

REFERENCE TITLE: **fantasy sports competitions; definition**

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

## **SB 1468**

Introduced by

Senators Driggs, Begay, McComish; Representatives Cardenas, Forese,  
Gallego, Montenegro; Senators Ableser, Gallardo, Hobbs, Melvin, Meza,  
Shooter; Representatives Alston, Brophy McGee, Carter, Mendez, Meyer,  
Shope

**AN ACT**

**AMENDING SECTION 13-3301, ARIZONA REVISED STATUTES; RELATING TO GAMBLING.**

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 13-3301, Arizona Revised Statutes, is amended to  
3 read:

4 13-3301. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Amusement gambling" means gambling involving a device, game or  
7 contest which is played for entertainment if all of the following apply:

8 (a) The player or players actively participate in the game or contest  
9 or with the device.

10 (b) The outcome is not in the control to any material degree of any  
11 person other than the player or players.

12 (c) The prizes are not offered as a lure to separate the player or  
13 players from their money.

14 (d) Any of the following:

15 (i) No benefit is given to the player or players other than an  
16 immediate and unrecorded right to replay which is not exchangeable for value.

17 (ii) The gambling is an athletic event and no person other than the  
18 player or players derives a profit or chance of a profit from the money paid  
19 to gamble by the player or players.

20 (iii) The gambling is an intellectual contest or event, the money paid  
21 to gamble is part of an established purchase price for a product, no  
22 increment has been added to the price in connection with the gambling event  
23 and no drawing or lottery is held to determine the winner or winners.

24 (iv) Skill and not chance is clearly the predominant factor in the  
25 game and the odds of winning the game based upon chance cannot be altered,  
26 provided the game complies with any licensing or regulatory requirements by  
27 the jurisdiction in which it is operated, no benefit for a single win is  
28 given to the player or players other than a merchandise prize which has a  
29 wholesale fair market value of less than four (4) dollars or coupons which  
30 are redeemable only at the place of play and only for a merchandise prize  
31 which has a fair market value of less than four (4) dollars and, regardless  
32 of the number of wins, no aggregate of coupons may be redeemed for a  
33 merchandise prize with a wholesale fair market value of greater than  
34 thirty-five (35) dollars.

35 2. "Conducted as a business" means gambling that is engaged in with  
36 the object of gain, benefit or advantage, either direct or indirect, realized  
37 or unrealized, but not when incidental to a bona fide social relationship.

38 3. "Crane game" means an amusement machine which is operated by player  
39 controlled buttons, control sticks or other means, or a combination of the  
40 buttons or controls, which is activated by coin insertion into the machine  
41 and where the player attempts to successfully retrieve prizes with a  
42 mechanical or electromechanical claw or device by positioning the claw or  
43 device over a prize.

1           4. "FANTASY COMPETITIONS" MEANS ANY FANTASY OR SIMULATED SPORTS GAME  
2 OR EDUCATIONAL GAME OR CONTEST THAT INVOLVES A FANTASY TEAM THAT IS NOT BASED  
3 ON THE CURRENT MEMBERSHIP OF AN ACTUAL TEAM THAT IS A MEMBER OF AN AMATEUR OR  
4 PROFESSIONAL SPORTS ORGANIZATION AND THAT MEETS THE FOLLOWING CONDITIONS:

5           (a) ALL PRIZES AND AWARDS OFFERED TO WINNING PARTICIPANTS ARE  
6 ESTABLISHED AND MADE KNOWN TO THE PARTICIPANTS IN ADVANCE OF THE GAME OR  
7 CONTEST AND THE VALUE OF THE PRIZES AND AWARDS IS NOT DETERMINED BY THE  
8 NUMBER OF PARTICIPANTS OR THE AMOUNT OF ANY FEES PAID BY THOSE PARTICIPANTS.

9           (b) ALL WINNING OUTCOMES REFLECT THE RELATIVE KNOWLEDGE AND SKILL OF  
10 THE PARTICIPANTS AND ARE DETERMINED PREDOMINANTLY BY ACCUMULATED STATISTICAL  
11 RESULTS OF THE PERFORMANCE OF INDIVIDUALS IN MULTIPLE REAL WORLD SPORTING OR  
12 OTHER EVENTS.

13           (c) A WINNING OUTCOME IS NOT BASED:

14           (i) ON THE SCORE, POINT SPREAD OR PERFORMANCE OF ANY SINGLE REAL WORLD  
15 TEAM OR ANY COMBINATION OF TEAMS.

16           (ii) SOLELY ON ANY SINGLE PERFORMANCE OF AN INDIVIDUAL ATHLETE IN ANY  
17 SINGLE REAL WORLD SPORTING OR OTHER EVENT.

18           ~~4.~~ 5. "Gambling" or "gamble" means one act of risking or giving  
19 something of value for the opportunity to obtain a benefit from a game or  
20 contest of chance or skill or a future contingent event but does not include  
21 FANTASY COMPETITIONS, OR bona fide business transactions which are valid  
22 under the law of contracts including contracts for the purchase or sale at a  
23 future date of securities or commodities, contracts of indemnity or guarantee  
24 and life, health or accident insurance.

25           ~~5.~~ 6. "Player" means a natural person who participates in gambling.

26           ~~6.~~ 7. "Regulated gambling" means either:

27           (a) Gambling conducted in accordance with a tribal-state gaming  
28 compact or otherwise in accordance with the requirements of the Indian gaming  
29 regulatory act of 1988 (P.L. 100-497; 102 Stat. 2467; 25 United States Code  
30 sections 2701 through 2721 and 18 United States Code sections 1166 through  
31 1168); or

32           (b) Gambling to which all of the following apply:

33           (i) It is operated and controlled in accordance with a statute, rule  
34 or order of this state or of the United States.

35           (ii) All federal, state or local taxes, fees and charges in lieu of  
36 taxes have been paid by the authorized person or entity on any activity  
37 arising out of or in connection with the gambling.

38           (iii) If conducted by an organization which is exempt from taxation of  
39 income under section 43-1201, the organization's records are open to public  
40 inspection.

41           (iv) Beginning on June 1, 2003, none of the players is under  
42 twenty-one years of age.

43           ~~7.~~ 8. "Social gambling" means gambling that is not conducted as a  
44 business and that involves players who compete on equal terms with each other  
45 in a gamble if all of the following apply:

- 1           (a) No player receives, or becomes entitled to receive, any benefit,  
2 directly or indirectly, other than the player's winnings from the gamble.
- 3           (b) No other person receives or becomes entitled to receive any  
4 benefit, directly or indirectly, from the gambling activity, including  
5 benefits of proprietorship, management or unequal advantage or odds in a  
6 series of gambles.
- 7           (c) Until June 1, 2003, none of the players is below the age of  
8 majority. Beginning on June 1, 2003, none of the players is under twenty-one  
9 years of age.
- 10          (d) Players "compete on equal terms with each other in a gamble" when  
11 no player enjoys an advantage over any other player in the gamble under the  
12 conditions or rules of the game or contest.