-mutuel pool for purses pursuant to this section and
38 sections 5-111.01, 5-112 and 5-114 and revenues ~~which~~ THAT are received from
39 simulcasting and ~~which~~ THAT are to be used as a supplement to the general
40 purse structure pursuant to this subsection shall be deposited daily into a
41 trust account for the payment of purse amounts.

42 E. Any county fair racing association may apply to the commission for
43 one racing meeting each year and the commission shall set the number of days
44 and the dates of ~~such~~ THE meetings. A racing meeting conducted under this
45 subsection shall be operated in such manner SO that all profits accrue to the

1 county fair racing association, and the county fair racing association may
2 deduct from the pari-mutuel pool the same amount as prescribed in subsection
3 C of this section. All county fair racing meetings, whether conducted by
4 county fair racing associations under ~~the provisions of~~ this subsection or by
5 an individual, corporation or association other than a county fair racing
6 association, are exempt from the payment to the state of the percentage of
7 the pari-mutuel pool prescribed by subsection D of this section and are also
8 exempt from the provisions of section 5-111.01.

9 F. Monies from charity racing days are exempt from the state
10 percentage of the pari-mutuel pool prescribed in this section.

11 G. Sums held by a permittee for payment of unclaimed pari-mutuel
12 tickets are exempt from ~~the provisions of~~ the revised Arizona unclaimed
13 property act, title 44, chapter 3.

14 H. All of the amounts received by a permittee from the gross amount of
15 monies handled in a pari-mutuel pool and all amounts held by a permittee for
16 payment of purses pursuant to this section and sections 5-111.01, 5-112 and
17 5-114 are exempt from the provisions of title 42, chapter 5.

18 I. On August 1 of each year, a permittee is eligible for a hardship
19 tax credit pursuant to this subsection. For purposes of this subsection,
20 "permittee" shall include any person who has succeeded to the interest of a
21 permittee and who is authorized to conduct racing at the facility for which
22 the permit was issued. The department shall determine the amount of any
23 hardship tax credit as follows:

24 1. Determine the percentage decrease in pari-mutuel wagering by
25 determining the percentage decrease in pari-mutuel wagering between the base
26 period amount and the amount of pari-mutuel wagering in the previous fiscal
27 year at the racetrack and the additional wagering facilities operated by the
28 permittee. The base period amount is the highest total annual pari-mutuel
29 wagering at the racetrack and all additional wagering facilities as reported
30 to the department for fiscal year 1989-1990, 1990-1991, 1991-1992, 1992-1993
31 or 1993-1994.

32 2. Determine the permittee's hardship tax credit by multiplying the
33 total pari-mutuel tax due as a result of wagering at the racetrack and all
34 additional wagering facilities for the previous fiscal year before applying
35 any hardship tax credit amount by the percentage decrease in pari-mutuel
36 wagering determined pursuant to paragraph 1 of this subsection and
37 multiplying the result by three.

38 3. The permittee's pari-mutuel tax due as otherwise determined under
39 subsections B and D of this section shall be reduced for the current period
40 and any future periods by an amount equal to the amount of the hardship tax
41 credit determined pursuant to this subsection. The hardship tax credit is in
42 addition to any other tax exemptions, rebates and credits.

1 Sec. 3. Section 5-112, Arizona Revised Statutes, is amended to read:

2 5-112. Wagering legalized; simulcasting of races; unauthorized
3 wagering prohibited; classification; report

4 A. Except as provided in subsection K of this section, section
5 5-101.01, subsection F and title 13, chapter 33, any person within the
6 enclosure of a racing meeting held pursuant to this article may wager on the
7 results of a race held at the meeting or televised to the racetrack enclosure
8 by simulcasting pursuant to this section by contributing money to a
9 pari-mutuel pool operated by the permittee as provided by this article.

10 B. The department, ~~upon~~ ON request by a permittee, may grant
11 permission for electronically-televised simulcasts of horse, harness or dog
12 races to be received by the permittee. In counties having a population of
13 one million five hundred thousand persons or more ~~according to the most~~
14 ~~recent United States decennial census~~, the simulcasts shall be received at
15 the racetrack enclosure where a horse, harness or dog racing meeting is being
16 conducted, provided that the simulcast may only be received during,
17 immediately before or immediately after a minimum of nine posted races for
18 that racing day. In counties having a population of five hundred thousand
19 persons or more but less than one million five hundred thousand persons
20 ~~according to the most recent United States decennial census~~, the simulcasts
21 shall be received at the racetrack enclosure where a horse, harness or dog
22 racing meeting is being conducted provided that the simulcast may only be
23 received during, immediately before or immediately after a minimum of four
24 posted races for that racing day. In all other counties, the simulcasts
25 shall be received at a racetrack enclosure at which authorized racing has
26 been conducted, whether or not posted races have been offered for the day the
27 simulcast is received. The simulcasts shall be limited to horse, harness or
28 dog races. The simulcasts shall be limited to the same type of racing as
29 authorized in the permit for live racing conducted by the permittee. The
30 department, ~~upon~~ ON request by a permittee, may grant permission for the
31 permittee to transmit the live race from the racetrack enclosure where a
32 horse, harness or dog racing meeting is being conducted to a facility or
33 facilities in another state. All simulcasts of horse or harness races shall
34 comply with the interstate horseracing act of 1978 (P.L. 95-515; 92 Stat.
35 1811; 15 United States Code chapter 57). All forms of pari-mutuel wagering
36 shall be allowed on horse, harness or dog races, ~~WHETHER OR NOT~~ televised by
37 simulcasting. All monies wagered by patrons on these horse, harness or dog
38 races shall be computed in the amount of money wagered each racing day for
39 purposes of section 5-111.

40 C. Notwithstanding subsection B of this section, in counties having a
41 population of one million five hundred thousand persons or more ~~according to~~
42 ~~the most recent United States decennial census~~, simulcasts may be received
43 at the racetrack enclosure, and ~~THE PERMITTEE MAY OFFER PARI-MUTUEL WAGERING~~
44 ~~ON THE SIMULCAST RACING~~ at any additional wagering facility used by a
45 permittee for handling wagering as provided in section 5-111, subsection A

1 during a permittee's racing meeting as approved by the commission, **WHETHER OR**
2 **NOT THE SIMULCASTS ARE TELEVISED TO THE ADDITIONAL WAGERING FACILITIES AND**
3 whether or not posted races have been conducted on the day the simulcast is
4 received, if:

5 1. For horse and harness racing, the permittee's racing permit
6 requires the permittee to conduct a minimum of one hundred fifty-six days of
7 live racing with an average of nine posted races on an average of five racing
8 days each week at the permittee's racetrack enclosure during the period
9 beginning on October 1 and ending on the first full week in May, unless
10 otherwise agreed in writing by the permittee and the recognized horsemen's
11 organization that represents the horsemen participating in the race meet at
12 the racetrack enclosure, subject to approval by the department.

13 2. For dog racing, the permittee is required to conduct a minimum of
14 ten posted races on each of four days each week for forty-one weeks during a
15 calendar year at the permittee's racetrack enclosure.

16 D. Notwithstanding subsection B of this section, in counties having a
17 population of seven hundred thousand persons or more but less than one
18 million five hundred thousand persons ~~according to the most recent United~~
19 ~~States decennial census~~, simulcasts may be received at the racetrack
20 enclosure, and **THE PERMITTEE MAY OFFER PARI-MUTUEL WAGERING ON THE SIMULCAST**
21 **RACING** at any additional wagering facility used by a permittee for handling
22 wagering as provided in section 5-111, subsection A during a permittee's
23 racing meeting as approved by the commission, **WHETHER OR NOT THE SIMULCASTS**
24 **ARE TELEVISED TO THE ADDITIONAL WAGERING FACILITES AND** whether or not posted
25 races have been conducted on the day the simulcast is received, subject to
26 the following conditions:

27 1. For horse and harness racing, the permittee may conduct wagering on
28 dark day simulcasts for twenty days, provided the permittee conducts a
29 minimum of seven posted races on each of the racing days mandated in the
30 permittee's commercial racing permit. In order to conduct wagering on dark
31 day simulcasts for more than twenty days, the permittee is required to
32 conduct a minimum of seven posted races on one hundred forty racing days at
33 the permittee's racetrack enclosure.

34 2. For dog racing, the permittee is required to conduct a minimum of
35 nine posted races on each of one hundred days during a calendar year at the
36 permittee's racetrack enclosure, unless a lesser number is otherwise agreed
37 to by written contract entered into by February 1 of each year by a permittee
38 and a majority of licensed persons then participating in a greyhound racing
39 meeting as greyhound racing kennel owners.

40 E. In an emergency and ~~upon~~ **ON** a showing of good cause by a permittee,
41 the commission may grant an exception to the minimum racing day requirements
42 of subsections C and D of this section.

43 F. The minimum racing day requirements of subsections C and D of this
44 section shall be computed by adding all racing days, including any county
45 fair racing days operated in accordance with section 5-110, subsection F,

1 allotted to the permittee's racetrack enclosure in one or more racing permits
2 and all racing days allotted to the permittee's racetrack enclosure pursuant
3 to section 5-110, subsection H.

4 G. Simulcast signals or teletracking of simulcast signals does not
5 prohibit live racing or teletracking of that live racing in any county at any
6 time.

7 H. Except as provided in subsection K of this section, section
8 5-101.01, subsection F and title 13, chapter 33, any person within a
9 racetrack enclosure or an additional facility authorized for wagering
10 pursuant to section 5-111, subsection A may wager on the results of a race
11 televised to the facility pursuant to section 5-111, subsection A by
12 contributing to a pari-mutuel pool operated as provided by this article.

13 I. Notwithstanding subsection B of this section, the department, in
14 counties having a population of one million five hundred thousand persons or
15 more ~~according to the most recent United States decennial census~~ and on
16 request by a permittee for one day each year, may grant permission for
17 simulcasts to be received without compliance with the minimum of nine posted
18 races requirement.

19 J. Except as provided in this article and in title 13, chapter 33, all
20 forms of wagering or betting on the results of a race, including ~~but not~~
21 ~~limited to~~ buying, selling, cashing, exchanging or acquiring a financial
22 interest in pari-mutuel tickets, except by operation of law, whether the race
23 is conducted in this state or elsewhere, are illegal.

24 K. A permittee shall not knowingly permit a person who is under
25 twenty-one years of age to be a patron of the pari-mutuel system of wagering.

26 L. Except as provided in title 13, chapter 33, any person who violates
27 this article with respect to any wagering or betting, whether the race is
28 conducted in or outside this state, is guilty of a class 6 felony.

29 M. Simulcasting may only be authorized for the same type of racing
30 authorized by a permittee's live racing permit.

31 N. IN ADDITION TO PARI-MUTUEL WAGERING OTHERWISE AUTHORIZED BY THIS
32 CHAPTER, A COMMERCIAL LIVE-RACING PERMITTEE MAY CONDUCT ADVANCE DEPOSIT
33 WAGERING AS APPROVED BY THE COMMISSION. THE COMMISSION ALSO MAY ALLOW
34 ADVANCE DEPOSIT WAGERING BY AN ADVANCE DEPOSIT WAGERING PROVIDER IF A RACING
35 AUTHORITY IN THE STATE WHERE THE ADVANCE DEPOSIT WAGERING PROVIDER IS LOCATED
36 APPROVES THE ADVANCE DEPOSIT WAGERING PROVIDER AND, FOR HORSE RACING, IF THE
37 ADVANCE DEPOSIT WAGERING PROVIDER ANNUALLY SECURES THE APPROVAL OF THE
38 COMMERCIAL LIVE HORSE RACING PERMITTEES IN A COUNTY WHERE THE ADVANCE DEPOSIT
39 WAGERING PROVIDER OR COMMERCIAL LIVE-RACING PERMITTEE ACCEPTS ADVANCE DEPOSIT
40 WAGERS FOR HORSE RACING AND OF THE ORGANIZATION THAT REPRESENTS THE MAJORITY
41 OF OWNERS AND TRAINERS AT EACH OF THE COMMERCIAL LIVE HORSE RACING ENCLOSURES
42 IN EACH COUNTY OR, FOR DOG RACING, IF THE ADVANCE DEPOSIT WAGERING PROVIDER
43 SECURES THE APPROVAL OF EACH COMMERCIAL LIVE DOG RACING PERMITTEE IN THIS
44 STATE AND OF THE ORGANIZATION THAT HAS EXISTED FOR AT LEAST FIVE YEARS THAT
45 REPRESENTS THE MAJORITY OF GREYHOUND BREEDERS IN THIS STATE. AN ADVANCE

1 DEPOSIT WAGERING PROVIDER THAT THE COMMISSION APPROVES SHALL PAY SOURCE
2 MARKET FEES ON WAGERS PLACED ON HORSE RACING FROM THIS STATE TO COMMERCIAL
3 LIVE HORSE RACING PERMITTEES IN THIS STATE. THE ADVANCE DEPOSIT WAGERING
4 PROVIDER SHALL DIVIDE THE SOURCE MARKET FEES ON HORSE RACING WAGERS ON THE
5 BASIS OF THE PROPORTION OF THE PERMITTEES' TOTAL LIVE AND SIMULCAST HANDLE
6 DURING THE PREVIOUS YEAR AND THE ADVANCE DEPOSIT WAGERING PROVIDER SHALL PAY
7 SOURCE MARKET FEES ON WAGERS ON DOG RACING FROM THE COUNTY IN WHICH THE LIVE
8 OR SIMULCAST RACING IS CONDUCTED TO THE COMMERCIAL LIVE RACING PERMITTEE IN
9 THAT COUNTY. THE ADVANCE DEPOSIT WAGERING PROVIDER SHALL DIVIDE THE SOURCE
10 MARKET FEES ON DOG RACING FROM WAGERING IN ANY OTHER COUNTY ON THE BASIS OF
11 THE PROPORTION OF TOTAL LIVE AND SIMULCAST HANDLE OF THE LIVE DOG RACING
12 PERMITTEES DURING THE PREVIOUS YEAR.

13 0. THE COMMISSION MAY ISSUE A PERMIT TO AUTHORIZE AN ADVANCE DEPOSIT
14 WAGERING PROVIDER TO ACCEPT ADVANCE DEPOSIT WAGERING ON RACING FROM PERSONS
15 IN THIS STATE. THE PROCEDURES FOR THE APPROVAL OF THE PERMIT MUST BE SIMILAR
16 TO THE PROCEDURES FOR THE APPROVAL OF RACING PERMITS UNDER THIS ARTICLE,
17 SUBJECT TO THE FOLLOWING REQUIREMENTS:

18 1. THE COMMISSION SHALL ISSUE AN ADVANCE DEPOSIT WAGERING PERMIT ONLY
19 IF THE STATE AGENCY THAT REGULATES RACING IN THE STATE WHERE THE ADVANCE
20 DEPOSIT WAGERING PROVIDER IS LOCATED APPROVES THE PERMITTEE OR PROVIDER TO
21 CONDUCT ADVANCE DEPOSIT WAGERING.

22 2. AN ADVANCE DEPOSIT WAGERING PROVIDER OR A COMMERCIAL LIVE-RACING
23 PERMITTEE MAY ACCEPT ADVANCE DEPOSIT PARI-MUTUEL WAGERS FROM NATURAL PERSONS
24 IN THIS STATE ON RACING CONDUCTED BY ANOTHER COMMERCIAL LIVE-RACING PERMITTEE
25 IN THIS STATE OR ON RACING CONDUCTED OUTSIDE THIS STATE IF THE COMMERCIAL
26 LIVE-RACING PERMITTEE IN THIS STATE AT A RACETRACK ENCLOSURE IN A COUNTY
27 WHERE LIVE HORSE OR LIVE DOG RACING HAS BEEN CONDUCTED FOR A PERIOD OF AT
28 LEAST FORTY DAYS PER YEAR FOR AT LEAST TWELVE CONSECUTIVE YEARS BEGINNING
29 AFTER 1992 OR AT A NEW RACETRACK ENCLOSURE IN THE SAME COUNTY THAT REPLACED
30 THE PREVIOUSLY EXISTING RACETRACK ENCLOSURE ON WHICH ADVANCE DEPOSIT WAGERING
31 IS ACCEPTED OR THAT CONDUCTS A RACING PROGRAM WITH THE SAME TYPE OF RACING ON
32 WHICH THE ADVANCE DEPOSIT WAGERING IS ACCEPTED, ENTERS INTO AN AGREEMENT WITH
33 THE ADVANCE DEPOSIT WAGERING PROVIDER OR THE OTHER COMMERCIAL LIVE-RACING
34 PERMITTEE PROVIDING FOR THE PAYMENT OF A SOURCE MARKET FEE THAT IS AGREED TO
35 BY THE COMMERCIAL LIVE-RACING PERMITTEE ON ALL ADVANCED DEPOSIT WAGERING.

36 3. AN ADVANCE DEPOSIT WAGERING PROVIDER OR A COMMERCIAL LIVE-RACING
37 PERMITTEE SHALL PAY SOURCE MARKET FEES IN AN AMOUNT THAT IS AGREED TO BY THE
38 COMMERCIAL LIVE-RACING PERMITTEE ON ALL ADVANCE DEPOSIT WAGERING BY PERSONS
39 IN THIS STATE ON THE SAME TYPE OF RACING THE COMMERCIAL LIVE-RACING PERMITTEE
40 CONDUCTS. SOURCE MARKET FEES FROM WAGERS BY PERSONS IN THIS STATE THROUGH AN
41 ADVANCE DEPOSIT WAGERING PROVIDER OR A COMMERCIAL LIVE-RACING PERMITTEE FOR
42 HORSE RACING SHALL BE ALLOCATED AS PROVIDED IN PARAGRAPH 7 OF THIS SUBSECTION
43 TO A COMMERCIAL LIVE HORSE RACING PERMITTEE AT A RACETRACK ENCLOSURE IN A
44 COUNTY WHERE LIVE HORSE RACING HAS BEEN CONDUCTED FOR A PERIOD OF AT LEAST
45 FORTY DAYS PER YEAR FOR AT LEAST TWELVE CONSECUTIVE YEARS BEGINNING AFTER

1 1992 OR AT A NEW RACETRACK ENCLOSURE IN THE SAME COUNTY THAT REPLACED THE
2 PREVIOUSLY EXISTING RACETRACK ENCLOSURE DURING THE PERIOD OF TIME THAT THE
3 COMMERCIAL LIVE-RACING PERMITTEE CONDUCTS A RACING PROGRAM. SOURCE MARKET
4 FEES FOR DOG RACING FROM WAGERING THROUGH THE ADVANCE DEPOSIT WAGERING
5 PROVIDER FROM PERSONS WAGERING IN A COUNTY SHALL BE ALLOCATED AS PROVIDED IN
6 PARAGRAPH 7 OF THIS SUBSECTION TO A COMMERCIAL LIVE DOG RACING PERMITTEE AT A
7 RACETRACK ENCLOSURE IN A COUNTY WHERE LIVE DOG RACING HAS BEEN CONDUCTED FOR
8 A PERIOD OF AT LEAST FORTY DAYS PER YEAR FOR AT LEAST TWELVE CONSECUTIVE
9 YEARS BEGINNING AFTER 1992 OR AT A NEW RACETRACK ENCLOSURE IN THE SAME COUNTY
10 THAT REPLACED THE PREVIOUSLY EXISTING RACETRACK ENCLOSURE. SOURCE MARKET
11 FEES FROM WAGERS BY PERSONS IN THIS STATE IN ALL OTHER COUNTIES FOR
12 PARI-MUTUEL WAGERING ON DOG RACING THROUGH AN ADVANCE DEPOSIT WAGERING
13 PROVIDER SHALL BE DIVIDED BETWEEN THE COMMERCIAL DOG RACING PERMITTEES IN
14 PROPORTION TO EACH PERMITTEE'S LIVE DOG RACING HANDLE IN THIS STATE IF THE
15 PERMITTEE HAS CONSENTED TO ALLOWING ADVANCE DEPOSIT WAGERING TO OCCUR IN THE
16 COUNTY IN WHICH THE PERMITTEE OPERATES A RACETRACK ENCLOSURE AND SHALL BE
17 ALLOCATED AS PROVIDED IN PARAGRAPH 7 OF THIS SUBSECTION.

18 4. FOR HORSE RACING, AN ADVANCE DEPOSIT WAGERING PROVIDER SHALL NOT
19 ACCEPT WAGERING FROM PERSONS WHO RESIDE IN A COUNTY WITH A POPULATION OF MORE
20 THAN FIVE HUNDRED THOUSAND PERSONS BUT LESS THAN ONE MILLION FIVE HUNDRED
21 THOUSAND PERSONS, IF THE DOG RACING PERMITTEE IN THAT COUNTY HAS NOT
22 CONSENTED TO THE ADVANCE DEPOSIT WAGERING IN THAT COUNTY.

23 5. FOR DOG RACING, AN ADVANCE DEPOSIT WAGERING PROVIDER SHALL NOT
24 ACCEPT WAGERING FROM PERSONS WHO RESIDE IN A COUNTY WITH A POPULATION OF MORE
25 THAN FIVE HUNDRED THOUSAND PERSONS BUT LESS THAN ONE MILLION FIVE HUNDRED
26 THOUSAND PERSONS, IF THE HORSE RACING PERMITTEE IN THAT COUNTY HAS NOT
27 CONSENTED TO THE ADVANCE DEPOSIT WAGERING IN THAT COUNTY.

28 6. THE ADVANCE DEPOSIT WAGERING PROVIDER SHALL FILE THE CONSENT
29 PROVIDED FOR IN THIS SUBSECTION WITH THE COMMISSION, AND THE CONSENT IS VALID
30 FOR A PERIOD OF AT LEAST ONE YEAR.

31 7. THE SOURCE MARKET FEES ARE ALLOCATED, AFTER DEDUCTIONS, AS PROVIDED
32 FOR IN SECTION 5-111, SUBSECTION B FOR DOG RACING OR SECTION 5-111,
33 SUBSECTION D FOR HORSE RACING FOR ANY FEES OR PAYMENTS TO THE STATE, COUNTY
34 AND CITY FOR TAXES OR OTHER FEES, IN THE SAME MANNER AS THE PROCEEDS OF LIVE
35 OR SIMULCAST PARI-MUTUEL WAGERING AS PROVIDED IN SECTION 5-111, SUBSECTION B
36 FOR DOG RACING AND SECTION 5-111, SUBSECTION D FOR HORSE RACING. FROM THE
37 SOURCE MARKET FEES FROM ADVANCE DEPOSIT WAGERING ON HORSE RACING ALLOCATED
38 FOR PURSES AS PROVIDED IN SECTION 5-111, SUBSECTION D, FIVE PER CENT IS PAID
39 TO THE DEPARTMENT FOR DEPOSIT IN THE ARIZONA BREEDERS AWARD FUND ACCOUNT FOR
40 DISTRIBUTIONS FOR ARIZONA BRED HORSES AS PROVIDED IN SECTION 5-114.

41 P. THE OWNER OF THE ADVANCE DEPOSIT WAGERING ACCOUNT MAY MAKE AN
42 ADVANCE DEPOSIT PARI-MUTUEL WAGER ONLY BY TELEPHONE OR BY CURRENT TELEPHONE
43 TECHNOLOGIES THAT THE INTERNET OFFERS.

1 Q. ONLY THE ADVANCE DEPOSIT WAGERING PROVIDER OR COMMERCIAL
2 LIVE-RACING PERMITTEE MAY MAKE AN ADVANCE DEPOSIT WAGER, PURSUANT TO WAGERING
3 INSTRUCTIONS THE OWNER OF THE MONIES ISSUES BY TELEPHONE. THE ADVANCE
4 DEPOSIT WAGERING PROVIDER SHALL ENSURE THE IDENTIFICATION OF THE OWNER OF THE
5 ACCOUNT BY USING METHODS AND TECHNOLOGIES APPROVED BY THE COMMISSION. ANY
6 ADVANCE DEPOSIT WAGERING PROVIDER OR PERMITTEE THAT ACCEPTS WAGERING
7 INSTRUCTIONS ON RACES THAT ARE CONDUCTED IN THIS STATE, OR ACCEPTS WAGERING
8 INSTRUCTIONS ORIGINATING IN THIS STATE, SHALL PROVIDE A DAILY REPORT THAT
9 CONTAINS A FULL ACCOUNTING AND VERIFICATION OF THE SOURCE OF THE WAGERS MADE,
10 INCLUDING THE POSTAL ZIP CODE OF THE SOURCE OF THE WAGERS AND ALL PARI-MUTUEL
11 DATA, IN A FORM AND MANNER THAT IS APPROVED BY THE COMMISSION. ALL
12 REASONABLE COSTS ASSOCIATED WITH THE CREATION, PROVISION AND TRANSFER OF THE
13 DATA IS THE RESPONSIBILITY OF THE ADVANCE DEPOSIT WAGERING PROVIDER.

14 ~~N-~~ R. Any person other than a permittee OR ANY ADVANCE DEPOSIT
15 WAGERING PROVIDER WHO IS APPROVED BY THE COMMISSION under this article AND
16 who accepts a wager or who bets on the results of a race, whether the race is
17 conducted in or outside this state, including buying, selling, cashing,
18 exchanging or acquiring a financial interest in a pari-mutuel ticket from a
19 person in this state outside of a racing enclosure or an additional wagering
20 facility that is approved by the commission and that is located in this state
21 is guilty of a class 6 felony.

22 ~~Θ-~~ S. Pursuant to section 13-108, a pari-mutuel wager or a bet placed
23 or made by a person in this state is deemed for all purposes to occur in this
24 state.

25 ~~P-~~ T. The department and the attorney general shall enforce
26 subsections ~~N-~~ R and ~~Θ-~~ S of this section and shall submit an annual report
27 that summarizes these enforcement activities to the governor, the speaker of
28 the house of representatives and the president of the senate. The department
29 and the attorney general shall provide a copy of this report to the secretary
30 of state.

31 Sec. 4. Section 5-113, Arizona Revised Statutes, is amended to read:

32 5-113. Disposition of revenues and monies; funds; committee

33 A. All revenues derived from permittees, permits and licenses as
34 provided by this article shall be deposited, pursuant to sections 35-146 and
35 35-147, in the racing regulation fund established by section 5-113.01, AND
36 ALL MONIES TRANSFERRED PURSUANT TO SECTION 44-313, SUBSECTION A UP TO ONE
37 MILLION TWO HUNDRED THOUSAND DOLLARS SHALL BE DEPOSITED IN THE ARIZONA
38 BREEDERS' AWARD FUND ESTABLISHED BY SUBSECTION F OF THIS SECTION.

39 B. The Arizona county fairs racing betterment fund is established
40 under the jurisdiction of the department. The department shall distribute
41 monies from the fund to the county fair association or county fair racing
42 association of each county conducting a county fair racing meeting in ~~such~~ A
43 proportion ~~as~~ THAT the department deems necessary for the promotion and
44 betterment of county fair racing meetings. All expenditures from the fund
45 shall be made on claims approved by the department. In order to be eligible

1 for distributions from the fund, a county fair association must provide the
2 department with an annual certification in the form required by the
3 department supporting expenditures made from the fund. Balances remaining in
4 the fund at the end of a fiscal year do not revert to the state general fund.

5 C. The county fairs livestock and agriculture promotion fund is
6 established under the control of the governor and shall be used for the
7 purpose of promoting the livestock and agricultural resources of the state
8 and for the purpose of conducting an annual Arizona national livestock fair
9 by the Arizona exposition and state fair board to further promote livestock
10 resources. The direct expenses less receipts of the livestock fair shall be
11 paid from this fund, but ~~such~~ THIS payment shall not exceed thirty per cent
12 of the receipts of the fund for the preceding fiscal year. Balances
13 remaining in the fund at the end of a fiscal year do not revert to the state
14 general fund. All expenditures from the fund shall be made upon claims
15 approved by the governor, as recommended by the livestock and agriculture
16 committee, for the promotion and betterment of the livestock and agricultural
17 resources of this state. The livestock and agriculture committee is
18 established and shall be composed of the following members, at least three of
19 whom are from counties that have a population of less than five hundred
20 thousand persons, appointed by the governor:

- 21 1. Three members representing county fairs.
- 22 2. One member representing Arizona livestock fairs.
- 23 3. One member representing the university of Arizona college of
24 agriculture.
- 25 4. One member representing the livestock industry.
- 26 5. One member representing the farming industry.
- 27 6. One member representing the governor's office.
- 28 7. One member representing the Arizona state fair conducted by the
29 Arizona exposition and state fair board.
- 30 8. One member representing the general public.

31 D. The governor shall appoint a chairman from the members. Terms of
32 members shall be four years.

33 E. Members of the committee are not eligible to receive compensation
34 but are eligible to receive reimbursement for expenses pursuant to title 38,
35 chapter 4, article 2.

36 F. The Arizona breeders' award fund is established under the
37 jurisdiction of the department. The department shall distribute monies from
38 the fund to the breeder, or the breeder's heirs, devisees or successors, of
39 every winning horse or greyhound foaled or whelped in this state, as defined
40 by section 5-114, in a manner and in an amount established by rules of the
41 commission to protect the integrity of the racing industry and promote,
42 improve and advance the quality of race horse and greyhound breeding within
43 this state. The department may contract with a breeders' association to
44 provide data, statistics and other information necessary to enable the
45 department to carry out the purposes of this subsection. Persons who are not

1 eligible to be licensed under section 5-107.01 or persons who have been
2 refused licenses under section 5-108 are not eligible to participate in the
3 Arizona greyhound breeders' award fund. Balances remaining in the fund at
4 the end of a fiscal year do not revert to the state general fund. For the
5 purposes of this subsection, "breeder" means the owner or lessee of the dam
6 of the animal at the time the animal was foaled or whelped.

7 G. The Arizona stallion award fund is established under the
8 jurisdiction of the department to promote, improve and advance the quality of
9 stallions in this state. The department shall distribute monies from the
10 fund to the owner or lessee, or the owner's or lessee's heirs, devisees or
11 successors, of every Arizona stallion whose certified Arizona bred offspring,
12 as prescribed in section 5-114, finishes first, second or third in an
13 eligible race in this state. The department may contract with a breeders'
14 association to provide data, statistics and other information necessary to
15 enable the department to carry out the purposes of this subsection. Balances
16 remaining in the fund at the end of a fiscal year do not revert to the state
17 general fund. The commission shall adopt rules pursuant to title 41, chapter
18 6 to carry out the purposes of this subsection. The rules shall prescribe at
19 a minimum:

20 1. The manner and procedure for distribution from the fund, including
21 eligibility requirements for owners and lessees.

22 2. Subject to availability of monies in the fund, the amount to be
23 awarded.

24 3. The requirements for a stallion registered with the jockey club,
25 Lexington, Kentucky or with the American quarter horse association, Amarillo,
26 Texas to be certified as an Arizona stallion.

27 4. The types and requirements of races for which an award may be made.

28 H. The greyhound and retired racehorse adoption fund is established.
29 The department shall administer the fund and maintain separate accounts for
30 greyhound adoptions and retired racehorse adoptions. All revenues derived
31 from license fees collected from dog breeders, racing kennels and other
32 operations where greyhounds are raised for the purpose of dog racing pursuant
33 to section 5-104, subsection F shall be deposited, pursuant to sections
34 35-146 and 35-147, in the greyhound adoption account of the fund. All
35 revenues derived from retired racehorse adoption surcharges collected
36 pursuant to section 5-104, subsection G shall be deposited, pursuant to
37 sections 35-146 and 35-147, in the retired racehorse adoption account of the
38 fund. The department shall distribute monies from the fund to provide
39 financial assistance to nonprofit enterprises approved by the commission to
40 promote the adoption of former racing greyhounds as domestic pets and to
41 promote the adoption of retired racehorses pursuant to section 5-104,
42 subsection G in a manner and in an amount established by rules of the
43 commission. Balances remaining in the fund at the end of a fiscal year do
44 not revert to the state general fund.

1 I. The county fair racing fund is established. The department shall
2 administer the fund. Monies in the fund are continuously appropriated. The
3 department shall use fund monies for the administration of county fair
4 racing. Any monies remaining ~~unexpended~~ UNSPENT in the fund at the end of
5 the fiscal year in excess of seventy-five thousand dollars shall revert to
6 the state general fund.

7 J. The agricultural consulting and training trust fund is established
8 for the exclusive purpose of implementing, continuing and supporting the
9 agricultural consulting and training program established by section 3-109.01.
10 The director of the Arizona department of agriculture shall administer the
11 trust fund as trustee. The state treasurer shall accept, separately account
12 for and hold in trust any monies deposited in the state treasury, which are
13 considered to be trust monies as defined in section 35-310 and which shall
14 not be commingled with any other monies in the state treasury except for
15 investment purposes. On notice from the director, the state treasurer shall
16 invest and divest any trust fund monies deposited in the state treasury as
17 provided by sections 35-313 and 35-314.03, and monies earned from investment
18 shall be credited to the trust fund. The beneficiary of the trust is the
19 agricultural consulting and training program established by section 3-109.01.
20 Surplus monies, including balances remaining in the trust fund at the end of
21 a fiscal year, do not revert to the state general fund.

22 Sec. 5. Section 44-313, Arizona Revised Statutes, is amended to read:

23 44-313. Deposit of monies

24 A. Except as otherwise provided in this section or section 44-314, the
25 department shall deposit, pursuant to sections 35-146 and 35-147, in the
26 state general fund all monies received pursuant to this chapter, including
27 the proceeds from the sale of abandoned property pursuant to section 44-312,
28 except that:

29 1. The first two million dollars of the monies shall be deposited each
30 fiscal year in the seriously mentally ill housing trust fund established by
31 section 41-3955.01.

32 2. The second two million five hundred thousand dollars of the monies
33 shall be deposited in the housing trust fund established by section 41-3955.

34 3. The next twenty-four million five hundred thousand dollars of the
35 monies shall be deposited each fiscal year in the department of revenue
36 administrative fund established by section 42-1116.01.

37 4. THE NEXT ONE MILLION TWO HUNDRED THOUSAND DOLLARS OF THE MONIES
38 SHALL BE DEPOSITED EACH FISCAL YEAR IN THE ARIZONA BREEDERS' AWARD FUND
39 ESTABLISHED IN SECTION 5-113, SUBSECTION F.

40 B. The department shall deposit monies from unclaimed shares and
41 dividends of any corporation incorporated under the laws of this state in the
42 permanent state school fund pursuant to article XI, section 8, Constitution
43 of Arizona.

1 C. The department shall deposit monies from unclaimed victim
2 restitution payments in the victim compensation and assistance fund
3 established by section 41-2407 for the purpose of establishing, maintaining
4 and supporting programs that compensate and assist victims of crime.

5 D. The department shall retain in a separate trust fund at least one
6 hundred thousand dollars from which the department shall pay claims.

7 E. Before making the deposit, the department shall record the name and
8 last known address of each person who appears from the holders' reports to be
9 entitled to the property and the name and last known address of each insured
10 person or annuitant and beneficiary. The department shall also record the
11 policy or contract number of each policy or contract of an insurance company
12 that is listed in the report, the name of the company and the amount due.
13 The department shall make the record available for public inspection during
14 reasonable business hours.

15 Sec. 6. Elimination of regulatory wagering assessment

16 Beginning on the effective date of this act, the Arizona department of
17 racing shall not collect the regulatory wagering assessment that is payable
18 from amounts deducted from pari-mutuel pools by the permittee, in addition to
19 the amounts the permittee is authorized to deduct in section 5-111,
20 subsection C, Arizona Revised Statutes, from amounts wagered on all live and
21 simulcast races from in-state and out-of-state wagering authorized by the
22 Arizona department of racing to the permittee.

23 Sec. 7. Exemption from rulemaking

24 For the purposes of this act, the Arizona department of racing is
25 exempt from the rulemaking requirements of title 41, chapter 6, Arizona
26 Revised Statutes, for one year after the effective date of this act, except
27 that the department shall file the rules pursuant to title 41, chapter 6,
28 Arizona Revised Statutes, hold at least one public hearing and file the rules
29 with the secretary of state.