

State of Arizona  
House of Representatives  
Fifty-third Legislature  
Second Regular Session  
2018

**CHAPTER 318**  
**HOUSE BILL 2589**

AN ACT

AMENDING SECTIONS 5-103 AND 5-104, ARIZONA REVISED STATUTES; REPEALING SECTION 5-104.02, ARIZONA REVISED STATUTES; AMENDING SECTION 5-224, ARIZONA REVISED STATUTES; AMENDING TITLE 5, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 5-226; AMENDING SECTIONS 5-227, 5-229 AND 5-238, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO GAMING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-103, Arizona Revised Statutes, is amended to  
3 read:

4 5-103. Commissioners; qualifications; oath; interest in  
5 racing prohibited; exception; annual report

6 A. A member of the commission shall have been a resident of this  
7 state and a qualified elector for ~~not less than~~ AT LEAST five years ~~next~~  
8 ~~preceding appointment~~ BEFORE THE GOVERNOR APPOINTS THE MEMBER.

9 B. Before entering ~~upon~~ ON the discharge of the appointee's duties,  
10 each appointee shall take the official oath.

11 C. A person who has a financial interest, either directly or  
12 indirectly, in a racetrack, or the operation of licensed wagering on the  
13 results of races, is not qualified for membership on the commission or  
14 appointment or employment by the commission, but this subsection ~~shall not~~  
15 ~~be construed to~~ DOES NOT affect the entrance into a race outside this  
16 state of a horse or dog belonging to a member, or the winning of a purse  
17 or award by ~~such~~ A MEMBER'S horse or dog.

18 D. A commissioner or member or a relative of the commissioner or  
19 member to the first degree of consanguinity may not have a financial  
20 interest in a licensee or permittee regulated by the ~~department~~ DIVISION.

21 E. Of the five members appointed to the commission, ~~:-~~

22 ~~1. One but not more than one~~ TWO shall have a financial interest or  
23 substantial experience in the horse or harness racing industry.

24 ~~2. One but not more than one shall have a financial interest or~~  
25 ~~substantial experience in the dog racing industry.~~

26 F. Members of the commission are eligible to receive compensation  
27 pursuant to section 38-611 for each day spent in the discharge of their  
28 duties and reimbursement for all expenses necessarily and properly  
29 incurred in attending meetings of or for the commission.

30 G. The governor shall remove any commissioner who ceases to meet  
31 the qualifications prescribed by this section.

32 Sec. 2. Section 5-104, Arizona Revised Statutes, is amended to  
33 read:

34 5-104. Arizona racing commission; director; division; powers  
35 and duties

36 A. The commission shall:

37 1. Issue racing dates.

38 2. Prepare and adopt complete rules to govern the racing meetings  
39 ~~as may be~~ THAT ARE required to protect and promote the safety and welfare  
40 of the animals participating in racing meetings, to protect and promote  
41 public health, safety and the proper conduct of racing and pari-mutuel  
42 wagering and any other matter pertaining to the proper conduct of racing  
43 within this state.

1           3. Conduct hearings on applications for permits and approve permits  
2 and shall conduct rehearings on licensing and regulatory decisions made by  
3 the director as required pursuant to rules adopted by the commission.

4           4. Conduct all reviews of applications to construct capital  
5 improvements at racetracks as provided in this chapter.

6           ~~5. Adopt rules governing the proper and humane methods for the~~  
7 ~~disposition and transportation of dogs by breeders, kennels or others.~~

8           B. The director shall license personnel and shall regulate and  
9 supervise all racing meetings held and pari-mutuel wagering conducted in  
10 this state and cause the various places where racing meetings are held and  
11 wagering is conducted to be visited and inspected on a regular basis. The  
12 director may delegate to stewards any of the director's powers and duties  
13 ~~as~~ THAT are necessary to fully carry out and effectuate the purposes of  
14 this chapter. The director shall exercise immediate supervision over the  
15 ~~department~~ DIVISION. The director is subject to ongoing supervision by  
16 the commission, and the commission may approve or reject decisions of the  
17 director in accordance with rules established by the commission.

18           C. The commission or the ~~department~~ DIVISION is authorized to allow  
19 stewards, with the written approval of the director, to require a jockey,  
20 apprentice jockey, sulky driver, groom, horseshoer, outrider, trainer,  
21 assistant trainer, exercise rider, pony rider, starter, assistant starter,  
22 jockey's agent, veterinarian, assistant veterinarian, cool-out, security  
23 or maintenance worker, official or individual licensed in an occupational  
24 category whose role requires direct hands-on contact with horses, while on  
25 the grounds of a permittee, to submit to a test if the stewards have  
26 reason to believe the licensee is under the influence of or unlawfully in  
27 possession of any prohibited substance regulated by title 13, chapter 34.

28           D. The ~~department~~ DIVISION shall employ the services of the office  
29 of administrative hearings to conduct hearings on matters requested to be  
30 heard by the director or the commission for the ~~department~~ DIVISION except  
31 for those rehearings that are required by the terms of this chapter to be  
32 conducted by the commission. Any person adversely affected by a decision  
33 of a steward or by any other decision of the ~~department~~ DIVISION may  
34 request a hearing on the decision. The decision of the administrative law  
35 judge becomes the decision of the director unless rejected or modified by  
36 the director within thirty days. The commission may hear any appeal of a  
37 decision of the director in accordance with title 41, chapter 6,  
38 article 10.

39           E. The ~~department~~ DIVISION may visit and investigate the offices,  
40 tracks or places of business of any permittee and place in those offices,  
41 tracks or places of business expert accountants and other persons as ~~it~~  
42 THE DIVISION deems necessary for the purpose of ascertaining that the  
43 permittee or any licensee is in compliance with the rules adopted pursuant  
44 to this article.

1 F. The ~~department~~ DIVISION shall establish and collect the  
2 following licensing fees and regulatory assessments, which shall not be  
3 reduced for capital improvements pursuant to section 5-111.02:

4 1. For each racing license issued, a license fee.

5 2. From the purse accounts provided for in section 5-111, a  
6 regulatory assessment to pay for racing animal medication testing, animal  
7 safety and welfare.

8 3. From each permittee, a regulatory assessment for each day of  
9 dark day simulcasting conducted in excess of the number of live racing  
10 days conducted by the permittee.

11 4. From each commercial racing permittee, a regulatory assessment  
12 payable from amounts deducted from pari-mutuel pools by the permittee, in  
13 addition to the amounts the permittee is authorized to deduct pursuant to  
14 section 5-111, subsection B from amounts wagered on live and simulcast  
15 races from in-state and out-of-state wagering handled by the permittee.

16 G. The commission shall establish financial assistance procedures  
17 for promoting adoption of retired racehorses. The provision of financial  
18 assistance to nonprofit enterprises for the purpose of promoting adoption  
19 of retired racehorses is contingent on a finding by the commission that  
20 the program presented by the enterprise is in the best interest of the  
21 racing industry and this state. On a finding by the commission, the  
22 commission is authorized to make grants to nonprofit enterprises whose  
23 programs promote adoption of retired racehorses. The commission shall  
24 develop an application process. The commission shall require an  
25 enterprise to report to the commission on the use of grants under this  
26 subsection. Financial assistance for nonprofit enterprises that promote  
27 adoption of retired racehorses under this subsection shall not exceed the  
28 amount of retired racehorse adoption surcharges collected pursuant to this  
29 subsection. The commission shall collect a retired racehorse adoption  
30 surcharge in addition to each civil penalty assessed in connection with  
31 horse or harness racing pursuant to this article. The amount of the  
32 retired racehorse adoption surcharge shall be five percent of the amount  
33 collected for each applicable civil penalty.

34 H. A license is valid for the period established by the commission,  
35 but not ~~to exceed three~~ MORE THAN FIVE years, except for a temporary  
36 license issued pursuant to section 5-107.01, subsection F. The licensing  
37 period shall begin July 1.

38 I. A PERSON MAY SUBMIT AN APPLICATION IN WRITING THAT OBJECTS TO  
39 ANY DECISION OF TRACK STEWARDS WITHIN THREE DAYS AFTER THE OFFICIAL  
40 NOTIFICATION OF THE DECISION. On application ~~in writing by an objector to~~  
41 ~~any decision of track stewards, made within three days after the official~~  
42 ~~notification to the objector of the decision complained of,~~ the ~~department~~  
43 DIVISION or administrative law judge shall review the objection. In the  
44 case of a suspension of a license by the track stewards, the suspension  
45 shall run for a period of not more than six months. Before the end of

1 this suspension period, filing an application for review is not cause for  
 2 reinstatement. If at the end of this suspension period the ~~department~~  
 3 ~~DIVISION~~ or administrative law judge has not held a hearing to review the  
 4 decision of the stewards, the suspended license shall be reinstated until  
 5 the ~~department~~ ~~DIVISION~~ or administrative law judge holds a hearing to  
 6 review the objection. Except as provided in section 41-1092.08,  
 7 subsection H, a final decision of the commission is subject to judicial  
 8 review pursuant to title 12, chapter 7, article 6.

9 J. The commission or the director may issue subpoenas for the  
 10 attendance of witnesses and the production of books, records and documents  
 11 relevant and material to a particular matter before the commission or  
 12 ~~department~~ ~~DIVISION~~ and the subpoenas shall be served and enforced in  
 13 accordance with title 41, chapter 6, article 10.

14 K. Any member of the commission, the administrative law judge or  
 15 the director or the director's designee may administer oaths, and the  
 16 oaths shall be administered to any person who appears before the  
 17 commission to give testimony or information pertaining to matters before  
 18 the commission.

19 L. The commission shall adopt rules that require permittees to  
 20 retain for three months all official race photographs and videotapes. The  
 21 ~~department~~ ~~DIVISION~~ shall retain all photographs and videotapes that are  
 22 used as evidence in an administrative proceeding until the conclusion of  
 23 the proceeding and any subsequent judicial proceeding. All photographs  
 24 and videotapes must be available to the public on request, including  
 25 photographs and videotapes of races concerning which an objection is made,  
 26 regardless of whether the objection is allowed or disallowed.

27 M. The director may establish a management review section for the  
 28 development, implementation and operation of a system of management  
 29 reports and controls in major areas of ~~department~~ ~~DIVISION~~ operations,  
 30 including licensing, ~~work-load~~ ~~WORKLOAD~~ management and staffing, and  
 31 enforcement of this article and the rules of the commission.

32 N. In cooperation with the department of public safety, the  
 33 director shall establish a cooperative fingerprint registration system.  
 34 Each applicant for a license or permit under this article or any other  
 35 person who has a financial interest in the business or corporation making  
 36 the application shall submit to fingerprint registration as part of the  
 37 background investigation conducted pursuant to section 5-108. The  
 38 cooperative fingerprint registration system shall be maintained in an  
 39 updated form using information from available law enforcement sources and  
 40 shall provide current information to the director on request as to the  
 41 fitness of each racing permittee and each racing licensee to engage in the  
 42 racing industry in this state.

1           0. The director shall develop and require ~~department~~ DIVISION staff  
2 to use uniform procedural manuals in the issuance of any license or permit  
3 under this article and in the enforcement of this article and the rules  
4 adopted under this article.

5           P. The director shall submit an annual report containing  
6 operational and economic performance information as ~~is~~ necessary to  
7 evaluate the department's budget request for the ~~forthcoming~~ NEXT fiscal  
8 year to the governor, the speaker of the house of representatives, the  
9 president of the senate and the ~~Arizona state library, archives and public~~  
10 ~~records~~ ~~no~~ SECRETARY OF STATE NOT later than September 30 each year. The  
11 annual report shall be for the preceding fiscal year and shall contain  
12 performance information as follows:

13           1. The total state revenues for the previous fiscal year from the  
14 overall pari-mutuel handle with an itemization for each horse racing  
15 meeting, each harness racing meeting, each advanced deposit wagering  
16 permittee and each additional wagering facility.

17           2. The total state revenues for the previous fiscal year from the  
18 regulation of racing, including licensing fees assessed pursuant to  
19 subsection F of this section and monetary penalties assessed pursuant to  
20 section 5-108.02.

21           3. The amount and use of capital improvement funds pursuant to  
22 section 5-111.02 that would otherwise be state revenues.

23           4. The number of licenses and permits issued, renewed, pending and  
24 revoked during the previous fiscal year.

25           5. The investigations conducted during the previous fiscal year and  
26 any action taken as a result of the investigations.

27           6. The ~~department~~ DIVISION budget for the immediately preceding  
28 three fiscal years, including the number of full-time, part-time,  
29 temporary and contract employees, a statement of budget needs for the  
30 forthcoming fiscal year and a statement of the minimum staff necessary to  
31 accomplish these objectives.

32           7. Revenues generated for this state for the preceding fiscal year  
33 by persons holding racing meeting and advanced deposit wagering permits.

34           8. Recommendations for increasing state revenues from the  
35 regulation of the racing industry while maintaining the financial health  
36 of the industry and protecting the public interest.

37           Q. The commission may certify animals as Arizona bred or as Arizona  
38 stallions. The commission may delegate this authority to a breeders'  
39 association it contracts with for these purposes. The commission may  
40 authorize the association, racing organization or ~~department~~ DIVISION to  
41 charge and collect a reasonable fee to cover the cost of breeding or  
42 ownership certification or transfer of ownership for racing purposes.

43           ~~R. The department has responsibility for the collection and~~  
44 ~~accounting of revenues for the state boxing and mixed martial arts~~  
45 ~~commission, including licensing fees required by section 5-230, the levy~~

~~of the tax on gross receipts imposed by section 5-104.02 and cash deposited pursuant to section 5-229. All revenues collected pursuant to this subsection, from whatever source, shall be reported and deposited pursuant to section 5-104.02, subsection C, except that licensing fees required by section 5-230 shall be deposited in the racing regulation fund established by section 5-113.01. The director shall adopt rules as necessary to accomplish the purposes of this subsection and chapter 2, article 2 of this title.~~

~~S.~~ R. The commission may obtain the services of the office of administrative hearings on any matter that the commission is empowered to hear.

~~F.~~ S. The ~~department~~ DIVISION may adopt rules pursuant to title 41, chapter 6 to carry out the purposes of this article, ensure the safety and integrity of racing in this state and protect the public interest.

Sec. 3. Repeal

Section 5-104.02, Arizona Revised Statutes, is repealed.

Sec. 4. Section 5-224, Arizona Revised Statutes, is amended to read:

5-224. Division of boxing and mixed martial arts regulation; powers and duties

A. A division of boxing and mixed martial arts regulation is established in the department to provide staff support for the Arizona state boxing and mixed martial arts commission. Subject to title 41, chapter 4, article 4, the director of the department shall appoint an executive director to perform the duties prescribed in this article. The resources for the Arizona state boxing and mixed martial arts commission shall come from monies appropriated to the department from the racing regulation fund established by section 5-113.01 or from other sources prescribed in section 5-225, subsection D.

B. The commission shall obtain from a physician licensed to practice in this state rules and standards for the physical examination of boxers and referees. A schedule of fees to be paid physicians by the promoter or matchmaker for the examination shall be set by the commission.

C. The commission may adopt and issue rules pursuant to title 41, chapter 6 to carry out the purposes of this chapter.

D. The commission shall hold regular meetings at least quarterly and in addition may hold special meetings. Except as provided in section 5-223, subsection B, all meetings of the commission shall be open to the public and reasonable notice of the meetings shall be given pursuant to title 38, chapter 3, article 3.1.

E. The commission shall:

1. Make and maintain a record of the acts of the division, including the issuance, denial, renewal, suspension or revocation of licenses.

1           2. Keep records of the commission open to public inspection at all  
2 reasonable times.

3           ~~3. Assist the director in the development of rules to be~~  
4 ~~implemented pursuant to section 5-104, subsection T.~~

5           ~~4. Conform to the rules adopted pursuant to section 5-104,~~  
6 ~~subsection T.~~

7           F. The commission may enter into intergovernmental agreements with  
8 Indian tribes, tribal councils or tribal organizations to provide for the  
9 regulation of boxing and mixed martial arts contests on Indian  
10 reservations. ~~Nothing in~~ This chapter ~~shall be construed to~~ DOES NOT  
11 diminish the authority of the department.

12           Sec. 5. Title 5, chapter 2, article 2, Arizona Revised Statutes, is  
13 amended by adding section 5-226, to read:

14           5-226. Levy of tax on gross receipts; disposition;  
15 verification and financial audit; definition

16           A. ANY PERSON WHO PROMOTES A BOXING CONTEST IN THIS STATE PURSUANT  
17 TO THIS ARTICLE SHALL COMPLY WITH RULES ADOPTED PURSUANT TO THIS ARTICLE  
18 AND SHALL WITHIN TEN DAYS AFTER THE CONTEST PAY TO THE DEPARTMENT FOUR  
19 PERCENT OF THE GROSS RECEIPTS, AFTER THE DEDUCTION OF CITY, STATE AND  
20 FEDERAL TAXES, OF THE MATCH OR EXHIBITION.

21           B. THE DEPARTMENT SHALL VERIFY THE GROSS RECEIPTS OF A CONTEST.  
22 THE DIRECTOR MAY REQUIRE A PERSON LICENSED UNDER THIS ARTICLE TO SUPPLY A  
23 CERTIFIED FINANCIAL AUDIT TO THE DEPARTMENT. THE DIRECTOR SHALL ADOPT  
24 RULES THAT REQUIRE EACH PERSON LICENSED UNDER THIS ARTICLE TO SELECT A  
25 CERTIFIED PUBLIC ACCOUNTANT TO CONDUCT THE FINANCIAL AUDIT. THE FINANCIAL  
26 STATEMENTS PREPARED PURSUANT TO THIS SECTION SHALL BE PREPARED IN  
27 ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND SHALL INCLUDE  
28 ANY ADDITIONAL SCHEDULES THE DIRECTOR REQUIRES. A PERSON SUBJECT TO A  
29 FINANCIAL AUDIT UNDER THIS SECTION SHALL AFFORD REASONABLE AND NEEDED  
30 FACILITIES AND MAKE RETURNS AND EXHIBITS TO THE DEPARTMENT IN THE FORM AND  
31 AT THE TIME PRESCRIBED BY THE DIRECTOR.

32           C. THE DEPARTMENT SHALL ESTABLISH AN UNARMED COMBAT SUBACCOUNT  
33 WITHIN THE RACING REGULATION FUND ESTABLISHED BY SECTION 5-113.01. AT THE  
34 END OF EACH MONTH THE DIRECTOR SHALL REPORT TO THE DEPARTMENT OF  
35 ADMINISTRATION THE TOTAL AMOUNT RECEIVED UNDER THIS CHAPTER FROM ALL  
36 SOURCES, INCLUDING LICENSE FEES, AND SHALL DEPOSIT THAT AMOUNT, EXCLUDING  
37 LICENSE FEES, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE UNARMED  
38 COMBAT SUBACCOUNT OF THE RACING REGULATION FUND.

39           D. A PROMOTER MAY ISSUE COMPLIMENTARY TICKETS THAT ARE EXEMPT FROM  
40 TAXATION PURSUANT TO THIS TITLE. IF A PROMOTER ISSUES COMPLIMENTARY  
41 TICKETS, THE EXEMPTION FROM TAXATION APPLIES TO TWO PERCENT OF THE TOTAL  
42 NUMBER OF TICKETS ISSUED FOR THE EVENT OR SEVENTY-FIVE TICKETS, WHICHEVER  
43 IS GREATER.



1 E. THE DEPARTMENT SHALL COLLECT AND ACCOUNT FOR REVENUES FOR THE  
2 COMMISSION, INCLUDING LICENSE FEES REQUIRED BY SECTION 5-230, THE LEVY OF  
3 THE TAX ON GROSS RECEIPTS IMPOSED BY THIS SECTION AND THE CASH BOND OR  
4 SURETY BOND DEPOSITED PURSUANT TO SECTION 5-229. THE DIRECTOR SHALL  
5 REPORT AND DEPOSIT ALL REVENUES COLLECTED PURSUANT TO THIS SUBSECTION,  
6 FROM WHATEVER SOURCE, PURSUANT TO SUBSECTION C OF THIS SECTION, EXCEPT  
7 THAT LICENSE FEES REQUIRED BY SECTION 5-230 SHALL BE DEPOSITED IN THE  
8 RACING REGULATION FUND ESTABLISHED BY SECTION 5-113.01. THE DIRECTOR  
9 SHALL ADOPT RULES AS NECESSARY TO ACCOMPLISH THE PURPOSES OF THIS SECTION.

10 F. FOR THE PURPOSES OF THIS SECTION, "GROSS RECEIPTS" MEANS ALL  
11 RECEIPTS FROM THE FACE VALUE OF TICKETS SOLD.

12 Sec. 6. Section 5-227, Arizona Revised Statutes, is amended to  
13 read:

14 5-227. Jurisdiction of commission

15 A. The commission shall:

16 1. Except for the financial and accounting functions delegated to  
17 the director pursuant to section ~~5-104~~ 5-226, have sole direction,  
18 management, control and jurisdiction over all boxing and mixed martial  
19 arts contests held within this state unless exempt from the application of  
20 this chapter by section 5-222.

21 2. Have sole control, authority and jurisdiction over all licenses  
22 required by this chapter.

23 B. The commission shall grant a license to an applicant if in the  
24 judgment of the commission the financial responsibility, experience,  
25 character and general fitness of the applicant are such that ~~his~~ THE  
26 APPLICANT'S participation is consistent with the public interest,  
27 convenience or necessity and the best interests of boxing and in  
28 conformity with the purposes of this chapter. The commission may delegate  
29 the commission's licensing authority to the commission's executive  
30 director.

31 Sec. 7. Section 5-229, Arizona Revised Statutes, is amended to  
32 read:

33 5-229. Promoters; licenses; bond; proof of financial  
34 responsibility

35 A. The commission may in its discretion withhold the granting of a  
36 license to a promoter until the applicant furnishes proof of his financial  
37 responsibility to promote contests in accordance with section ~~5-104.02~~  
38 5-226, subsection B and the rules adopted by the director. The commission  
39 may issue a license to conduct, hold or give boxing contests to any  
40 qualified person or to a corporation duly authorized to do business under  
41 the laws of this state.

42 B. In addition to the cash bond or surety bond required pursuant to  
43 section 5-228, subsection E, the commission may require a promoter to  
44 deposit with the department prior to each contest a cash bond or surety  
45 bond in an amount set by the commission as a guarantee for the fulfillment

1 of the promoter's contract obligations for that contest, the payment of  
2 licenses and taxes on gross receipts of that contest and reimbursement to  
3 ticket purchasers if the contest is not held as advertised.

4 Sec. 8. Section 5-238, Arizona Revised Statutes, is amended to  
5 read:

6 5-238. Sham boxing; withholding a purse

7 A. The commission may withhold all or part of a purse or other  
8 monies payable to any contestant, manager or second if in the judgment of  
9 the commission a boxing contestant is participating in a sham or fake  
10 boxing contest or is otherwise not competing honestly or to the best of  
11 ~~his~~ THE CONTESTANT'S ability.

12 B. If the commission withholds a purse or part of a purse or other  
13 monies the commission shall give notice to all interested parties and hold  
14 a hearing upon the matter within ten days.

15 C. If the commission determines that a contestant, manager or  
16 second is not entitled to a purse, part of a purse or other monies the  
17 promoter shall turn such monies over to the director to be applied  
18 pursuant to section ~~5-104.02~~ 5-226, subsection C.

19 Sec. 9. Retention of members

20 Notwithstanding section 5-103, Arizona Revised Statutes, as amended  
21 by this act, all persons serving as members of the Arizona racing  
22 commission on the effective date of this act may continue to serve until  
23 the expiration of their normal terms. The governor shall make all  
24 subsequent appointments as prescribed by statute.

25 Sec. 10. Exemption from rulemaking

26 The department of gaming is exempt from the rulemaking requirements  
27 of title 41, chapter 6, Arizona Revised Statutes, for one year after the  
28 effective date of this act for the purposes of adopting rules to include a  
29 unique pari-mutuel wager.

30 Sec. 11. Rural county fair racing fund; delayed repeal

31 A. The rural county fair racing fund is established. The department  
32 of gaming shall administer the fund. Monies in the fund are continuously  
33 appropriated. The department shall transfer two hundred thousand dollars  
34 of surplus monies in fiscal year 2018-2019 from the racing regulation fund  
35 established by section 5-113.01, Arizona Revised Statutes, as amended by  
36 this act, into the rural county fair racing fund. The department shall  
37 distribute matching grants from the rural county fair racing fund to  
38 counties with a population of less than eight hundred thousand persons and  
39 that operate county fair racing. The Arizona racing commission shall  
40 establish application procedures for counties to apply for grants from the  
41 rural county fair racing fund. The Arizona racing commission shall review  
42 the applications submitted by counties and distribute grant monies from  
43 the rural county fair racing fund on a first-come, first-served basis. A  
44 county is not eligible for a grant from the rural county fair racing fund  
45 unless the county agrees to contribute county revenues for county fair

1 racing in an amount that is equal to at least fifty percent of the amount  
2 of the grant from the rural county fair racing fund. A county may not  
3 receive a grant of more than forty thousand dollars from the rural county  
4 fair racing fund during any fiscal year.

5 B. This section is repealed from and after June 30, 2020. Any  
6 monies remaining in the rural county fair racing fund that are unspent and  
7 unencumbered on July 1, 2020 revert to the department of gaming and shall  
8 be deposited in the racing regulation fund established by section  
9 5-113.01, Arizona Revised Statutes, as amended by this act.

APPROVED BY THE GOVERNOR MAY 16, 2018.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 16, 2018.