

REFERENCE TITLE: sports betting; historic racing; revenue

State of Arizona
House of Representatives
Fifty-fourth Legislature
Second Regular Session
2020

HB 2813

Introduced by
Representative Pierce: Senator Borrelli

AN ACT

AMENDING TITLE 5, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 5-119; AMENDING SECTION 5-601.02, ARIZONA REVISED STATUTES; AMENDING TITLE 5, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 10; AMENDING SECTIONS 13-3301, 13-3302, 13-3305 AND 42-5073, ARIZONA REVISED STATUTES; RELATING TO AMUSEMENTS AND SPORTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 5, chapter 1, article 1, Arizona Revised Statutes,
3 is amended by adding section 5-119, to read:

4 5-119. Historic racing; licensing; rules; definition

5 A. THE DEPARTMENT SHALL ADOPT RULES TO ALLOW HISTORIC RACING TO BE
6 CONDUCTED AS REGULATED GAMBLING AT RACETRACK ENCLOSURES AND ADDITIONAL
7 WAGERING FACILITIES.

8 B. THE SYSTEMS FOR WAGERING MAY BE BOTH MANUAL AND ELECTRONIC FORMS
9 OF WAGERING. BOTH MANUAL AND ELECTRONIC FORMS OF WAGERING MUST BE ON A
10 CLOSED-LOOP SYSTEM LOCATED WITHIN A RACETRACK ENCLOSURE OR ADDITIONAL
11 WAGERING FACILITY.

12 C. THE RULES ADOPTED PURSUANT TO THIS SECTION SHALL INCLUDE LICENSE
13 APPLICATION PROCEDURES AND LICENSE APPROVAL, ISSUANCE, RENEWAL AND
14 REVOCATION CRITERIA. THE DIRECTOR SHALL ESTABLISH FEES FOR THE
15 APPLICATION, ISSUANCE AND RENEWAL OF HISTORIC RACING LICENSES.

16 D. "HISTORIC RACING" MEANS A FORM OF RACING THAT ESTABLISHES
17 PARI-MUTUEL POOLS FROM WAGERS PLACED ON PREVIOUSLY CONDUCTED RACES AND
18 THAT IS CONDUCTED BY A COMMERCIAL LIVE-RACING PERMITTEE OR ADDITIONAL
19 WAGERING FACILITY.

20 Sec. 2. Subject to the requirements of article IV, part 1, section
21 1, Constitution of Arizona, section 5-601.02, Arizona Revised Statutes, is
22 amended to read:

23 5-601.02. New standard form of tribal-state gaming compact;
24 effects

25 A. Notwithstanding any other law, within 30 days after receipt of a
26 timely written request by the governing body of an Indian tribe, the
27 state, through the governor, shall enter into the new standard form of
28 tribal-state gaming compact with the requesting Indian tribe by executing
29 the new compact and forwarding it to the United States department of the
30 interior for any required approval.

31 B. The state, through the governor, may only enter into a new
32 compact with an Indian tribe with a pre-existing compact if the Indian
33 tribe requests a new compact pursuant to subsection A during the first 30
34 days after the effective date of this section. The state, through the
35 governor, shall serve a timely notice of nonrenewal of a pre-existing
36 compact on any Indian tribe that does not request a new compact during the
37 first 30 days after the effective date of this section. Any Indian tribe
38 without a pre-existing compact on the effective date of this section may
39 request a new compact at any time.

40 C. Notwithstanding any other law, an Indian tribe may conduct the
41 following forms of gambling as regulated gambling, as defined in section
42 13-3301, if the gambling is conducted in accordance with the terms of a
43 tribal-state gaming compact: gaming devices, keno, offtrack pari-mutuel
44 wagering, pari-mutuel wagering on horse racing, pari-mutuel wagering on
45 dog racing, blackjack, poker (including jackpot poker), and lottery.

1 D. The department of gaming shall administer and carry out its
2 responsibilities under the procedures for the transfer and pooling of
3 unused gaming device allocations described in section 3(d) of the new
4 compact.

5 E. The state, through the governor, is authorized to negotiate and
6 enter into amendments to new compacts that are consistent with this
7 chapter and with the policies of the Indian gaming regulatory act.

8 F. At the request of any Indian tribe for which paragraph 6 of
9 subsection I does not specify a possible additional devices allocation,
10 the state, through the governor, shall negotiate with the Indian tribe for
11 a possible additional devices allocation. This allocation shall not be
12 less than the smallest or greater than the largest possible additional
13 devices allocation provided to an Indian tribe with an equal number of
14 devices in the current device allocation column set forth in the new
15 compact. At the option of the Indian tribe, the possible additional
16 devices allocation shall be included in either the Indian tribe's new
17 compact or an amendment to such new compact.

18 G. The authority and obligations of the state, through the
19 governor, to negotiate additional compact terms pursuant to subsections E
20 and F are independent of and separate from the obligations of the state
21 pursuant to subsection A, and shall not constitute grounds for any delay
22 by the state in carrying out its obligations to execute and forward new
23 compacts to the United States department of the interior as required in
24 subsection A.

25 H. The Arizona benefits fund is established consisting of monies
26 paid to the state by Indian tribes pursuant to section 12(c) of new
27 compacts and interest earned on those monies. An Indian tribe with a new
28 compact satisfies the requirements of subsection F of section 5-601.
29 Tribal contributions paid to the state pursuant to a new compact shall be
30 deposited in the Arizona benefits fund, not the permanent tribal-state
31 compact fund pursuant to subsection G of section 5-601.

32 1. The department of gaming shall administer the Arizona benefits
33 fund. The department of gaming shall make an annual report to the
34 governor, the president of the senate, the speaker of the house of
35 representatives and each Indian tribe with a new compact within 90 days
36 after the end of the state's fiscal year. This report shall be separate
37 from any other report of the department of gaming. The report shall
38 include a statement of aggregate gross gaming revenue for all Indian
39 tribes, aggregate revenues deposited in the Arizona benefits fund,
40 including interest thereon, expenditures made from the Arizona benefits
41 fund, and aggregate amounts contributed by all Indian tribes to cities,
42 towns and counties pursuant to paragraph 4 of this subsection. The
43 department of gaming shall provide a copy of this report to the secretary
44 of state and the director of the Arizona state library, archives and
45 public records.

1 2. Except for monies expended by the department of gaming as
 2 provided in subdivision (a) of paragraph 3 of this subsection, which shall
 3 be subject to appropriation, the Arizona benefits fund is not subject to
 4 appropriation, and expenditures from the fund are not subject to outside
 5 approval notwithstanding any statutory provision to the contrary. Monies
 6 paid to the state by Indian tribes pursuant to a new compact shall be
 7 deposited directly with the Arizona benefits fund. On notice from the
 8 department of gaming, the state treasurer shall invest and divest monies
 9 in the Arizona benefits fund as provided by section 35-313, and monies
 10 earned from investment shall be credited to the fund. Monies in the
 11 Arizona benefits fund shall be expended only as provided in paragraph 3 of
 12 this subsection, and shall not revert to any other fund, including the
 13 state general fund. Monies in the Arizona benefits fund are exempt from
 14 the provisions of section 35-190 relating to the lapsing of
 15 appropriations.

16 3. Monies in the Arizona benefits fund, including all investment
 17 earnings, shall be allocated as follows:

18 (a)(i) Eight million dollars or nine percent, whichever is greater,
 19 shall be used for reimbursement of administrative and regulatory expenses,
 20 including expenses for development of and access to any online electronic
 21 game management systems and for law enforcement activities incurred by the
 22 department of gaming pursuant to this chapter. Any monies that are
 23 allocated pursuant to this subsection 3(a) that are not appropriated to
 24 the department of gaming shall be deposited in the instructional
 25 improvement fund established by section 15-979.

26 (ii) Two percent shall be used by the department of gaming to fund
 27 state and local programs for the prevention and treatment of, and
 28 education concerning, problem gambling.

29 (b) Of the monies in the Arizona benefits fund that are not
 30 allocated pursuant to subdivision (a):

31 (i) Fifty-six percent shall be deposited in the instructional
 32 improvement fund established by section 15-979 for use by school districts
 33 for classroom size reduction, teacher salary increases, dropout prevention
 34 programs, and instructional improvement programs.

35 (ii) Twenty-eight percent shall be deposited in the trauma and
 36 emergency services fund established by section 36-2903.07.

37 (iii) Eight percent shall be deposited in the Arizona wildlife
 38 conservation fund established by section 17-299.

39 (iv) Eight percent shall be deposited in the tourism fund account
 40 established by paragraph 4 of subsection A of section 41-2306 for
 41 statewide tourism promotion.

42 4. In addition to monies contributed to the Arizona benefits fund,
 43 twelve percent of tribal contributions pursuant to new compacts shall be
 44 contributed by Indian tribes to cities, towns and counties as defined in
 45 title 11, Arizona Revised Statutes, for government services that benefit

1 the general public, including public safety, mitigation of impacts of
2 gaming, and promotion of commerce and economic development.

3 (a) An Indian tribe may distribute such funds directly to cities,
4 towns and counties for these purposes. The amount of monies so
5 distributed by each Indian tribe shall be reported to the department of
6 gaming in the quarterly report required by the new compact.

7 (b) Any monies comprising the twelve percent not so distributed by
8 an Indian tribe shall be deposited in the Arizona commerce authority local
9 communities fund established by section 41-1505.12 for grants to cities,
10 towns and counties.

11 5. The deposit of monies required by subdivision (b) of paragraph 3
12 of this subsection shall be made on a quarterly basis, or more frequently
13 if practicable.

14 I. For the purposes of this section:

15 1. "Gaming devices" means gaming devices as defined in subdivision
16 (b)(i) of paragraph 6 of this subsection.

17 2. "Indian gaming regulatory act" means the Indian gaming
18 regulatory act of 1988 (P.L. 100-497; 102 Stat. 2467; 25 United States
19 Code sections 2701 through 2721 and 18 United States Code sections 1166
20 through 1168).

21 3. "Indian lands" means lands as defined in 25 United States Code
22 section 2703(4)(a) and (b), subject to the provisions of 25 United States
23 Code section 2719.

24 4. "Indian tribe" means:

25 (a) The Cocopah Indian tribe.

26 (b) The Fort Mojave Indian tribe.

27 (c) The Quechan tribe.

28 (d) The Tonto Apache tribe.

29 (e) The Yavapai-Apache nation.

30 (f) The Yavapai-Prescott Indian tribe.

31 (g) The Colorado River Indian tribes.

32 (h) The San Carlos Apache tribe.

33 (i) The White Mountain Apache tribe.

34 (j) The Ak-Chin Indian community.

35 (k) The Fort McDowell Yavapai nation.

36 (l) The Salt River Pima-Maricopa Indian community.

37 (m) The Gila River Indian community.

38 (n) The Pascua Yaqui tribe.

39 (o) The Tohono O'odham nation.

40 (p) The Havasupai tribe.

41 (q) The Hualapai tribe.

42 (r) The Kaibab-Paiute tribe.

43 (s) The Hopi tribe.

44 (t) The Navajo nation.

45 (u) The San Juan Southern Paiute tribe.

1 (v) Any Indian tribe, as defined in 25 United States Code section
2 2703(5), with Indian lands in this state.

3 5. "Pre-existing compact" means an Indian tribe's tribal-state
4 gaming compact and amendments thereto as approved by the United States
5 department of the interior, and all appendices thereto, as of the
6 effective date of this section.

7 6. "New standard form of tribal-state gaming compact" or "new
8 compact" means:

9 (a) For an Indian tribe without a pre-existing compact, a
10 tribal-state gaming compact that contains the provisions of the most
11 recent tribal-state gaming compact entered into by the state and an Indian
12 tribe and approved by the United States secretary of the interior, and its
13 appendices, prior to the effective date of this section, modified to
14 include the provisions described in subdivision (b)(i) through (xi) of
15 this paragraph.

16 (b) For an Indian tribe with a pre-existing compact, a tribal-state
17 gaming compact that contains the provisions of the Indian tribe's
18 pre-existing compact, modified as follows, with any cross references in a
19 pre-existing compact to be conformed accordingly:

20 (i) The following definition shall replace the corresponding
21 definition in section 2 of the pre-existing compact:

22 ""Gaming device" means a mechanical device, an electro-mechanical
23 device or a device controlled by an electronic microprocessor or another
24 manner, whether that device constitutes class II gaming or class III
25 gaming, that allows a player or players to play games of chance, whether
26 or not the outcome also is affected in some part by skill, and whether the
27 device accepts coins, tokens, bills, coupons, ticket vouchers, pull tabs,
28 smart cards, electronic in-house accounting system credits or other
29 similar forms of consideration and, through the application of chance,
30 allows a player to become entitled to a prize, which may be collected
31 through the dispensing of coins, tokens, bills, coupons, ticket vouchers,
32 smart cards, electronic in-house accounting system credits or other
33 similar forms of value. Gaming device does not include any of the
34 following:

35 (1) Those technological aids for bingo games that function only as
36 electronic substitutes for bingo cards.

37 (2) Devices that issue and validate paper lottery products and that
38 are directly operated only by Arizona state lottery licensed retailers and
39 their employees.

40 (3) Devices that are operated directly by a lottery player and that
41 dispense paper lottery tickets, if the devices do not identify winning or
42 losing lottery tickets, display lottery winnings or disburse lottery
43 winnings.

1 (4) Devices that are operated directly by a lottery player and that
2 validate paper lottery tickets for a game that does not have a
3 predetermined number of winning tickets, if:
4 (a) The devices do not allow interactive gaming;
5 (b) The devices do not allow a lottery player to play the lottery
6 for immediate payment or reward;
7 (c) The devices do not disburse lottery winnings; and
8 (d) The devices are not video lottery terminals.
9 (5) Player activated lottery terminals."
10 (ii) The following definitions shall be added to section 2 of the
11 pre-existing compact:
12 "(mm) "Additional gaming devices" means the number of additional
13 gaming devices allocated to the tribe in column (2) of the tribe's row in
14 the table.
15 (nn) "Card game table" means a single table at which the tribe
16 conducts the card game of poker or blackjack.
17 (oo) "Class II gaming device" means a gaming device which, if
18 operated on Indian lands by an Indian tribe, would be class II gaming.
19 (pp) "Class III gaming device" means a gaming device which, if
20 operated on Indian lands by an Indian tribe, would be class III gaming.
21 (qq) "Class III net win" means gross gaming revenue, which is the
22 difference between gaming wins and losses, before deducting costs and
23 expenses.
24 (rr) "CPI adjustment rate" shall mean the quotient obtained as
25 follows: the CPI index for the sixtieth (60th) calendar month of the
26 applicable five-year period for which the wager limitations are being
27 adjusted shall be divided by the CPI index for the calendar month in which
28 the effective date occurs. The CPI index for the numerator and the
29 denominator shall have the same base year. If the CPI index is no longer
30 published, or if the format of the CPI index has changed so that this
31 calculation is no longer possible, then another substantially comparable
32 index shall be substituted in the formula by agreement of the tribe and
33 the state so that the economic effect of this calculation is preserved.
34 If the parties cannot agree on the substitute index, the substitute index
35 shall be determined by arbitration in accordance with section 15.
36 (ss) "CPI index" means the "United States city average (all urban
37 consumers) - all items (1982-1984 = 100)" index of the consumer price
38 index published by the bureau of labor statistics, United States
39 department of labor.
40 (tt) "CPR" means the CPR institute for dispute resolution.
41 (uu) "Current gaming device allocation" means the number of class
42 III gaming devices allocated to the tribe in column (1) of the tribe's row
43 in the table as adjusted under section 3(c)(4).
44 (vv) "Effective date" means the day this compact goes into effect
45 after all of the following events have occurred:

- 1 (1) It is executed on behalf of the state and the tribe;
2 (2) It is approved by the secretary of the interior;
3 (3) Notice of the secretary of the interior's approval is published
4 in the federal register pursuant to the act; and
5 (4) Each Indian tribe with a gaming facility in Maricopa, Pima or
6 Pinal counties has entered into a new compact as defined in A.R.S. section
7 5-601.02(I)(6), each of which has been approved by the secretary of the
8 interior, and notice of the secretary of the interior's approval has been
9 published in the federal register pursuant to the act, unless the governor
10 of the state waives the requirements of this section 2(vv)(4).
11 (ww) "Forbearance agreement" means an agreement between the state
12 and an Indian tribe in which the Indian tribe that is transferring some or
13 all of its gaming device operating rights waives its rights to put such
14 gaming device operating rights into play during the term of a transfer
15 agreement.
16 (xx) "Gaming device operating right" means the authorization of an
17 Indian tribe to operate class III gaming devices pursuant to the terms of
18 a new compact as defined in A.R.S. section 5-601.02(I)(6).
19 (yy) "Maximum devices per gaming facility" means the total number
20 of class III gaming devices that the tribe may operate within a single
21 gaming facility.
22 (zz) "Multi-station device" means an electronic class III gaming
23 device that incorporates more than one player station and contains one
24 central processing unit which operates the game software, including a
25 single random number generator that determines the outcome of all games at
26 all player stations for that class III gaming device.
27 (aaa) "Player activated lottery terminal" means an on-line computer
28 system that is player activated, but that does not provide the player with
29 interactive gaming, and that uses the terminal for dispensing purposes
30 only, in which:
31 (1) The terminal algorithm is used for the random generation of
32 numbers;
33 (2) The tickets dispensed by the terminal do not allow the player
34 the means to play directly against the terminal;
35 (3) The player uses the dispensed ticket to participate in an
36 off-site random drawing; and
37 (4) The player's ability to play against the terminal for immediate
38 payment or reward is eliminated.
39 (bbb) "Player station" means a terminal of a multi-station device
40 through which the player plays an electronic game of chance simultaneously
41 with other players at other player stations of that multi-station device,
42 and which:
43 (1) Has no means to individually determine game outcome;

1 (2) Cannot be disconnected from the gaming device central
2 processing unit that determines the game outcomes for all player stations
3 without rendering that terminal inoperable; and

4 (3) Does not separately contain a random number generator or other
5 means to individually determine the game outcome.

6 (ccc) "Population adjustment rate" means the quotient obtained as
7 follows: the state population for the calendar year immediately preceding
8 the calendar year in which the sixtieth (60th) calendar month of the
9 applicable five-year period for which the applicable figure or amount is
10 being adjusted occurs divided by the state population for the calendar
11 year immediately preceding the calendar year in which the effective date
12 occurs. If the state population is no longer published or calculated by
13 the Arizona department of economic security, then another substantially
14 comparable agency of the state shall be substituted by agreement of the
15 tribe and the state so that the effect of this calculation is preserved.
16 If the parties cannot agree on the substitute agency of the state to
17 provide the state population, the substitute agency or person shall be
18 determined by arbitration in accordance with section 15.

19 (ddd) "Previous gaming facility allocation" means the number of
20 facilities allocated to the tribe in column (3) of the tribe's row in the
21 table.

22 (eee) "Revised gaming facility allocation" means the number of
23 facilities allocated to the tribe in column (4) of the tribe's row in the
24 table or by section 3(c)(6).

25 (fff) "Rules" means the CPR rules for non-administered arbitration
26 (2000 rev.).

27 (ggg) "State population" means the population of the state as
28 determined using the most recent estimates published by the Arizona
29 department of economic security.

30 (hhh) "Table" means the gaming device allocation table set out at
31 section 3(c)(5).

32 (iii) "Transfer agreement" means a written agreement authorizing
33 the transfer of gaming device operating rights between the tribe and
34 another Indian tribe.

35 (jjj) "Transfer notice" means a written notice that the tribe must
36 provide to the state gaming agency of its intent to acquire or transfer
37 gaming device operating rights pursuant to a transfer agreement.

38 (kkk) "Wager" means:

39 (1) In the case of a gaming device, the sum of money placed into
40 the gaming device in cash, or cash equivalent, by the player which will
41 allow activation of the next random play of the gaming device.

42 (2) In the case of poker, the sum of money placed into the pot and
43 onto the card game table by the player in cash, or cash equivalent, which
44 entitles the player to an initial deal of cards, a subsequent deal of a
45 card or cards, or which is required to be placed into the pot and onto the

1 card game table by the player entitling the player to continue in the
2 game.

3 (3) In the case of blackjack, the sum of money in cash, or cash
4 equivalent, placed onto the card game table by the player entitling the
5 player to an initial deal of cards and to all subsequent cards requested
6 by the player."

7 (iii) Section 3 of the pre-existing compact shall be replaced with
8 the following:

9 "Section 3. Nature, size, and conduct of class III gaming.

10 (a) Authorized class III gaming activities. Subject to the terms
11 and conditions of this compact, the tribe is authorized to operate the
12 following gaming activities: (1) class III gaming devices, (2) blackjack,
13 (3) jackpot poker, (4) keno, (5) lottery, (6) off-track pari-mutuel
14 wagering, (7) pari-mutuel wagering on horse racing, and (8) pari-mutuel
15 wagering on dog racing.

16 (b) Appendices governing gaming.

17 (1) Technical standards for gaming devices. The tribe may only
18 operate class III gaming devices, including multi-station devices, which
19 comply with the technical standards set forth in appendix A to this
20 compact. The tribal gaming office shall require each licensed and
21 certified manufacturer and distributor to verify under oath, on forms
22 provided by the tribal gaming office, that the class III gaming devices
23 manufactured or distributed by them for use or play at the gaming
24 facilities meet the requirements of this section 3(b)(1) and appendix A.
25 The tribal gaming office and the state gaming agency by mutual agreement
26 may require the testing of any class III gaming device to ensure
27 compliance with the requirements of this section 3(b)(1) and appendix A.
28 Any such testing shall be at the expense of the licensed manufacturer or
29 distributor.

30 (2) Operational standards for blackjack and jackpot poker. The
31 tribe shall conduct blackjack and jackpot poker in accordance with an
32 appendix, which shall consist of the minimum internal control standards of
33 the commission as set forth in 25 C.F.R. part 542 as published in 64 Fed.
34 Reg. 590 (Jan. 5, 1999) as may be amended from time to time, without
35 regard to the commission's authority to promulgate the standards, until an
36 appendix setting forth the operational standards, specifications,
37 regulations and any limitations governing such gaming activities is agreed
38 to by the tribe and the state.

39 (3) Additional appendices.

40 (a) Except as provided in sections 3(b)(1) and (2), the tribe may
41 not conduct any gaming activities authorized in this compact without a
42 mutually agreed-upon appendix setting forth the operational standards,
43 specifications, regulations and any limitations governing such gaming
44 activities. For purposes of this subsection, promotional activity
45 conducted as a lottery is a gaming activity for which an appendix shall be

1 required. Any disputes regarding the contents of such appendices shall be
2 resolved in the manner set forth in section 15.

3 (b) The gaming facility operator shall conduct its gaming
4 activities under an internal control system that implements the minimum
5 internal control standards of the commission as set forth in 25 C.F.R.
6 part 542 as published in 64 Fed. Reg. 590 (Jan. 5, 1999) as may be amended
7 from time to time, without regard to the commission's authority to
8 promulgate the standards.

9 (c) The tribal gaming office and the state gaming agency may agree
10 to amend appendices to this compact in order to continue efficient
11 regulation and address future circumstances. A change in an appendix or
12 the addition of a new appendix shall not be considered an amendment to
13 this compact.

14 (4) Security and surveillance requirements. The tribe shall comply
15 with the security and surveillance requirements set forth in appendix C to
16 this compact.

17 (a) If the gaming facility operator operates the surveillance
18 system, the manager of the surveillance department may report to
19 management of the gaming facility operator regarding administrative and
20 daily matters, but must report to a person or persons independent of the
21 management of the gaming facility operator (e.g., the gaming facility
22 operator's management board or a committee thereof, the tribe's council or
23 a committee thereof, or the tribe's chairperson, president, or governor)
24 regarding matters of policy, purpose, responsibility, authority, and
25 integrity of casino management.

26 (b) If the tribal gaming office operates the surveillance system,
27 the manager of its surveillance department must report directly to the
28 executive director of the tribal gaming office.

29 (5) Online electronic game management system. Each gaming facility
30 must have an online electronic game management system that meets the
31 requirements of appendix A.

32 (a) If the tribe is Ak-Chin Indian community, Ft. McDowell Yavapai
33 nation, Gila River Indian community, Pascua Yaqui tribe, Salt River
34 Pima-Maricopa Indian community, or Tohono O'odham nation, then the gaming
35 facility operator shall provide the state gaming agency with real time
36 read-only electronic access to the online electronic game management
37 system for each gaming facility of the tribe that is located within forty
38 (40) miles of a municipality with a population of more than four hundred
39 thousand (400,000), to provide the state gaming agency a more effective
40 and efficient means of regulating gaming devices and tracking revenues.

41 1. The state gaming agency's real time read-only electronic access
42 shall be limited to the following data maintained by the online electronic
43 game management system, provided that the data is available in real-time
44 and providing real-time access does not result in the loss of accumulation
45 of data elements: coin in; coin out; drop (bills and coins); individual

1 bills denomination; vouchers; theoretical hold; variances; jackpots;
2 machine fills; ticket in; ticket out; slot door opening; drop door
3 opening; cash box opening; ticket in opening; ticket out opening; and
4 no-communication. If providing this data in real-time would result in the
5 loss of accumulation of data elements, the gaming facility operator must
6 provide the state gaming agency with access to the data via end-of-day
7 reports containing the required data.

8 2. The state gaming agency shall phase in the system to provide it
9 with real time read-only access to the online electronic game management
10 system over a three year period. The state gaming agency shall pay the
11 cost of:

12 A. Constructing and maintaining a dedicated telecommunications
13 connection between the gaming facility operator's server room and the
14 state gaming agency's offices;

15 B. Obtaining, installing, and maintaining any hardware or software
16 necessary to interface between the gaming facility operator's online
17 electronic game management system and the dedicated telecommunications
18 connection; and

19 C. Obtaining, installing, and maintaining any hardware or software
20 required in the state gaming agency's offices.

21 3. The state gaming agency's dedicated telecommunications
22 connection from its offices to each gaming facility must meet accepted
23 industry standards for security sufficient to minimize the possibility of
24 any third-party intercepting any data transmitted from the gaming facility
25 operator's online electronic game management system over the connection.
26 The state gaming agency's system security policy must meet accepted
27 industry standards to assure that data received from the gaming facility
28 operator's online electronic game management system will not be accessible
29 to unauthorized persons or entities.

30 (b) The state gaming agency (and its officers, employees, and
31 agents) are prohibited from:

32 1. Using any information obtained from the gaming facility
33 operator's online electronic game management system for any purpose other
34 than to carry out its duties under this compact; and

35 2. Disclosing any information obtained from the gaming facility
36 operator's online electronic game management system to any person outside
37 the state gaming agency, except as provided in section 7(b) and section
38 12(c).

39 (c) Number of gaming device operating rights and number of gaming
40 facilities.

41 (1) Number of gaming devices. The tribe's gaming device operating
42 rights are equal to the sum of its current gaming device allocation, plus
43 any rights to operate additional gaming devices acquired by the tribe in
44 accordance with and subject to the provisions of section 3(d). The tribe

1 may operate one class III gaming device for each of the tribe's gaming
 2 device operating rights.

3 (2) Class II gaming devices. The tribe may operate up to forty
 4 (40) class II gaming devices in a gaming facility without acquiring gaming
 5 device operating rights under section 3(d), but such class II gaming
 6 devices shall be counted against the tribe's number of additional gaming
 7 devices. Each class II gaming device in excess of forty (40) that the
 8 tribe operates within its Indian lands shall be counted against the
 9 tribe's current gaming device allocation.

10 (3) Number of gaming facilities and maximum devices per gaming
 11 facility. The tribe may operate gaming devices in the number of gaming
 12 facilities in column (3) or (4) of the tribe's row in the table, whichever
 13 is lower, but shall not operate more than its maximum devices per gaming
 14 facility in any one gaming facility. The maximum devices per gaming
 15 facility for the tribe is the sum of the tribe's current gaming device
 16 allocation (including automatic periodic increases under section 3(c)(4)),
 17 plus the tribe's additional gaming devices, except if the tribe is Salt
 18 River Pima-Maricopa Indian community, Gila River Indian community, Pascua
 19 Yaqui tribe, Tohono O'odham nation, or Navajo nation, then the maximum
 20 devices per gaming facility is the same number as the maximum devices per
 21 gaming facility for Ak-Chin Indian community and Ft. McDowell Yavapai
 22 nation. If the tribe is the Tohono O'odham nation, and if the tribe
 23 operates four (4) gaming facilities, then at least one of the four (4)
 24 gaming facilities shall:

25 (i) Be at least fifty (50) miles from the existing gaming
 26 facilities of the tribe in the Tucson metropolitan area as of the
 27 effective date;

28 (ii) Have no more than six hundred forty-five (645) gaming devices;
 29 and

30 (iii) Have no more than seventy-five (75) card game tables.

31 (4) Periodic increase. During the term of this compact, the
 32 tribe's current gaming device allocation shall be automatically increased
 33 (but not decreased), without the need to amend this compact on each
 34 five-year anniversary of the effective date, to the number equal to the
 35 current gaming device allocation specified in the table multiplied by the
 36 population adjustment rate (with any fractions rounded up to the next
 37 whole number).

38 (5) Gaming device allocation table.

39 Gaming device allocation table

	(1)	(2)	(3)	(4)
	Current	Additional	Previous	Revised
Listed tribe	gaming	gaming	gaming	gaming
	device	devices	facility	facility
	allocation		allocation	
	allocation			

1	The Cocopah Indian tribe	475	170	2	2
2	Fort Mojave Indian tribe	475	370	2	2
3	Quechan tribe	475	370	2	2
4	Tonto Apache tribe	475	170	2	1
5	Yavapai-Apache nation	475	370	2	1
6	Yavapai-Prescott tribe	475	370	2	2
7	Colorado River Indian tribes	475	370	2	2
8	San Carlos Apache tribe	900	230	3	2
9	White Mountain Apache tribe	900	40	3	2
10	Ak-Chin Indian community	475	523	2	1
11	Ft. McDowell Yavapai nation	475	523	2	1
12	Salt River Pima-Maricopa				
13	Indian community	700	830	3	2
14	Gila River Indian community	1400	1020	4	3
15	Pascua Yaqui tribe	900	670	3	2
16	Tohono O'odham nation	<u>1400</u>	<u>1020</u>	<u>4</u>	<u>4</u>
17	Subtotal	10,475		38	29
18	Non-gaming tribes				
19	(as of 5/1/02)				
20	Havasupai tribe	475		2	
21	Hualapai tribe	475		2	
22	Kaibab-Paiute tribe	475		2	
23	Hopi tribe	900		3	
24	Navajo nation	2400		4	
25	San Juan Southern Paiute				
26	Tribe	<u>475</u>		<u>2</u>	
27	Subtotal	5,200		15	
28	State total	15,675		53	

29 (6) If the tribe is not listed on the table, the tribe's current
 30 device allocation shall be four hundred seventy-five (475) gaming devices
 31 and the tribe's revised gaming facility allocation shall be two (2) gaming
 32 facilities.

33 (7) Multi-station devices. No more than two and one-half percent
 34 (2.5%) of the gaming devices in a gaming facility (rounded off to the
 35 nearest whole number) may be multi-station devices.

36 (d) Transfer of gaming device operating rights.

37 (1) Transfer requirements. During the term of this compact, the
 38 tribe may enter into a transfer agreement with one or more Indian tribes
 39 to acquire gaming device operating rights up to the tribe's number of
 40 additional gaming devices or to transfer some or all the tribe's gaming
 41 device operating rights up to the tribe's current gaming device
 42 allocation, except that if the tribe is Navajo nation, then the tribe may
 43 transfer only up to 1400 gaming devices of its current gaming device
 44 allocation. The tribe's acquisition or transfer of gaming device
 45 operating rights is subject to the following conditions:

1 (a) Gaming compact. Each Indian tribe that is a party to a
2 transfer agreement must have a valid and effective new compact as defined
3 in A.R.S. section 5-601.02(I)(6) that contains a provision substantially
4 similar to this section 3(d) permitting transfers of the Indian tribe's
5 gaming device operating rights.

6 (b) Forbearance agreement. If the tribe enters into a transfer
7 agreement to transfer some or all of its gaming device operating rights
8 the tribe shall also execute a forbearance agreement with the state. The
9 forbearance agreement shall include:

10 1. A waiver of all rights of the tribe to put into play or operate
11 the number of gaming device operating rights transferred during the term
12 of the transfer agreement;

13 2. An agreement by the tribe to reduce its gaming facility
14 allocation during the term of the transfer agreement as follows:

15	Number of transferred	Reductions in gaming
16	gaming device operating	facility allocation
17	rights	
18	1 - 475	1
19	476 - 1020	2
20	1021 - 1400	3

21 (i) If the tribe's number under column (4) of the table is lower
22 than the tribe's number under column (3), then the tribe shall be credited
23 for the reduction, if the tribe enters into a transfer agreement.

24 (ii) The numbers in the column under number of transferred gaming
25 device operating rights shall be increased on each five-year anniversary
26 of the effective date by multiplying each such number, other than one (1),
27 by the population adjustment rate.

28 (iii) Reductions in the gaming facility allocation will be based on
29 the cumulative total number of gaming device operating rights transferred
30 by the tribe under all transfer agreements that are in effect.

31 (iv) If the tribe is the Navajo nation, then the tribe's gaming
32 facility allocation shall be two (2), even if the tribe transfers up to
33 1400 gaming device operating rights.

34 (c) Gaming facility not required. The tribe may transfer unused
35 gaming device operating rights whether or not it has a gaming facility
36 allocation.

37 (d) Current operation. The tribe must operate gaming devices at
38 least equal to its current gaming device allocation before, or
39 simultaneously with, the tribe acquiring the right to operate additional
40 gaming devices by a transfer agreement. The tribe is not required to
41 utilize any gaming device operating rights it acquires, or to utilize them
42 prior to acquiring additional gaming device operating rights.

43 (e) Transfer of acquired gaming device operating rights prohibited.
44 The tribe shall not at any time simultaneously acquire gaming device

1 operating rights and transfer gaming device operating rights pursuant to
2 transfer agreements.

3 (2) Transfer agreements. Transfers of gaming device operating
4 rights may be made pursuant to a transfer agreement between two Indian
5 tribes. A transfer agreement must include the following provisions:

6 (a) Number. The number of gaming device operating rights
7 transferred and acquired.

8 (b) Term. The duration of the transfer agreement.

9 (c) Consideration. The consideration to be paid by the Indian
10 tribe acquiring the gaming device operating rights to the Indian tribe
11 transferring the gaming device operating rights and the method of payment.

12 (d) Dispute resolution. The dispute resolution and enforcement
13 procedures, including a provision for the state to receive notice of any
14 such proceeding.

15 (e) Notice. A procedure to provide quarterly notice to the state
16 gaming agency of payments made and received, and to provide timely notice
17 of disputes, revocation, amendment, and termination.

18 (3) Transfer notice. At least thirty (30) days prior to the
19 execution of a transfer agreement, the tribe must send to the state gaming
20 agency a transfer notice of its intent to acquire or transfer gaming
21 device operating rights. The transfer notice shall include a copy of the
22 proposed transfer agreement, the proposed forbearance agreement and a copy
23 of the tribal resolution authorizing the acquisition or transfer.

24 (4) State gaming agency denial of transfer. The state gaming agency
25 may deny a transfer as set forth in a transfer notice only if:

26 (i) The proposed transfer violates the conditions set forth in
27 section 3(d)(1), or

28 (ii) The proposed transfer agreement does not contain the minimum
29 requirements listed in section 3(d)(2). The state gaming agency's denial
30 of a proposed transfer must be in writing, must include the specific
31 reason(s) for the denial (including copies of all documentation relied
32 upon by the state gaming agency to the extent allowed by state law), and
33 must be received by the tribe within thirty (30) days of the state gaming
34 agency's receipt of the transfer notice. If the tribe disputes the state
35 gaming agency's denial of a proposed transfer, the tribe shall have the
36 right to have such dispute resolved pursuant to section 15.

37 (5) Effective date of transfer. If the tribe does not receive a
38 notice of denial of the transfer from the state gaming agency within the
39 time period specified above, the proposed transfer agreement shall become
40 effective on the later of the thirty-first (31st) day following the state
41 gaming agency's receipt of the transfer notice or the date set forth in
42 the transfer agreement.

43 (6) Use of brokers. The tribe shall not contract with any person
44 to act as a broker in connection with a transfer agreement. No person
45 shall be paid a percentage fee or a commission as a result of a transfer

1 agreement, nor shall any person receive a share of any financial interest
2 in the transfer agreement or the proceeds generated by the transfer
3 agreement. Any person acting as a broker in connection with a transfer
4 agreement is providing gaming services.

5 (7) Revenue from transfer agreements. The tribe agrees that:

6 (i) All proceeds received by the tribe as a transferor under a
7 transfer agreement are net revenues from tribal gaming as defined by the
8 act and that such proceeds shall be used for the purposes permitted under
9 the act; and

10 (ii) The tribe shall include the proceeds in an annual audit and
11 shall make available to the state that portion of the audit addressing
12 proceeds from transfer agreements.

13 (8) Agreed upon procedures report. The tribe agrees to provide to
14 the state gaming agency, either separately or with the other party to the
15 transfer agreement, an agreed upon procedures report from an independent
16 certified public accountant. The procedures to be examined and reported
17 upon are whether payments made under the transfer agreement were made in
18 the proper amount, made at the proper time, and deposited in an account of
19 the Indian tribe transferring gaming device operating rights.

20 (9) State payment. Proceeds received by the tribe as a transferor
21 under a transfer agreement from the transfer of gaming device operating
22 rights are not subject to any payment to the state under this compact or
23 otherwise.

24 (10) Compact enforcement; effect on transfer agreements. If the
25 tribe acquires gaming device operating rights under a transfer agreement,
26 no dispute between the state and the other party to the transfer agreement
27 shall affect the tribe's rights under the transfer agreement or the
28 tribe's obligations to make the payments required under the transfer
29 agreement. If the tribe transfers gaming device operating rights under a
30 transfer agreement, no dispute between the state and the other party to
31 the transfer agreement shall affect the tribe's rights under the transfer
32 agreement or the obligations of the other party to the transfer agreement
33 to make the payments required under the transfer agreement. These
34 provisions shall not apply to a dispute among the state and both parties
35 to a transfer agreement regarding the validity of a transfer agreement or
36 to a dispute between the parties to a transfer agreement regarding a
37 breach of the transfer agreement.

38 (11) Access to records regarding transfer agreement. The state
39 gaming agency shall have access to all records of the tribe directly
40 relating to transfer agreements and forbearance agreements under section
41 7(b).

42 (12) Transfer and acquisition of pooled gaming devices.

43 (a) The tribe is authorized to join with other Indian tribes to
44 periodically establish a pool to collect gaming device operating rights
45 from Indian tribes that desire to transfer gaming device operating rights

1 and transfer them to Indian tribes that desire to acquire gaming device
2 operating rights. If the tribe is operating all of its current gaming
3 device allocation and, after making reasonable efforts to do so, the tribe
4 is not able to acquire additional gaming devices pursuant to an agreement
5 described in section 3(d)(2), the tribe may acquire additional gaming
6 devices up to the number specified in the table for the tribe from a
7 transfer pool under procedures agreed to by Indian tribes participating in
8 the transfer pool and the state.

9 (b) The tribe and the state are authorized to establish a pooling
10 mechanism, under procedures agreed to by the tribe and the state, by which
11 the rights to operate gaming devices that are not in operation may be
12 acquired by an Indian tribe through an agreement with the state. If the
13 tribe is operating all of its current gaming device allocation and, after
14 making reasonable efforts to do so, the tribe is not able to acquire
15 additional gaming devices pursuant to an agreement described in section
16 3(d)(2) or from any transfer pool established pursuant to section
17 3(d)(12)(a) within 90 days after the opening of a transfer pool
18 established pursuant to section 3(d)(12)(a), the tribe may acquire
19 additional gaming devices from the state up to the number specified in the
20 table for the tribe at a price that is at least one hundred percent (100%)
21 of the highest price paid to date for the transfer of at least one hundred
22 (100) gaming device operating rights for a term of at least five (5)
23 years. The monies paid by an Indian tribe to acquire additional gaming
24 devices under an agreement pursuant to this section 3(d)(12)(b) shall
25 benefit Indian tribes that have the right to operate gaming devices that
26 are eligible to be transferred and are not in operation. The state shall
27 provide Indian tribes that are eligible to enter into an agreement with
28 the state pursuant to this section 3(d)(12)(b) the opportunity to
29 participate in the pool pursuant to the procedures agreed to by the tribe
30 and the state.

31 (c) Prior to agreeing to any procedures with any Indian tribe
32 pursuant to sections 3(d)(12)(a) or (b), the state shall provide notice to
33 the tribe of the proposed procedures.

34 (e) Number of card game tables.

35 (1) Number of card game tables; number of players per game.
36 Subject to the terms and conditions of this compact, the tribe is
37 authorized to operate up to seventy-five (75) card game tables within each
38 gaming facility that is located more than forty (40) miles from any
39 municipality with a population of more than four hundred thousand
40 (400,000) persons; and up to one hundred (100) card game tables within
41 each gaming facility that is located within forty (40) miles of a
42 municipality with a population of more than four hundred thousand
43 (400,000) persons. Each blackjack table shall be limited to no more than
44 seven (7) available player positions plus the dealer. Each poker table
45 shall be limited to no more than ten (10) available player positions plus

1 the dealer. The tribe agrees that it will not operate card games outside
2 of a gaming facility.

3 (2) Periodic increases in the number of card game tables. The
4 number of card game tables that the tribe is authorized to operate in each
5 gaming facility shall be automatically increased (but not decreased),
6 without the need to amend this compact on each five-year anniversary of
7 the effective date, to the number that is equal to the number of card game
8 tables the tribe is authorized to operate in each gaming facility set
9 forth in section 3(e)(1) multiplied by the applicable population
10 adjustment rate (with any fraction rounded up to the next whole number).

11 (f) Number of keno games. Subject to the terms and conditions of
12 this compact, the tribe is authorized to operate no more than two (2) keno
13 games per gaming facility.

14 (g) Inter-tribal parity provisions.

15 (1) Gaming devices. Except as provided in section 3(g)(5), if,
16 during the term of this compact:

17 (a) An Indian tribe listed on the table is authorized or permitted
18 to operate in the state:

19 1. More class III gaming devices than the total number of that
20 Indian tribe's current gaming device allocation in column (1) of the
21 table, plus the number of that Indian tribe's additional gaming devices in
22 column (2) of the table; or

23 2. More class III gaming devices than that Indian tribe's current
24 gaming device allocation in column (1) of the table without acquiring
25 gaming device operating rights pursuant to and in accordance with section
26 3(d); or

27 3. More class III gaming devices within a single gaming facility
28 than that Indian tribe's maximum devices per gaming facility (as adjusted
29 in accordance with section 3(c)(3)); or

30 (b) Any Indian tribe not listed on the table is authorized or
31 permitted after the effective date to operate in the state more than four
32 hundred seventy-five (475) class III gaming devices, or more than five
33 hundred twenty-three (523) additional gaming devices under terms other
34 than section 3(d); then

35 (c) The following remedies shall be available to the tribe to
36 elect, as the tribe may determine in its sole discretion, from time to
37 time:

38 1. The tribe shall automatically be entitled to a greater number of
39 gaming device operating rights, without the need to amend this compact and
40 without the need to acquire any gaming device operating rights under
41 section 3(d). The greater number of gaming device operating rights is the
42 product of a ratio (which is the total number of class III gaming devices
43 the other Indian tribe is in fact authorized or permitted to operate
44 following the occurrence of any of the events specified in subsections (a)
45 or (b) of this section 3(g)(1) divided by the total number assigned to the

1 other Indian tribe under column (1) plus column (2) of the table)
2 multiplied by the total number assigned to the tribe in column (1) plus
3 column (2) of the table. If the tribe is not listed on the table, then
4 the ratio described in the previous sentence is multiplied by the tribe's
5 total number of gaming devices authorized in the compact; and

6 2. The tribe shall automatically be entitled to immediately reduce
7 its obligations to make contributions to the state under section 12.
8 Instead of the amounts payable under section 12(b), the tribe shall make
9 quarterly contributions to the state equal to seventy-five hundredths of
10 one percent (.75%) of its class III net win for the prior quarter. This
11 remedy will not be available after any Indian tribe with a new compact as
12 defined in A.R.S. section 5-601.02(I)(6) enters its final renewal period
13 as described in section 23(b)(3).

14 (2) Contribution terms. If, during the term of this compact any
15 other Indian tribe is authorized or permitted to operate gaming devices in
16 the state and the terms of the other Indian tribe's obligation to make
17 contributions to the state are more favorable to the other Indian tribe
18 than the obligation of the tribe to make contributions to the state under
19 the terms of section 12, then the tribe may elect to have section 12
20 automatically amended to conform to those more favorable terms.

21 (3) Additional class III gaming. Except as provided in section
22 3(g)(5), if during the term of this compact, any Indian tribe is
23 authorized to operate:

24 (a) A form of class III gaming in the state that is not listed in
25 section 3(a), then the tribe shall be entitled to operate the additional
26 form of gaming that the other Indian tribe is authorized to operate,
27 without the need to amend this compact.

28 (b) Blackjack on more card game tables per gaming facility than
29 authorized under this compact, then the tribe shall be entitled to operate
30 blackjack on the additional number of card game tables that the other
31 Indian tribe is authorized to operate, without the need to amend this
32 compact.

33 (4) Wager limits. Except as provided in section 3(g)(5), if,
34 during the term of this compact, any Indian tribe is authorized or
35 permitted to operate in the state any class III gaming devices or card
36 game tables with higher wager limits than the wager limits specified in
37 section 3, then the tribe is also authorized to operate its gaming devices
38 and/or card game tables with the same higher wager limits, without the
39 need to amend this compact.

40 (5) Exceptions. The provisions of section 3(g) shall not be
41 triggered:

42 (a) By the automatic periodic increases in:

43 (i) The current gaming device allocation provided in section
44 3(c)(4), or the resulting increase in the maximum device per gaming
45 facility;

1 (ii) The number of authorized card game tables provided in section
2 3(e)(2); or

3 (iii) The authorized wager limits for gaming devices or card game
4 tables provided in section 3(m)(4);

5 (b) If the state enters into a compact with an Indian tribe listed
6 as a non-gaming tribe on the table that provides a number of additional
7 gaming devices that is no greater than the largest number of additional
8 gaming devices shown on the table for another Indian tribe with the same
9 current gaming device allocation as shown on the table for such non-gaming
10 tribe; and

11 (c) By the provisions of a pre-existing compact as defined in
12 A.R.S. section 5-601.02(I)(5).

13 ~~(h) Additional gaming due to changes in state law with respect to
14 persons other than Indian tribes.~~

15 ~~(1) If, on or after May 1, 2002, state law changes or is
16 interpreted in a final judgment of a court of competent jurisdiction or in
17 a final order of a state administrative agency to permit either a person
18 or entity other than an Indian tribe to operate gaming devices; any form
19 of class III gaming (including video lottery terminals) that is not
20 authorized under this compact, other than gambling that is lawful on May
21 1, 2002 pursuant to A.R.S. section 13-3302; or poker, other than poker
22 that is lawful on May 1, 2002 pursuant to A.R.S. section 13-3302, then,
23 upon the effective date of such state law, final judgment, or final order:~~

24 ~~(a) The tribe shall be authorized under this compact to operate
25 class III gaming devices without limitations on the number of gaming
26 devices, the number of gaming facilities, or the maximum gaming devices
27 per gaming facility, and without the need to amend this compact;~~

28 ~~(b) The tribe shall be authorized under this compact to operate
29 table games, without limitations on the number of card game tables, on
30 wagers, or on the types of games, and without the need to amend this
31 compact, subject to the provisions of 3(b)(3); and~~

32 ~~(c) In addition to sections 3(h)(1)(a) and (b), the tribe's
33 obligation under section 12 to make contributions to the state shall be
34 immediately reduced. Instead of the amounts payable under section 12(b),
35 the tribe shall make quarterly contributions to the state equal to
36 seventy-five hundredths of one percent (.75%) of its class III net win for
37 the prior quarter.~~

38 ~~(2) The provisions of this section 3(h) shall not apply to casino
39 rights operated by non-profit or charitable organizations pursuant to and
40 qualified under A.R.S. section 13-3302(b); to social gambling as defined
41 in A.R.S. section 13-3301(7); to any paper product lottery games,
42 including ticket dispensing devices of the nature used prior to May 1,
43 2002, by the Arizona lottery; or to low-wager, non-banked recreational
44 pools or similar activities operated by and on the premises of retailers~~

1 ~~licensed under title 4, Arizona Revised Statutes, as may be authorized by~~
2 ~~state law.~~

3 (i) Notice. Prior to the tribe obtaining rights under ~~sections~~
4 SECTION 3(g) ~~or (h)~~, either the tribe or the state must first give written
5 notice to the other describing the facts which the tribe or the state
6 contend either do or may satisfy the elements of ~~sections~~ SECTION 3(g) ~~or~~
7 ~~(h)~~. The receiving party shall serve a written response on the other
8 party within thirty (30) days of receipt of the notice. If the parties do
9 not agree on whether ~~sections~~ SECTION 3(g) ~~or (h)~~ have been triggered, the
10 dispute may be submitted to dispute resolution under section 15 by either
11 the tribe or the state.

12 (j) Location of gaming facility.

13 (1) All gaming facilities shall be located on the Indian lands of
14 the tribe. All gaming facilities of the tribe shall be located not less
15 than one and one-half (1 1/2) miles apart unless the configuration of the
16 Indian lands of an Indian tribe makes this requirement impracticable. The
17 tribe shall notify the state gaming agency of the physical location of any
18 gaming facility a minimum of thirty (30) days prior to commencing gaming
19 activities at such location. Gaming activity on lands acquired after the
20 enactment of the act on October 17, 1988 shall be authorized only in
21 accordance with 25 U.S.C. § 2719.

22 (2) Notice to surrounding communities. The tribe shall notify
23 surrounding communities regarding new or substantial modifications to
24 gaming facilities and shall develop procedures for consultation with
25 surrounding communities regarding new or substantial modifications to
26 gaming facilities.

27 (k) Financial services in gaming facilities. The tribe shall enact
28 a tribal ordinance establishing responsible restrictions on the provision
29 of financial services at gaming facilities. At a minimum, the ordinance
30 shall prohibit:

31 (1) Locating an automatic teller machine ("ATM") adjacent to, or in
32 close proximity to, any gaming device;

33 (2) Locating in a gaming facility an ATM that accepts electronic
34 benefit transfer cards issued pursuant to a state or federal program that
35 is intended to provide for needy families or individuals;

36 (3) Accepting checks or other non-cash items issued pursuant to a
37 state or federal program that is intended to provide for needy families or
38 individuals; and

39 (4) The gaming facility operator from extending credit to any
40 patron of a gaming facility for gaming activities.

41 (l) Forms of payment for wagers. All payment for wagers made for
42 gaming activities conducted by the tribe on its Indian lands, including
43 the purchase of tokens for use in wagering, shall be made by cash, cash
44 equivalent, credit card or personal check. Automatic teller machines
45 (ATMs) may be installed at a gaming facility.

1 (m) Wager limitations.

2 (1) For gaming devices. The maximum wager authorized for any
3 single play of a gaming device is twenty five dollars (\$25.00).

4 (2) For blackjack. The maximum wager authorized for any single
5 initial wager on a hand of blackjack by each individual player shall be
6 (a) five hundred dollars (\$500.00) at up to ten (10) card game tables per
7 gaming facility, and (b) two hundred and fifty dollars (\$250.00) for all
8 other card game tables in a gaming facility. The foregoing maximum wager
9 limits shall apply to each subsequent wager that an individual player
10 shall be entitled to make on the same hand as the result of "splits"
11 and/or "doubling down" during the play of such hand.

12 (3) For poker. The wager limits for a hand of poker shall be (a)
13 \$75.00/\$150.00 at up to ten (10) card game tables per gaming facility, and
14 (b) \$20.00/\$40.00 for all other card game tables in a gaming facility.

15 (4) Periodic increases in wager limitations. During the term of
16 this compact, the wager limitations set forth in this section 3(m) shall
17 each be automatically increased (but not decreased) without the need to
18 amend this compact on each five-year anniversary of the effective date to
19 an amount equal to the wager limitations specified in sections 3(m)(1),
20 (2) and (3) multiplied by the CPI adjustment rate (with all amounts
21 rounded up to the next whole dollar). The tribe will notify the state
22 gaming agency of such wager limitation adjustments as soon as reasonably
23 possible after the CPI adjustment rate has been determined.

24 (n) Hours of operation. The tribe may establish by ordinance or
25 regulation the permissible hours and days of operation of gaming
26 activities; provided, however, that with respect to the sale of liquor the
27 tribe shall comply with all applicable state liquor laws at all gaming
28 facilities.

29 (o) Ownership of gaming facilities and gaming activities. The
30 tribe shall have the sole proprietary interest in the gaming facilities
31 and gaming activities. This provision shall not be construed to prevent
32 the tribe from granting security interests or other financial
33 accommodations to secured parties, lenders, or others, or to prevent the
34 tribe from entering into leases or financing arrangements.

35 (p) Prohibited activities. Any class III gaming not specifically
36 authorized in this section 3 is prohibited. Except as provided herein,
37 nothing in this compact is intended to prohibit otherwise lawful and
38 authorized class II gaming upon the tribe's Indian lands or within the
39 gaming facilities.

40 (q) Operation as part of a network. Gaming devices authorized
41 pursuant to this compact may be operated to offer an aggregate prize or
42 prizes as part of a network, including a network:

43 (1) With the gaming devices of other Indian tribes located within
44 the state that have entered into tribal-state gaming compacts with the
45 state, or

1 (2) Beyond the state pursuant to a mutually-agreed appendix
2 containing technical standards for wide area networks.

3 (r) Prohibition on firearms. The possession of firearms by any
4 person within a gaming facility shall be strictly prohibited. This
5 prohibition shall not apply to certified law enforcement officers
6 authorized to be on the premises as well as any private security service
7 retained to provide security at a gaming facility, or armored car
8 services.

9 (s) Financing. Any third-party financing extended or guaranteed
10 for the gaming operation and gaming facilities shall be disclosed to the
11 state gaming agency, and any person extending such financing shall be
12 required to be licensed by the tribe and annually certified by the state
13 gaming agency, unless said person is an agency of the United States or a
14 lending institution licensed and regulated by the state or the United
15 States.

16 (t) Record-keeping. The gaming facility operator or the tribal
17 gaming office, whichever conducts surveillance, shall maintain the
18 following logs as written or computerized records which shall be available
19 for inspection by the state gaming agency in accordance with section 7(b):
20 a surveillance log recording all material surveillance activities in the
21 monitoring room of the gaming facilities; and a security log recording all
22 unusual occurrences investigated by the tribal gaming office. The gaming
23 facility operator or the tribal gaming office, whichever conducts
24 surveillance, shall retain video recordings made in accordance with
25 appendix C for at least seven (7) days from the date of original
26 recording.

27 (u) Barred persons. The tribal gaming office shall establish a
28 list of persons barred from the gaming facilities because their criminal
29 history or association with career offenders or career offender
30 organizations poses a threat to the integrity of the gaming activities of
31 the tribe. The tribal gaming office shall employ its best efforts to
32 exclude persons on such list from entry into its gaming facilities. To
33 the extent not previously provided, the tribal gaming office shall send a
34 copy of its list on a monthly basis to the state gaming agency, along with
35 detailed information regarding why the person has been barred and, to the
36 extent available, the barred person's photograph, driver's license
37 information, and/or fingerprints, to the extent these items are in the
38 possession of the tribal gaming office. The state gaming agency will
39 establish a list which will contain the names, and to the extent
40 available, photographs of, and other relevant information regarding,
41 persons whose reputations, conduct, or criminal history is such that their
42 presence within a gaming facility may pose a threat to the public health,
43 safety, or welfare. Such persons will be barred from all tribal gaming
44 facilities within the state. The tribe agrees that the state gaming

1 agency may disseminate this list, which shall contain detailed information
2 about why each person is barred, to all other tribal gaming offices.

3 (v) Problem gambling.

4 (1) Signage. At all public entrances and exits of each gaming
5 facility, the gaming facility operator shall post signs stating that help
6 is available if a person has a problem with gambling and, at a minimum,
7 provide the statewide toll free crisis hotline telephone number
8 established by the Arizona state lottery commission.

9 (2) Self-exclusion. The state gaming agency and the tribe shall
10 comply with the following provisions:

11 (a) The state gaming agency shall establish a list of persons who,
12 by acknowledging in a manner to be established by the state gaming agency
13 that they are problem gamblers, voluntarily seek to exclude themselves
14 from gaming facilities. The state gaming agency shall establish
15 procedures for the placement on and removal from the list of self-excluded
16 persons. No person other than the person seeking voluntary self-exclusion
17 shall be allowed to include any person's name on the self-exclusion list
18 of the state gaming agency.

19 (b) The tribe shall establish procedures for advising persons who
20 inquire about self-exclusion about the state gaming agency's procedures.

21 (c) The state gaming agency shall compile identifying information
22 concerning self-excluded persons. Such information shall contain, at a
23 minimum, the full name and any aliases of the person, a photograph of the
24 person, the social security or driver's license number of the person, and
25 the mailing address of the person.

26 (d) The state gaming agency shall, on a monthly basis, provide the
27 compiled information to the tribal gaming office. The tribe shall treat
28 the information received from the state gaming agency under this section
29 as confidential and such information shall not be disclosed except to
30 other tribal gaming offices for inclusion on their lists, or to
31 appropriate law enforcement agencies if needed in the conduct of an
32 official investigation or unless ordered by a court of competent
33 jurisdiction.

34 (e) The tribal gaming office shall add the self-excluded persons
35 from the list provided by the state gaming agency to their own list of
36 self-excluded persons.

37 (f) The tribal gaming office shall require the gaming facility
38 operator to remove all self-excluded persons from all mailing lists and to
39 revoke any slot or player's cards. The tribal gaming office shall require
40 the gaming facility operator to take reasonable steps to ensure that cage
41 personnel check a person's identification against the state gaming
42 agency's list of self-excluded persons before allowing the person to cash
43 a check or complete a credit card cash advance transaction.

44 (g) The tribal gaming office shall require the gaming facility
45 operator to take reasonable steps to identify self-excluded persons who

1 may be in a gaming facility and, once identified, promptly escort the
2 self-excluded person from the gaming facility.

3 (h) The tribal gaming office shall prohibit the gaming facility
4 operator from paying any hand-paid jackpot to a person who is on the
5 tribal or state gaming agency self-exclusion list. Any jackpot won by a
6 person on the self-exclusion list shall be donated by the gaming facility
7 operator to an Arizona-based non-profit charitable organization.

8 (i) Neither the tribe, the gaming facility operator, the tribal
9 gaming office, nor any employee thereof shall be liable to any
10 self-excluded person or to any other party in any proceeding and neither
11 the tribe, the gaming facility operator, nor the tribal gaming office
12 shall be deemed to have waived its sovereign immunity with respect to any
13 person for any harm, monetary or otherwise, which may arise as a result
14 of:

15 1. The failure of the gaming facility operator or the tribal gaming
16 office to withhold or restore gaming privileges from or to a self-excluded
17 person; or

18 2. Otherwise permitting a self-excluded person to engage in gaming
19 activity in a gaming facility while on the list of self-excluded persons.

20 (j) Neither the tribe, the gaming facility operator, the tribal
21 gaming office, nor any employee thereof shall be liable to any
22 self-excluded person or to any other party in any proceeding, and neither
23 the tribe, the gaming facility operator, nor the tribal gaming office
24 shall be deemed to have waived its sovereign immunity with respect to any
25 person for any harm, monetary or otherwise, which may arise as a result of
26 disclosure or publication in any manner, other than a willfully unlawful
27 disclosure or publication, of the identity of any self-excluded person or
28 persons.

29 (k) Notwithstanding any other provision of this compact, the state
30 gaming agency's list of self-excluded persons shall not be open to public
31 inspection.

32 (w) Restriction on minors.

33 (1) Until May 31, 2003, no person under 18 years of age shall be
34 permitted to place any wager, directly or indirectly, in any gaming
35 activity.

36 (2) Prior to May 31, 2003, the tribe shall enact, as tribal law, a
37 requirement that beginning June 1, 2003, no person under 21 years of age
38 shall be permitted to place any wager, directly or indirectly, in any
39 gaming activity.

40 (3) If, during the term of the compact, the state amends its law to
41 permit wagering by persons under 21 years of age in any gaming activity by
42 a person or entity other than an Indian tribe, the tribe may amend tribal
43 law to reduce the lawful gaming age under this compact to correspond to
44 the lawful gaming age under state law.

1 (4) No person under 18 years of age shall be employed as a gaming
2 employee. No person under 21 years of age shall be employed in the
3 service of alcoholic beverages at any gaming facility, unless such
4 employment would be otherwise permitted under state law.

5 (x) Advertising.

6 (1) Right to advertise. The state and the tribe recognize the
7 tribe's constitutional right to engage in advertising of lawful gaming
8 activities and nothing in this compact shall be deemed to abrogate or
9 diminish that right.

10 (2) Prohibition on advertising directed to minors. The gaming
11 facility operator shall not advertise or market gaming activities in a
12 manner that specifically appeals to minors.

13 (3) Advertising guidelines. Within thirty days after the effective
14 date, the gaming facility operator shall adopt guidelines for the
15 advertising and marketing of gaming activities that are no less stringent
16 than those contained in the American gaming association's general
17 advertising guidelines.

18 (4) Content of advertising. In recognition of the tribe's
19 constitutional right to advertise gaming activities, the specific content
20 of advertising and marketing materials shall not be subject to the
21 provisions of section 15 of this compact.

22 (y) Internet gaming. The tribe shall not be permitted to conduct
23 gaming on the internet unless persons other than Indian tribes within the
24 state or the state are authorized by state law to conduct gaming on the
25 internet.

26 (z) Lottery products. The tribe will not offer paper lottery
27 products in competition with the Arizona lottery's pick or powerball
28 games.

29 (aa) Annual statement. The tribe shall submit to the state gaming
30 agency either an annual statement of compliance with the act regarding the
31 use of net gaming revenues or a copy of its current gaming ordinance
32 requiring that net gaming revenues be used according to the act."

33 (iv) The following provisions shall replace the corresponding
34 provisions in section 4 of the pre-existing compact:

35 "(b) Gaming employees. Every gaming employee shall be licensed by
36 the tribal gaming office and every employee of the tribal gaming office
37 shall be licensed by the tribe. Any gaming employee or tribal gaming
38 office employee that is not an enrolled tribal member shall also be
39 certified by the state gaming agency prior to commencement of employment,
40 and annually thereafter, subject to the temporary certification provided
41 in section 5(n). Enrolled tribal members are not required to be certified
42 by the state as a condition of employment. Gaming employees that hold the
43 following positions are also not required to be certified by the state, so
44 long as they do not have unescorted access to secure areas such as gaming
45 device storage and repair areas, count rooms, vaults, cages, change

1 booths, change banks/cabinets, security offices and surveillance rooms,
2 revenue accounting offices, and rooms containing information systems that
3 monitor or control gaming activities (or, as may be agreed to by the state
4 gaming agency and the tribal gaming office in a separate agreement
5 delineating the secure areas in the tribe's gaming facilities):

6 (1) Food and beverage service personnel such as chefs, cooks,
7 waiters, waitresses, bus persons, dishwashers, food and beverage cashiers,
8 and hosts;

9 (2) Gift shop managers, assistant managers, cashiers, and clerks;

10 (3) Greeters;

11 (4) Landscapers, gardeners, and groundskeepers;

12 (5) Maintenance, cleaning, and janitorial personnel;

13 (6) Stewards and valets;

14 (7) Wardrobe personnel;

15 (8) Warehouse personnel; and

16 (9) Hotel personnel.

17 (d) Manufacturers and suppliers of gaming devices and gaming
18 services. Each manufacturer and distributor of gaming devices, and each
19 person providing gaming services, within or without the gaming facility,
20 shall be licensed by the tribal gaming office and shall be certified by
21 the state gaming agency prior to the sale or lease of any gaming devices
22 or gaming services. The tribe shall provide to the state gaming agency a
23 list of the names and addresses of all vendors providing gaming services
24 on a periodic basis at the time of the meetings required pursuant to
25 section 6(h) of this compact. Utilities which are the sole available
26 source of any particular service to a gaming facility are not required to
27 be certified. A vendor licensed and regulated by another governmental
28 agency may submit a supplement to the application on file with the other
29 agency. The state gaming agency may waive the requirement that a vendor
30 be certified if it determines that certifying the vendor is not necessary
31 to protect the public interest."

32 (v) The following provision shall replace the corresponding
33 provisions in section 5 of the pre-existing compact:

34 "(p) State administrative process; certifications. Any applicant
35 for state certification agrees by making such application to be subject to
36 state jurisdiction to the extent necessary to determine the applicant's
37 qualification to hold such certification, including all necessary
38 administrative procedures, hearings and appeals pursuant to the
39 administrative procedures act, title 41, chapter 6, Arizona Revised
40 Statutes and the administrative rules of the state gaming agency.

41 (q) Administrative process; licenses.

42 (1) Any person applying for licensure by the tribal gaming office
43 acknowledges that by making such application, the state gaming agency, as
44 set forth herein, may be heard concerning the applicant's qualifications
45 to hold such license. If the state recommends revocation, suspension, or

1 denial of a license, and the tribal gaming office revokes, suspends, or
2 denies the license based on the state gaming agency's recommendation, the
3 person may appeal that action to the tribe, to the extent any such right
4 exists.

5 (2) If the tribal gaming office takes any action with respect to a
6 license despite a state recommendation to the contrary, the tribal gaming
7 office shall afford the state an opportunity for a hearing before an
8 appropriate tribal forum to contest the tribal gaming office licensing
9 decision. The decision of the tribal forum shall be final, except as
10 provided in section 5(q)(4).

11 (3) The tribal gaming office shall afford the state gaming agency
12 the opportunity to be heard in an appropriate tribal forum on its
13 recommendation to suspend or revoke the license of any person in the same
14 manner as if the state gaming agency had recommended denial of the license
15 in the first instance.

16 (4) Independent tribunal review of tribal forum.

17 (a) Tribunal appointment and process. If the tribal forum upholds
18 a decision not to follow a gaming employee license recommendation, the
19 state gaming agency may appeal to an independent three member tribunal by
20 providing written notice to the tribal gaming office within ten (10) days
21 after receiving the tribal forum's decision. Within twenty (20) days
22 thereafter, the CPR or a similar dispute resolution service acceptable to
23 the parties (the "dispute resolution service"), shall select the tribunal
24 members, except that upon agreement by the parties, in lieu of selection
25 by the dispute resolution service, each party may select a tribunal
26 member, and the two members shall select a third member. If, within five
27 (5) days after their appointment, the tribunal members appointed by the
28 parties have not agreed upon a third tribunal member, the dispute
29 resolution service shall select the third member. All tribunal members,
30 whether appointed by the dispute resolution service or the parties, shall
31 be (a) impartial, (b) licensed by and in good standing with a state bar
32 association, and (c) independent from the state, the state gaming agency,
33 the tribe, and the tribal gaming office. The tribunal shall hold a hearing
34 and issue its decision within ninety (90) days after the state gaming
35 agency delivers its written notice of appeal to the tribal gaming office.

36 (b) Tribunal authority. The tribunal's sole authority shall be to
37 review the decision of the tribal forum and determine whether the decision
38 is supported by substantial evidence based on the record as a whole. The
39 tribunal's hearing shall be conducted in a fair and impartial manner. The
40 hearing shall be held on the administrative record presented to the tribal
41 forum. The tribunal's decision shall be final and not subject to further
42 appeal or to section 15 dispute resolution procedures. If the tribunal
43 determines the employee should not be licensed, the tribal gaming office
44 shall promptly revoke the disputed license. The cost of the tribunal and
45 the hearing shall be borne equally between the state and the tribe."

1 (vi) The following provision shall be added to section 7 of the
2 pre-existing compact:

3 "(g) Compact compliance review. The state gaming agency is
4 authorized to conduct an annual, comprehensive compact compliance review
5 of the gaming operation, gaming facilities, and the gaming activities of
6 the gaming facility operator to monitor compliance with this compact, any
7 amendments or appendices to this compact, and other agreements relating to
8 this compact."

9 (vii) Section 12 of the pre-existing compact shall be replaced with
10 the following:

11 Section 12. Payment of regulatory costs; tribal contributions

12 (a) Payment of regulatory costs. The tribe agrees to pay the state
13 the necessary costs incurred by the state as a result of the state's
14 performance of its rights or duties under the terms of this compact. The
15 tribe's contributions under this section 12 shall satisfy the agreement to
16 pay those costs.

17 (b) Tribal contributions. ~~In consideration for the substantial~~
18 ~~exclusivity covenants by the state in section 3(h),~~ The tribe shall
19 contribute for the benefit of the public a percentage of the tribe's class
20 III net win for each fiscal year of the gaming facility operator as
21 follows:

22 (1) One percent (1%) of the first twenty-five million dollars
23 (\$25,000,000.00);

24 (2) Three percent (3%) of the next fifty million dollars
25 (\$50,000,000.00);

26 (3) Six percent (6%) of the next twenty-five million dollars
27 (\$25,000,000.00); and

28 (4) Eight percent (8%) of class III net win in excess of one
29 hundred million dollars (\$100,000,000.00).

30 (c) Arizona benefits fund. The tribe shall make eighty-eight
31 percent (88%) of its total annual contribution under section 12(b) to the
32 Arizona benefits fund established by A.R.S. 5-601.02(H). The state agrees
33 that the Arizona benefits fund shall be used for the purpose of
34 administering the contributions made by the tribe to the state in
35 accordance with the provisions of section 12(b). All contributions to the
36 state from the tribe pursuant to this section 12(c), and all contributions
37 to the state from other Indian tribes that have entered into tribal-state
38 gaming compacts with the state that contain similar provisions, shall be
39 deposited in the Arizona benefits fund administered by the state gaming
40 agency. The state agrees to invest all monies in the Arizona benefits
41 fund in accordance with A.R.S. section 35-313; monies earned from such
42 investment may only be credited to the Arizona benefits fund. The state
43 agrees that contributions paid to the state by the tribe under this
44 section 12(c) shall only be distributed as provided in A.R.S. section
45 5-601.02, as adopted by the people of the state at the November 5, 2002

1 election, and the state shall not impose any tax, fee, charge, or other
2 assessment upon the tribe's gaming operations.

3 (d) Distributions by tribe to cities, towns and counties. The
4 tribe shall make twelve percent (12%) of its total annual contribution
5 under section 12(b) in either or both of the following forms:

6 (1) Distributions to cities, towns or counties for government
7 services that benefit the general public, including public safety,
8 mitigation of impacts of gaming, or promotion of commerce and economic
9 development;

10 (2) Deposits to the Arizona commerce authority local communities
11 fund established by A.R.S. section 41-1505.12.

12 (e) Contribution schedule.

13 (1) Tribal contributions pursuant to section 12(b) shall be paid
14 quarterly to the state gaming agency, other than the amounts distributed
15 or deposited to benefit cities, towns and counties under section 12(d).
16 The contributions shall be calculated based on the tribe's class III net
17 win for each quarter of the gaming facility operator's fiscal year.
18 Contributions shall be made no later than twenty-five (25) days after the
19 last day of each fiscal quarter.

20 (2) At the time each quarterly contribution is made, the tribe
21 shall submit to the state gaming agency a report indicating the class III
22 net win by gaming activity for the quarter, and the amounts paid under
23 sections 12(c) and (d).

24 (3) The tribe's first quarterly contribution will be calculated
25 based on the tribe's class III net win for the first full fiscal quarter
26 after the effective date.

27 (4) Following the state gaming agency's receipt of the annual audit
28 pursuant to section 11(c), any overpayment of monies by the tribe pursuant
29 to this section shall be credited to the tribe's next quarterly
30 contribution. Any underpayment of monies shall be paid by the tribe within
31 thirty (30) days of the state gaming agency's receipt of the annual audit.

32 (f) Reduction of tribal contributions. In the event that tribal
33 contributions are reduced pursuant to ~~sections~~ SECTION 3(g) ~~or (h)~~, the
34 tribe shall make the reduced contributions under the terms of this section
35 12, and these monies shall be used in the manner set forth in A.R.S.
36 section 5-601.02(H)(3)(a) as adopted by the people of the state at the
37 November 5, 2002 election."

38 (viii) The following provisions shall replace the corresponding
39 provisions, or be added to the provisions, as the case may be, in section
40 13 of the pre-existing compact:

41 "(b) Emergency service accessibility. The tribe shall require the
42 gaming facility operator to make provisions for adequate emergency
43 accessibility and service. Mutual aid and emergency response service
44 agreements will be entered as needed with entities from the surrounding
45 communities.

1 (e) Law enforcement. The tribe shall implement a written law
 2 enforcement services plan that provides a comprehensive and effective
 3 means to address criminal and undesirable activity at the gaming
 4 facilities. This plan shall provide that sufficient law enforcement
 5 resources are available twenty-four hours a day seven days per week to
 6 protect the public health, safety, and welfare at the gaming facilities.
 7 The tribe and the state shall investigate violations of state gambling
 8 statutes and other criminal activities at the gaming facilities. To
 9 accommodate investigations and intelligence sharing, the tribe will
 10 provide that a police officer holding current Arizona police officer
 11 standards and training (POST) certification is employed by the gaming
 12 facility operator, tribal gaming office, or tribal police department, and
 13 assigned to handle gaming-related matters when they arise. Intelligence
 14 liaisons will be established at the tribal police department or tribal
 15 gaming office and also at the state gaming agency. There will be federal,
 16 tribal, and state cooperation in task force investigations. The state
 17 gaming agency's intelligence unit will gather, coordinate, centralize, and
 18 disseminate accurate and current intelligence information pertaining to
 19 criminal and undesirable activity that may threaten patrons, employees, or
 20 assets of the gaming industry. The state and the tribe will coordinate
 21 the use of resources, authority, and personnel of the state and the tribe
 22 for the shared goal of preventing and prosecuting criminal or undesirable
 23 activity by players, employees, or businesses in connection with tribal
 24 gaming facilities. Violations of state criminal gambling statutes on
 25 tribal lands may be prosecuted as federal crimes in federal court."

26 (ix) Section 15 of the pre-existing compact shall be replaced with
 27 the following:

28 "Section 15. Dispute resolution

29 (a) Notice/negotiation. If either the tribe or the state believes
 30 the other has failed to comply with the requirements set forth in this
 31 compact, or if a dispute arises as to the proper interpretation of those
 32 requirements, then either party may serve a written notice on the other
 33 identifying the specific provision or provisions of the compact in dispute
 34 and specifying in detail the factual bases for any alleged non-compliance
 35 and/or the interpretation of the provision of the compact proposed by the
 36 party providing notice. Within ten (10) days following delivery of the
 37 written notice of dispute, the executive director of the tribal gaming
 38 office and the director of the state gaming agency shall meet in an effort
 39 to voluntarily resolve the compliance or interpretation dispute through
 40 negotiation. If those negotiations fail to resolve the dispute, the
 41 executive director of the tribal gaming office, the director of the state
 42 gaming agency, and representatives designated by the governor of Arizona
 43 and the chairman of the tribe shall meet in a further effort to
 44 voluntarily resolve the dispute through further negotiation.

1 (b) Mediation. If the tribe and the state are unable to resolve by
2 negotiation any dispute regarding compliance with the requirements of the
3 compact, or the proper interpretation of those requirements, within thirty
4 (30) days after delivery of the written notice of dispute, the tribe and
5 the state shall, upon the request of either party, endeavor to settle the
6 dispute in an amicable manner by non-binding mediation administered by the
7 CPR under its mediation procedures dated April 1, 1998 (unless otherwise
8 agreed to by the parties), and the procedures set forth below. Although
9 the parties shall be required to participate in the mediation process if
10 requested, a request for mediation shall not preclude either party from
11 pursuing any other available remedy.

12 (1) Selection of mediator. If the parties agree upon a mediator,
13 that person shall serve as the mediator. If the parties are unable to
14 agree on a mediator within ten (10) days of a request for mediation, then
15 the CPR (i) shall select an attorney from the CPR panel of distinguished
16 neutrals to be the mediator or (ii) if requested by the parties, shall
17 select the mediator from a list of potential mediators approved by the
18 parties.

19 (2) Conduct of mediation. The mediator shall control the
20 procedural aspects of the mediation and shall be guided by the mediation
21 procedures promulgated by the CPR.

22 (3) Costs of mediation. The costs of mediation shall be borne
23 equally by the parties, with one-half (1/2) of the expenses charged to the
24 tribe and one-half (1/2) of the expenses charged to the state.

25 (c) Arbitration. If the tribe and the state fail to resolve such a
26 dispute regarding compliance with the requirements of the compact or the
27 proper interpretation of those requirements through negotiation or
28 mediation under sections 15(a) or (b) within thirty (30) days after
29 delivery of the written notice of dispute, upon a demand by either party,
30 the dispute shall be settled through binding arbitration at a neutral
31 location and, unless otherwise agreed to by the parties, the arbitration
32 shall be conducted in accordance with the rules, as modified by the
33 following:

34 (1) Demand for arbitration. No earlier than thirty (30) days after
35 the delivery of the notice required under section 15(a), either party may
36 serve on the other a written demand for arbitration of the dispute, in
37 accordance with CPR rule 3. The demand shall contain a statement setting
38 forth the nature of the dispute and the remedy sought. The other party
39 shall file a notice of defense and any counterclaim within twenty (20)
40 days, in accordance with CPR rule 3. Failure to provide a notice of
41 defense shall not delay the arbitration. In the absence of a notice of
42 defense, all claims set forth in the demand shall be deemed denied.

43 (2) Arbitrators. Unless the parties agree in writing to the
44 appointment of a single arbitrator, the arbitration shall be conducted
45 before a panel of three (3) arbitrators. In the absence of an agreement

1 to a single arbitrator, within twenty (20) days of the defending party's
 2 receipt of the demand, each party shall select an arbitrator. As soon as
 3 possible thereafter, but in no event more than forty (40) days following
 4 delivery of the demand, the party-appointed arbitrators shall discuss and
 5 select a third (3rd) arbitrator from the panel of distinguished neutrals,
 6 who shall chair the tribunal. Alternatively, if the parties have agreed
 7 upon a list of arbitrators acceptable to both parties, the CPR shall
 8 select the third (3rd) arbitrator from that list. Unless the parties
 9 agree otherwise, at least one (1) of the arbitrators on the tribunal shall
 10 be an attorney or retired judge knowledgeable about the act, federal
 11 Indian law, and jurisdiction within Indian country. If the parties do not
 12 appoint an arbitrator with those qualifications, the party-appointed
 13 arbitrators or the CPR shall do so. Once the tribunal is impaneled, there
 14 shall be no ex parte contact with the arbitrators, except for contacts
 15 with the office of the tribunal chair regarding scheduling or other purely
 16 administrative matters that do not deal with substantive matters or the
 17 merits of the issues.

18 (3) Selection of arbitrator(s) by the CPR. If a party fails to
 19 appoint an arbitrator, or if the party-appointed arbitrators have failed
 20 to appoint a third (3rd) arbitrator within the time period provided in
 21 section 15(c)(2), either party may request appointment of the arbitrator
 22 by the CPR. The request shall be made in writing and served on the other
 23 party. CPR shall fill any vacancies on the tribunal within ten (10) days
 24 of a request in accordance with CPR rule 6.

25 (4) Neutrality of the arbitrators. All arbitrators shall be
 26 independent and impartial. Upon selection, each arbitrator shall promptly
 27 disclose in writing to the tribunal and the parties any circumstances that
 28 might cause doubt regarding the arbitrator's independence or impartiality.
 29 Such circumstances may include, but shall not be limited to, bias,
 30 interest in the result of the arbitration, and past or present relations
 31 with a party or its counsel. Following such disclosure, any arbitrator
 32 may be challenged in accordance with CPR rule 7.

33 (5) Cost of arbitration. The costs of arbitration shall be borne
 34 equally by the parties, with one-half (1/2) of the expenses charged to the
 35 tribe and one-half (1/2) of the expenses charged to the state.

36 (6) Preliminary conference/hearing. The tribunal shall hold an
 37 initial pre-hearing conference no later than thirty (30) days following
 38 the selection of the members of the tribunal and shall permit discovery
 39 and make other applicable decisions in accordance with CPR rules 9
 40 through 12. Unless the parties agree otherwise, or unless the tribunal
 41 determines that compelling circumstances exist which demand otherwise, the
 42 arbitration shall be completed within one hundred and eighty (180) days of
 43 the initial pre-hearing conference.

44 (7) Discovery.

1 (a) Documents. Consistent with the expedited nature of
2 arbitration, each party will, upon the written request of the other party,
3 promptly provide the other with copies of documents relevant to the issues
4 raised by any claim or counterclaim or on which the producing party may
5 rely in support of or in opposition to any claim or defense. Except as
6 permitted by the tribunal, all written discovery shall be completed within
7 ninety (90) days following the initial pre-hearing conference. Any
8 dispute regarding discovery, or the relevance or scope thereof, shall be
9 determined by the tribunal, whose determination shall be conclusive.

10 (b) Depositions. Consistent with the expedited nature of
11 arbitration and unless the parties agree otherwise, a party, upon
12 providing written notice to the other party, shall have the right to take
13 the depositions of up to five (5) witnesses, each of which shall last no
14 longer than one (1) day. Unless the parties agree otherwise, additional
15 depositions shall be scheduled only with the permission of the tribunal
16 and for good cause shown. A party's need to take the deposition of a
17 witness who is not expected to be available for an arbitration hearing
18 shall be deemed to be good cause. Except as permitted by the tribunal,
19 all depositions shall be concluded within one hundred and twenty (120)
20 days following the initial pre-hearing conference. All objections that
21 might be raised to deposition testimony shall be reserved for the
22 arbitration hearing, except for objections based on privilege, proprietary
23 or confidential information, and objections to form or foundation that
24 could be cured if raised at the deposition.

25 (8) Injunctive relief in aid of arbitration. The tribe or the
26 state may seek in a court of competent jurisdiction (a) provisional or
27 ancillary remedies, including preliminary injunctive relief, pending the
28 outcome of an arbitration proceeding, or (b) permanent injunctive relief
29 to enforce an arbitration award.

30 (9) Arbitration hearing.

31 (a) Notice/transcript. Unless the parties agree otherwise, the
32 tribunal shall provide the parties with at least sixty (60) days notice of
33 the date of the arbitration hearing. Unless the parties agree otherwise,
34 there shall be a stenographic record made of the hearing, with the cost to
35 be shared by the tribe and the state. The transcript shall be the
36 official record of the proceeding.

37 (b) Last, best offer format. The arbitrators shall conduct each
38 arbitration proceeding using the "last, best offer" format, unless any
39 party to an arbitration proceeding opts out of the "last, best offer"
40 arbitration format in the manner set forth in section 15(c)(9)(c).

41 1. No later than forty (40) days before the arbitration hearing (or
42 forty (40) days before the date the dispute is to be submitted to the
43 tribunal for decision if oral hearings have been waived), each party shall
44 submit to the other party or parties to the arbitration a preliminary

1 last, best offer for those issues that will be decided using the last,
2 best offer format.

3 2. No later than twenty (20) days before the arbitration hearing
4 (or twenty (20) days before the date the dispute is to be submitted to the
5 tribunal for decision if oral hearings have been waived), each party shall
6 submit to the tribunal and the other party or parties to the arbitration
7 its pre-hearing last, best offer for those issues that will be decided
8 using the last, best offer format.

9 3. No later than ten (10) days after the conclusion of the
10 arbitration hearing (or ten (10) days before the date the dispute is to be
11 submitted to the tribunal for decision if oral hearings have been waived),
12 each party shall submit to the tribunal and the other party or parties to
13 the arbitration its final last, best offer for those issues that will be
14 decided using the last, best offer format.

15 4. Except as otherwise provided in this section 15(c)(9)(b)(4), for
16 each issue to be decided using the last, best offer format, the tribunal
17 shall, for its decision on the issue, adopt one of the last, best offers
18 submitted under section 15(c)(9)(b)(3) and no other remedy (excepting only
19 remedies in aid of the tribunal's decision). If the tribunal expressly
20 determines that a last, best offer submitted by a party with respect to an
21 issue or issues is not consistent with or does not comply with the act
22 and/or the compact, as they may be amended and as they are interpreted by
23 courts of competent jurisdiction, then the tribunal shall reject that
24 last, best offer and shall not consider it in rendering its decision. If
25 the tribunal expressly determines that all the last, best offers submitted
26 by the parties with respect to an issue or issues are not consistent with
27 or do not comply with the act and/or the compact, as they may be amended
28 and as they are interpreted by courts of competent jurisdiction, then the
29 tribunal shall reject all the last, best offers and shall decide the
30 related issue or issues as if the parties had elected to have the issue or
31 those issues decided without using the "last, best offer" format. In
32 addition, the tribunal shall have no authority to award money damages
33 against either party, regardless of whether a last, best offer proposes an
34 award of damages.

35 (c) Opting out of last, best offer format. Unless the parties
36 agree otherwise, a party desiring to opt out of the "last, best offer"
37 arbitration format shall serve a written notice of its election no later
38 than fifty (50) days before the arbitration hearing (or fifty (50) days
39 before the date the dispute is to be submitted to the tribunal for
40 decision if oral hearings have been waived). The notice shall:

41 1. Identify with specificity the issue or issues that the
42 arbitrators will decide without using the "last, best offer" arbitration
43 format, or

44 2. State that the arbitrators will not use the "last, best offer"
45 arbitration format.

1 (10) Decision of the tribunal. The decision of the tribunal shall
2 be in writing, setting forth detailed findings of fact and conclusions of
3 law and a statement regarding the reasons for the disposition of each
4 claim. If the tribunal determines that a last, best offer is not
5 consistent with or does not comply with the act and/or the compact, the
6 decision of the tribunal shall set forth detailed findings of fact and
7 conclusions of law and a statement regarding the reasons for the
8 tribunal's determination. The written decision of the tribunal shall be
9 made promptly and, unless otherwise agreed to by the parties, no later
10 than forty (40) days from the date of the closing of the hearing or, if
11 oral hearings have been waived, no later than forty (40) days from the
12 date the dispute is submitted to the tribunal for decision. The tribunal
13 may take additional time to render its decision if the tribunal determines
14 that compelling circumstances require additional time. The tribunal may
15 issue awards in accordance with CPR rule 13, to the extent that rule is
16 consistent with section 15(c). The decision of the majority of the
17 arbitrators shall be final, binding, and non-appealable, except for a
18 challenge to a decision on the grounds set forth in 9 U.S.C. § 10. The
19 failure to comply with a judgment upon the award of the arbitrators shall
20 be a breach of this compact.

21 (11) Governing law/jurisdiction. Title 9 of the United States Code
22 (the United States arbitration act) and the rules shall govern the
23 interpretation and enforcement of section 15(c), but nothing in section
24 15(c) shall be interpreted as a waiver of the state's tenth amendment or
25 eleventh amendment immunity or as a waiver of the tribe's sovereign
26 immunity. The tribunal shall resolve the disputes submitted for
27 arbitration in accordance with, and every decision of the tribunal must
28 comply and be consistent with, the act and the compact, as they may be
29 amended and as they are interpreted by courts of competent jurisdiction.
30 The tribunal shall have no authority to award money damages against either
31 party.

32 (12) Judicial confirmation. Judgment upon any award rendered by the
33 tribunal may be entered in any court having competent jurisdiction.

34 (d) Injunctive relief. The parties acknowledge that, although
35 negotiation followed by mediation and arbitration are the preferred
36 methods of dispute resolution, compact section 15 shall not impair any
37 rights to seek in any court of competent jurisdiction injunctive relief
38 pursuant to 25 U.S.C. § 2710(d)(7)(a)(ii), or a judgment upon an award
39 rendered by an arbitration tribunal in accordance with sections 15(c)(10)
40 and 15(c)(11). In an action brought by the tribe against the state, one
41 court of competent jurisdiction is the Arizona superior court. In an
42 action brought by the state against the tribe, one court of competent
43 jurisdiction is the United States district court for the district of
44 Arizona. Nothing in this compact is intended to prevent either party from
45 seeking relief in some other court of competent jurisdiction, or to

1 constitute an acknowledgement that the state courts have jurisdiction over
2 the tribe or the tribal courts have jurisdiction over the state."

3 (x) Section 17 of the pre-existing compact shall be replaced with
4 the following:

5 "Section 17. Amendments

6 (a) Proposed compact amendments. To continue to ensure the fair
7 and honest operation of Indian gaming, no later than one hundred eighty
8 (180) days after the effective date, the state or the tribe may propose
9 amendments to enhance the following regulatory provisions of this compact:

10 (1) The process for tribal judicial review of disputes regarding
11 the nonpayment of alleged winnings to patrons;

12 (2) Compliance with United States public health service
13 requirements regarding food and beverage handling;

14 (3) Compliance with building codes and fire safety standards in the
15 construction of new gaming facilities and significant modifications to
16 existing gaming facilities;

17 (4) The availability of adequate police, fire and emergency medical
18 services to serve each gaming facility;

19 (5) Remedies for violations of this compact, the gaming ordinance,
20 federal law, or state rules for certification holders;

21 (6) Liability insurance for gaming facilities and procedures for
22 the disposition of tort claims that arise from personal injuries or
23 property damage suffered at gaming facilities by patrons of the gaming
24 facilities;

25 (7) Standards for background investigations, licensing and
26 certification of gaming employees by the tribe or the state gaming agency,
27 or both;

28 (8) Standards for background investigations, licensing, and
29 certification by the tribe or the state gaming agency, or both, of persons
30 or entities that provide gaming goods or services on a significant basis;

31 (9) Reports and audits of revenue from gaming activities to allow
32 tracking and confirmation of such revenue;

33 (10) Minimum internal control standards, technical standards,
34 testing procedures, and inspection procedures for class III gaming devices
35 and the online electronic game management systems to which they are
36 linked;

37 (11) Minimum internal control standards, operational standards,
38 specifications, and regulations for other gaming activities permitted
39 under this compact, including rules for game play and dealing procedures
40 for blackjack and poker; and

41 (12) Surveillance requirements.

42 (b) Negotiations/mediation. Within ninety (90) days of receipt by
43 the tribe or the state of proposed amendments described in section 17(a),
44 the tribe and the state shall enter into good faith negotiations regarding
45 the proposed amendments. If good faith negotiations fail to result in a

1 mutually-agreed upon amendment to this compact regarding any of the issues
2 listed in section 17(a), the parties shall participate in good faith in a
3 mediation conducted in accordance with the provisions of section 15(b) in
4 an effort to resolve their differences. The remaining provisions of
5 section 15 shall not apply to sections 17(a) or (b). Within thirty (30)
6 days after the conclusion of a mediation, the parties shall conclude
7 negotiations and document any amendments consistent with section 17(c).

8 (c) Effect. Any amendment to this compact shall be in writing and
9 signed by both parties. The terms and conditions of this compact shall
10 remain in effect until amended, modified, or terminated."

11 (xi) Section 23 of the pre-existing compact shall be replaced with
12 the following:

13 "Section 23. Effective date and duration

14 (a) Replacement of other gaming compacts. On the effective date,
15 this compact shall replace and supersede any other tribal-state gaming
16 compact between the state and the tribe. The tribe and the state shall
17 execute an acknowledgement of the effective date.

18 (b) Duration.

19 (1) The initial term of this compact shall commence on the
20 effective date. The initial term of this compact shall be the remainder
21 of the term under section 23(b)(1) of the tribe's pre-existing compact as
22 defined in A.R.S. section 5-601.02(I)(5), if any, provided that such
23 pre-existing compact was in effect on May 1, 2002, plus ten (10) years.

24 (2) This compact shall thereafter be extended for a renewal term of
25 ten (10) years, unless the state or the tribe notifies the other in
26 writing, not less than one hundred eighty (180) days prior to the
27 expiration of the initial term, that it does not intend to renew the
28 compact because of substantial non-compliance.

29 (3) This compact shall thereafter be extended for an additional
30 renewal term of three (3) years in order to provide the parties with an
31 opportunity to negotiate new or amended compact terms, unless the state or
32 the tribe notifies the other in writing, not less than one hundred eighty
33 (180) days prior to the expiration of the renewal term, that it does not
34 intend to renew the compact because of substantial non-compliance.

35 (4) For purposes of this section 23, substantial non-compliance
36 means the willful failure or refusal to reasonably comply with the
37 material terms of a final, non-appealable court order, or a final,
38 non-appealable award of an arbitrator or arbitrators under section 15.
39 Substantial non-compliance does not include technical inadvertence or
40 non-material variations or omissions in compliance with any such award or
41 judgment. If either party contends that the other is in substantial
42 non-compliance, the party so contending shall provide immediate written
43 notice to the other, including the specific reason(s) for the contention
44 and copies of all documentation relied upon to the extent allowed by law.

1 (5) A dispute over whether the state or the tribe has engaged in
2 substantial non-compliance shall be resolved under section 15. The
3 compact shall remain in effect until the dispute has been resolved by a
4 final, non-appealable decision under section 15. In any section 15
5 proceeding to determine substantial non-compliance, the burden of proof
6 shall be on the party alleging substantial non-compliance.

7 (6) The tribe may operate class III gaming only while this compact,
8 or any extension thereof, is in effect. Prior to the end of the final
9 renewal term of this compact, the state and the tribe shall negotiate
10 under 25 U.S.C. section 2710(d)(3)(a), or other applicable federal law,
11 for a successor compact or other similar agreement."

12 Sec. 3. Title 5, Arizona Revised Statutes, is amended by adding
13 chapter 10, to read:

14 CHAPTER 10
15 SPORTS BETTING

16 ARTICLE 1. GENERAL PROVISIONS

17 5-1201. Definitions

18 IN THIS CHAPTER, UNLESS THE CONTEXT OTHERWISE REQUIRES:

19 1. "ADDITIONAL WAGERING FACILITY" HAS THE SAME MEANING PRESCRIBED
20 IN SECTION 5-101.

21 2. "DEPARTMENT" MEANS THE DEPARTMENT OF GAMING.

22 3. "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.

23 4. "SPORTS BETTING" MEANS THE PLACEMENT OF A WAGER ON THE OUTCOME
24 OF A SPORTING EVENT WHERE A WINNING OUTCOME IS BASED ON THE SCORE, POINT
25 TOTAL, POINT SPREAD OR PERFORMANCE OF A TEAM IN A TEAM SPORT OR ON THE
26 SCORE, POINT TOTAL, POINT SPREAD OR PERFORMANCE OF AN INDIVIDUAL ATHLETE
27 IN A NON-TEAM SPORT AND THE OCCURRENCE OR NONOCCURRENCE OF ANY PARTICULAR
28 EVENT WITHIN SUCH A SPORTING EVENT.

29 5-1202. Sports betting; locations; rules

30 A. THE DEPARTMENT SHALL ADOPT RULES TO ALLOW SPORTS BETTING TO BE
31 CONDUCTED AS REGULATED GAMBLING AT PARI-MUTUEL RACETRACK ENCLOSURES,
32 ADDITIONAL WAGERING FACILITIES AND CASINOS.

33 B. THE SYSTEMS FOR BETTING MAY BE BOTH MANUAL AND ELECTRONIC FORMS
34 OF BETTING. BOTH MANUAL AND ELECTRONIC FORMS OF BETTING MUST BE ON A
35 CLOSED-LOOP SYSTEM LOCATED WITHIN EITHER A PARI-MUTUEL RACETRACK
36 ENCLOSURE, ADDITIONAL WAGERING FACILITY OR CASINO.

37 C. THE RULES ADOPTED PURSUANT TO THIS SECTION SHALL INCLUDE LICENSE
38 APPLICATION PROCEDURES AND LICENSE APPROVAL, ISSUANCE, RENEWAL AND
39 REVOCATION CRITERIA. THE DIRECTOR SHALL ESTABLISH FEES FOR THE
40 APPLICATION, ISSUANCE AND RENEWAL OF SPORTS BETTING LICENSES.

41 5-1203. Department of gaming; sports betting licensing; rules

42 A. TO ENSURE HONESTY AND INTEGRITY IN THE GAMBLING ACTIVITY, THE
43 DEPARTMENT SHALL REGULATE SPORTS BETTING UNDER THIS CHAPTER IN A MANNER
44 THAT IS CONSISTENT WITH THE REGULATION OF TRIBAL GAMING PURSUANT TO
45 SECTION 5-602. AN INDIAN TRIBE MAY OPERATE SPORTS BETTING THROUGH A

1 TRIBAL GAMING OPERATOR THAT IS WHOLLY OWNED BY THE INDIAN TRIBE. THE
2 TRIBAL GAMING OPERATOR IS SUBJECT TO LICENSURE.

3 B. THE DEPARTMENT MAY ADOPT RULES TO CARRY OUT THE PURPOSES OF THIS
4 SECTION.

5 C. FOR THE PURPOSES OF LICENSURE, THE OWNER, PARTNER, SHAREHOLDERS
6 OR BENEFICIARIES OF THE TRIBAL GAMING OPERATOR DO NOT INCLUDE THE MEMBERS
7 OR GOVERNMENT OFFICIALS OF AN INDIAN TRIBE.

8 5-1204. Sports betting revenue; racing purse enhancement
9 fund; definition

10 A. FOR THE PRIVILEGE OF HOLDING A LICENSE TO OPERATE SPORTS BETTING
11 UNDER THIS ARTICLE, THE DEPARTMENT SHALL IMPOSE AND COLLECT _____ PERCENT
12 OF THE LICENSEE'S ADJUSTED GROSS SPORTS BETTING RECEIPTS FROM THE SPORTS
13 BETTING OPERATION. THE ACCRUAL METHOD OF ACCOUNTING SHALL BE USED FOR
14 PURPOSES OF CALCULATING THE AMOUNT OWED BY THE LICENSEE.

15 B. THE RACING PURSE ENHANCEMENT FUND IS ESTABLISHED CONSISTING OF
16 THIS STATE'S SHARE OF REVENUES COLLECTED PURSUANT TO SUBSECTION A OF THIS
17 SECTION FROM SPORTS BETTING CONDUCTED PURSUANT TO THIS CHAPTER. THE
18 DEPARTMENT SHALL ADMINISTER THE FUND. MONIES IN THE FUND ARE CONTINUOUSLY
19 APPROPRIATED. MONIES IN THE FUND SHALL BE ALLOCATED AS FOLLOWS:

20 1. THE DEPARTMENT SHALL DEPOSIT ___ PERCENT, PURSUANT TO SECTIONS
21 35-146 AND 35-147, IN THE STATE GENERAL FUND.

22 2. THE DEPARTMENT SHALL TRANSFER ___ PERCENT OF FUND MONIES ON A
23 MONTHLY BASIS TO A RECOGNIZED ORGANIZATION REPRESENTING HORSEMEN IN THIS
24 STATE TO BE HELD IN TRUST FOR RACING PURSES.

25 C. FOR THE PURPOSES OF THIS SECTION, "ADJUSTED GROSS SPORTS BETTING
26 RECEIPTS" MEANS RECEIPTS FROM SPORTS BETTING, LESS WINNINGS PAID TO
27 BETTORS IN THE SPORTS BETTING.

28 Sec. 4. Section 13-3301, Arizona Revised Statutes, is amended to
29 read:

30 13-3301. Definitions

31 In this chapter, unless the context otherwise requires:

32 1. "Amusement gambling" means gambling involving a device, game or
33 contest ~~which~~ THAT is played for entertainment if all of the following
34 apply:

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

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

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

41 (d) Any of the following:

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

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

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

9 (iv) Skill and not chance is clearly the predominant factor in the
10 game and the odds of winning the game based ~~upon~~ ON chance cannot be
11 altered, provided the game complies with any licensing or regulatory
12 requirements by the jurisdiction in which it is operated, no benefit for a
13 single win is given to the player or players other than a merchandise
14 prize ~~which~~ THAT has a wholesale fair market value of less than ~~ten~~
15 ~~dollars~~ \$10 or coupons ~~which~~ THAT are redeemable only at the place of play
16 and only for a merchandise prize ~~which~~ THAT has a fair market value of
17 less than ~~ten dollars~~ \$10 and, regardless of the number of wins, no
18 aggregate of coupons may be redeemed for a merchandise prize with a
19 wholesale fair market value of greater than ~~five hundred fifty dollars~~
20 \$550.

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

25 3. "Crane game" means an amusement machine ~~which~~ THAT is operated
26 by player controlled buttons, control sticks or other means, or a
27 combination of the buttons or controls, which is activated by coin
28 insertion into the machine and where the player attempts to successfully
29 retrieve prizes with a mechanical or electromechanical claw or device by
30 positioning the claw or device over a prize.

31 4. "Gambling" or "gamble" means one act of risking or giving
32 something of value for the opportunity to obtain a benefit from a game or
33 contest of chance or skill or a future contingent event but does not
34 include bona fide business transactions ~~which~~ THAT are valid under the law
35 of contracts including contracts for the purchase or sale at a future date
36 of securities or commodities, contracts of indemnity or guarantee and
37 life, health or accident insurance.

38 5. "HISTORIC RACING" MEANS A FORM OF RACING THAT ESTABLISHES
39 PARI-MUTUEL POOLS FROM WAGERS PLACED ON PREVIOUSLY CONDUCTED RACES AND
40 THAT IS CONDUCTED BY A COMMERCIAL LIVE-RACING PERMITTEE OR ADDITIONAL
41 WAGERING FACILITY.

42 ~~5.~~ 6. "Player" means a natural person who participates in
43 gambling.

1 ~~6.~~ 7. "Regulated gambling" means either:
2 (a) Gambling conducted in accordance with a tribal-state gaming
3 compact or otherwise in accordance with the requirements of the Indian
4 gaming regulatory act of 1988 (P.L. 100-497; 102 Stat. 2467; 25 United
5 States Code sections 2701 through 2721 and 18 United States Code sections
6 1166 through 1168); or
7 (b) Gambling to which all of the following apply:
8 (i) It is operated and controlled in accordance with a statute,
9 rule or order of this state or of the United States.
10 (ii) All federal, state or local taxes, fees and charges in lieu of
11 taxes have been paid by the authorized person or entity on any activity
12 arising out of or in connection with the gambling.
13 (iii) If conducted by an organization which is exempt from taxation
14 of income under section 501 of the internal revenue code, the
15 organization's records are open to public inspection.
16 (iv) ~~Beginning on June 1, 2003,~~ None of the players is under
17 twenty-one years of age.

18 ~~7.~~ 8. "Social gambling" means gambling that is not conducted as a
19 business and that involves players who compete on equal terms with each
20 other in a gamble if all of the following apply:
21 (a) No player receives, or becomes entitled to receive, any
22 benefit, directly or indirectly, other than the player's winnings from the
23 gamble.
24 (b) No other person receives or becomes entitled to receive any
25 benefit, directly or indirectly, from the gambling activity, including
26 benefits of proprietorship, management or unequal advantage or odds in a
27 series of gambles.
28 (c) ~~Until June 1, 2003, none of the players is below the age of~~
29 ~~majority. Beginning on June 1, 2003,~~ None of the players is under
30 twenty-one years of age.
31 (d) Players "compete on equal terms with each other in a gamble"
32 when no player enjoys an advantage over any other player in the gamble
33 under the conditions or rules of the game or contest.

34 9. "SPORTS BETTING" MEANS THE PLACEMENT OF A WAGER ON THE OUTCOME
35 OF A SPORTING EVENT WHERE A WINNING OUTCOME IS BASED ON THE SCORE, POINT
36 TOTAL, POINT SPREAD OR PERFORMANCE OF A TEAM IN A TEAM SPORT OR ON THE
37 SCORE, POINT TOTAL, POINT SPREAD OR PERFORMANCE OF AN INDIVIDUAL ATHLETE
38 IN A NON-TEAM SPORT AND THE OCCURRENCE OR NONOCCURRENCE OF ANY PARTICULAR
39 EVENT WITH SUCH A SPORTING EVENT.

40 Sec. 5. Section 13-3302, Arizona Revised Statutes, is amended to
41 read:

42 13-3302. Exclusions
43 A. The following conduct is not unlawful under this chapter:
44 1. Amusement gambling.
45 2. Social gambling.

1 3. Regulated gambling, INCLUDING SPORTS BETTING THAT IS CONDUCTED
2 PURSUANT TO TITLE 5, CHAPTER 10 AND HISTORIC RACING THAT IS CONDUCTED
3 PURSUANT TO SECTION 5-119, if the gambling is conducted in accordance with
4 the statutes, rules or orders governing the gambling.

5 4. Gambling that is conducted at state, county or district fairs
6 and that complies with section 13-3301, paragraph 1, subdivision (d).

7 B. An organization that has qualified for an exemption from
8 taxation of income under section 501 of the internal revenue code may
9 conduct a raffle that is subject to the following restrictions:

10 1. The nonprofit organization shall maintain this status and ~~no~~
11 member, director, officer, employee or agent of the nonprofit organization
12 may NOT receive any direct or indirect pecuniary benefit other than being
13 able to participate in the raffle on a basis equal to all other
14 participants.

15 2. The nonprofit organization has been in existence continuously in
16 this state for a five-year period immediately before conducting the
17 raffle.

18 3. ~~No~~ A person except FOR a bona fide local member of the
19 sponsoring organization may NOT participate directly or indirectly in the
20 management, sales or operation of the raffle.

21 4. Paragraph 1 or 3 of this subsection does not prohibit:

22 (a) A licensed general hospital, a licensed special hospital or a
23 foundation established to support cardiovascular medical research that is
24 exempt from taxation of income under section 501(c)(3) of the internal
25 revenue code from contracting with an outside agent who participates in
26 the management, sales or operation of the raffle if the proceeds of the
27 raffle are used to fund medical research, graduate medical education or
28 indigent care and the raffles are conducted ~~no~~ NOT more than three times
29 per calendar year. The maximum fee for an outside agent shall not exceed
30 fifteen percent of the net proceeds of the raffle.

31 (b) An entity that is exempt from taxation of income under section
32 501(c)(3) of the internal revenue code and that has at least a twenty-year
33 history of providing comprehensive services to prevent child abuse and to
34 provide services and advocacy for victims of child abuse from contracting
35 with an outside agent who participates in the management, sales or
36 operation of the raffle if the proceeds of the raffle are used to provide
37 comprehensive services to prevent child abuse and to provide services and
38 advocacy for victims of child abuse and the raffles are conducted ~~no~~ NOT
39 more than three times per calendar year. The maximum fee for an outside
40 agent shall not exceed fifteen percent of the net proceeds of the raffle.

41 C. A state, county or local historical society designated by this
42 state or a county, city or town to conduct a raffle may conduct the raffle
43 subject to the following conditions:

44 1. A member, director, officer, employee or agent of the historical
45 society may not receive any direct or indirect pecuniary benefit other

1 than being able to participate in the raffle on a basis equal to all other
2 participants.

3 2. The historical society must have been in existence continuously
4 in this state for a five-year period immediately before conducting the
5 raffle.

6 3. A person, except for a bona fide local member of the sponsoring
7 historical society, may not participate directly or indirectly in the
8 management, sales or operation of the raffle.

9 D. A nonprofit organization that is a booster club, a civic club or
10 a political club or political organization that is formally affiliated
11 with and recognized by a political party in this state may conduct a
12 raffle that is subject to the following restrictions:

13 1. A member, director, officer, employee or agent of the club or
14 organization may not receive any direct or indirect pecuniary benefit
15 other than being able to participate in the raffle on a basis equal to all
16 other participants.

17 2. A person, except for a bona fide local member of the sponsoring
18 club or organization, may not participate directly or indirectly in the
19 management, sales or operation of the raffle.

20 3. The maximum annual benefit that the club or organization
21 receives for all raffles is ~~ten thousand dollars~~ \$10,000.

22 4. The club or organization is organized and operated exclusively
23 for pleasure, recreation or other nonprofit purposes and no part of the
24 club's or organization's net earnings inures to the personal benefit of
25 any member, director, officer, employee or agent of the club or
26 organization.

27 Sec. 6. Section 13-3305, Arizona Revised Statutes, is amended to
28 read:

29 13-3305. Betting and wagering; classification

30 A. Subject to the exceptions ~~contained~~ PRESCRIBED in ~~section~~
31 SECTIONS 5-112 AND 5-119 AND TITLE 5, CHAPTER 10, no person may engage for
32 a fee, property, salary or reward in the business of accepting, recording
33 or registering any bet, purported bet, wager or purported wager or engage
34 for a fee, property, salary or reward in the business of selling wagering
35 pools or purported wagering pools with respect to the result or purported
36 result of any race, sporting event, contest or other game of skill or
37 chance or any other unknown or contingent future event or occurrence
38 whatsoever.

39 B. SUBJECT TO THE EXCEPTIONS PRESCRIBED IN SECTIONS 5-112 AND 5-119
40 AND TITLE 5, CHAPTER 10, a person shall not directly or indirectly
41 knowingly accept for a fee, property, salary or reward anything of value
42 from another to be transmitted or delivered for wagering or betting on the
43 results of a race, sporting event, contest or other game of skill or
44 chance or any other unknown or contingent future event or occurrence
45 whatsoever conducted within or without this state or anything of value as

1 reimbursement for the prior making of such a wager or bet on behalf of
2 another person.

3 C. A person who violates this section is guilty of a class 1
4 misdemeanor.

5 Sec. 7. Section 42-5073, Arizona Revised Statutes, is amended to
6 read:

7 42-5073. Amusement classification

8 A. The amusement classification is comprised of the business of
9 operating or conducting theaters, movies, operas, shows of any type or
10 nature, exhibitions, concerts, carnivals, circuses, amusement parks,
11 menageries, fairs, races, contests, games, **SPORTS BETTING THAT IS**
12 **CONDUCTED OUTSIDE A RACETRACK ENCLOSURE, ADDITIONAL WAGERING FACILITY OR**
13 **TRIBAL CASINO**, billiard or pool parlors, bowling alleys, public dances,
14 dance halls, boxing and wrestling matches, skating rinks, tennis courts,
15 except as provided in subsection B of this section, video games, pinball
16 machines or sports events or any other business charging admission or user
17 fees for exhibition, amusement or entertainment, including the operation
18 or sponsorship of events by a tourism and sports authority under title 5,
19 chapter 8. For the purposes of this section, admission or user fees
20 include, ~~but are not limited to,~~ any revenues derived from any form of
21 contractual agreement for rights to or use of premium or special seating
22 facilities or arrangements. The amusement classification does not
23 include:

24 1. Activities or projects of bona fide religious or educational
25 institutions.

26 2. Private or group instructional activities. For the purposes of
27 this paragraph, "private or group instructional activities" includes, ~~but~~
28 ~~is not limited to,~~ performing arts, martial arts, gymnastics and aerobic
29 instruction.

30 3. The operation or sponsorship of events by the Arizona exposition
31 and state fair board or county fair commissions.

32 4. A musical, dramatic or dance group or a botanical garden, museum
33 or zoo that is qualified as a nonprofit charitable organization under
34 section 501(c)(3) of the United States internal revenue code if no part of
35 its net income inures to the benefit of any private shareholder or
36 individual.

37 5. Exhibition events in this state sponsored, conducted or operated
38 by a nonprofit organization that is exempt from taxation under section
39 501(c)(3), 501(c)(4) or 501(c)(6) of the internal revenue code if the
40 organization is associated with major league baseball teams or a national
41 touring professional golfing association and no part of the organization's
42 net earnings inures to the benefit of any private shareholder or
43 individual. This paragraph does not apply to an organization that is
44 owned, managed or controlled, in whole or in part, by a major league
45 baseball team, or its owners, officers, employees or agents, or by a major

1 league baseball association or professional golfing association, or its
2 owners, officers, employees or agents, unless the organization conducted
3 or operated exhibition events in this state before January 1, 2018 that
4 were exempt from taxation under this section.

5 6. Operating or sponsoring rodeos that feature primarily farm and
6 ranch animals in this state and that are sponsored, conducted or operated
7 by a nonprofit organization that is exempt from taxation under section
8 501(c)(3), 501(c)(4), 501(c)(6), 501(c)(7) or 501(c)(8) of the internal
9 revenue code if no part of the organization's net earnings inures to the
10 benefit of any private shareholder or individual.

11 7. Sales of admissions to intercollegiate football contests if the
12 contests are both:

13 (a) Operated by a nonprofit organization that is exempt from
14 taxation under section 501(c)(3) of the internal revenue code and no part
15 of the organization's net earnings inures to the benefit of any private
16 shareholder or individual.

17 (b) Not held in a multipurpose facility that is owned or operated
18 by the tourism and sports authority pursuant to title 5, chapter 8.

19 8. Activities and events of, or fees and assessments received by, a
20 homeowners organization from persons who are members of the organization
21 or accompanied guests of members. For the purposes of this paragraph,
22 "homeowners organization" means a mandatory membership organization
23 comprised of owners of residential property within a specified residential
24 real estate subdivision development or similar area and established to own
25 property for the benefit of its members where both of the following apply:

26 (a) No part of the organization's net earnings inures to the
27 benefit of any private shareholder or individual.

28 (b) The primary purpose of the organization is to provide for the
29 acquisition, construction, management, maintenance or care of organization
30 property.

31 9. Activities and events of, or fees received by, a nonprofit
32 organization that is exempt from taxation under section 501(c)(6) of the
33 internal revenue code if the organization produces, organizes or promotes
34 cultural or civic related festivals or events and no part of the
35 organization's net earnings inures to the benefit of any private
36 shareholder or individual.

37 10. Arranging an amusement activity as a service to a person's
38 customers if that person is not otherwise engaged in the business of
39 operating or conducting an amusement personally or through others. This
40 exception does not apply to businesses that operate or conduct amusements
41 pursuant to customer orders and send the billings and receive the payments
42 associated with that activity, including when the amusement is performed
43 by third-party independent contractors. For the purposes of this
44 paragraph, "arranging" includes billing for or collecting amusement

1 charges from a person's customers on behalf of the persons providing the
2 amusement.

3 B. The tax base for the amusement classification is the gross
4 proceeds of sales or gross income derived from the business, except that
5 the following shall be deducted from the tax base:

6 1. The gross proceeds of sales or gross income derived from
7 memberships, including initiation fees, that provide for the right to use
8 a health or fitness establishment or a private recreational establishment,
9 or any portion of an establishment, including tennis and other racquet
10 courts at that establishment, for participatory purposes for twenty-eight
11 days or more and fees charged for use of the health or fitness
12 establishment or private recreational establishment by bona fide
13 accompanied guests of members, except that this paragraph does not include
14 additional fees, other than initiation fees, charged by a health or
15 fitness establishment or a private recreational establishment for purposes
16 other than memberships that provide for the right to use a health or
17 fitness establishment or private recreational establishment, or any
18 portion of an establishment, for participatory purposes for twenty-eight
19 days or more and accompanied guest use fees.

20 2. Amounts that are exempt under section 5-111, subsection G.

21 3. The gross proceeds of sales or gross income derived from
22 membership fees, including initiation fees, that provide for the right to
23 use a transient lodging recreational establishment, including golf courses
24 and tennis and other racquet courts at that establishment, for
25 participatory purposes for twenty-eight days or more, except that this
26 paragraph does not include additional fees, other than initiation fees,
27 that are charged by a transient lodging recreational establishment for
28 purposes other than memberships and that provide for the right to use a
29 transient lodging recreational establishment or any portion of the
30 establishment for participatory purposes for twenty-eight days or more.

31 4. The gross proceeds of sales or gross income derived from sales
32 to persons engaged in the business of transient lodging classified under
33 section 42-5070, if all of the following apply:

34 (a) The persons who are engaged in the transient lodging business
35 sell the amusement to another person for consideration.

36 (b) The consideration received by the transient lodging business is
37 equal to or greater than the amount to be deducted under this subsection.

38 (c) The transient lodging business has provided an exemption
39 certificate to the person engaging in business under this section.

40 5. The gross proceeds of sales or gross income derived from:

41 (a) Business activity that is properly included in any other
42 business classification under this article and that is taxable to the
43 person engaged in that classification, but the gross proceeds of sales or
44 gross income to be deducted shall not exceed the consideration paid to the
45 person conducting the activity.

1 (b) Business activity that is arranged by the person who is subject
2 to tax under this section and that is not taxable to the person conducting
3 the activity due to an exclusion, exemption or deduction under this
4 section or section 42-5062, but the gross proceeds of sales or gross
5 income to be deducted shall not exceed the consideration paid to the
6 person conducting the activity.

7 (c) Business activity that is arranged by a person who is subject
8 to tax under this section and that is taxable to another person under this
9 section who conducts the activity, but the gross proceeds of sales or
10 gross income to be deducted shall not exceed the consideration paid to the
11 person conducting the activity.

12 6. The gross proceeds of sales or gross income derived from entry
13 fees paid by participants for events that either:

14 (a) Until March 1, 2017, consist of a run, walk, swim or bicycle
15 ride or a similar event, or any combination of these events.

16 (b) Are operated or conducted by nonprofit organizations that are
17 exempt from taxation under section 501(c)(3) of the internal revenue code
18 and of which no part of the organization's net earnings inures to the
19 benefit of any private shareholder or individual, if the event consists of
20 a run, walk, swim or bicycle ride or a similar event, or any combination
21 of these events.

22 7. ALL OF THE AMOUNTS RECEIVED BY AN INDIAN TRIBE FROM THE GROSS
23 AMOUNT OF MONIES RECEIVED FOR THE CONDUCT OF SPORTS BETTING, AND ALL
24 AMOUNTS HELD BY AN INDIAN TRIBE FOR PAYMENT OF WINNINGS TO SPORTS BETTING
25 PATRONS, WHICH ARE EXEMPT FROM THIS CHAPTER. AMOUNTS SUBJECT TO THIS
26 CHAPTER OR AMOUNTS THAT ARE SUBJECT TO ANY MUNICIPAL TAX CODE, OR BOTH,
27 SHALL NOT RESULT IN A COMBINED STATE, COUNTY AND CITY TAX LIABILITY THAT
28 EXCEEDS SIX AND SEVENTY-FIVE ONE HUNDREDTHS PERCENT OF ADJUSTED GROSS
29 RECEIPTS. THE TRIBAL GAMING OPERATOR SHALL PAY AND BE RESPONSIBLE FOR
30 PAYMENTS OF THE TRIBAL GAMING OPERATOR'S TAX LIABILITY UNDER THIS
31 PARAGRAPH. FOR THE PURPOSES OF THIS PARAGRAPH, THE OWNER, PARTNER,
32 SHAREHOLDERS OR BENEFICIARIES OF THE TRIBAL GAMING OPERATOR DO NOT INCLUDE
33 THE MEMBERS OR GOVERNMENT OFFICIALS OF AN INDIAN TRIBE. FOR THE PURPOSES
34 OF THIS PARAGRAPH, FOR A BUSINESS THAT IS OPERATING SPORTS BETTING
35 PURSUANT TO TITLE 5, CHAPTER 10, "GROSS INCOME" AND "GROSS PROCEEDS OF
36 SALES" MEANS THE RECEIPTS REMAINING AFTER DEDUCTING THE MONIES PAID FOR
37 WINNINGS FROM GROSS RECEIPTS.

38 C. For the purposes of subsection B of this section:

39 1. "Health or fitness establishment" means a facility whose primary
40 purpose is to provide facilities, equipment, instruction or education to
41 promote the health and fitness of its members and at least eighty percent
42 of the monthly gross revenue of the facility is received through accounts
43 of memberships and accompanied guest use fees that provide for the right
44 to use the facility, or any portion of the facility, under the terms of

1 the membership agreement for participatory purposes for twenty-eight days
2 or more.

3 2. "Private recreational establishment" means a facility whose
4 primary purpose is to provide recreational facilities, such as tennis,
5 golf and swimming, for its members and where at least eighty percent of
6 the monthly gross revenue of the facility is received through accounts of
7 memberships and accompanied guest use fees that provide for the right to
8 use the facility, or any portion of the facility, for participatory
9 purposes for twenty-eight days or more.

10 3. "Transient lodging recreational establishment" means a facility
11 whose primary purpose is to provide facilities for transient lodging, that
12 is subject to taxation under this chapter and that also provides
13 recreational facilities, such as tennis, golf and swimming, for members
14 for a period of twenty-eight days or more.

15 D. Until December 31, 1988, the revenues from hayrides and other
16 animal-drawn amusement rides, from horseback riding and riding instruction
17 and from recreational tours using motor vehicles designed to operate on
18 and off public highways are exempt from the tax imposed by this section.
19 Beginning January 1, 1989, the gross proceeds or gross income from
20 hayrides and other animal-drawn amusement rides, from horseback riding and
21 from recreational tours using motor vehicles designed to operate on and
22 off public highways are subject to taxation under this section. Tax
23 liabilities, penalties and interest paid for taxable periods before
24 January 1, 1989 shall not be refunded unless the taxpayer requesting the
25 refund provides proof satisfactory to the department that the taxes will
26 be returned to the customer.

27 E. If a person is engaged in the business of offering both
28 exhibition, amusement or entertainment and private or group instructional
29 activities, the person's books shall be kept to show separately the gross
30 income from exhibition, amusement or entertainment and the gross income
31 from instructional activities. If the books do not provide this separate
32 accounting, the tax is imposed on the person's total gross income from the
33 business.

34 F. The department shall separately account for revenues collected
35 under the amusement classification for the purposes of section 42-5029,
36 subsection D, paragraph 4, subdivision (b).

37 G. For the purposes of section 42-5032.01, the department shall
38 separately account for revenues collected under the amusement
39 classification from sales of admissions to:

40 1. Events that are held in a multipurpose facility that is owned or
41 operated by the tourism and sports authority pursuant to title 5, chapter
42 8, including intercollegiate football contests that are operated by a
43 nonprofit organization that is exempt from taxation under section
44 501(c)(3) of the internal revenue code.

1 2. Professional football contests that are held in a stadium
2 located on the campus of an institution under the jurisdiction of the
3 Arizona board of regents.

4 Sec. 8. Exemption from rulemaking

5 For the purposes of this act, the department of gaming is exempt
6 from the rulemaking requirements of title 41, chapter 6, Arizona Revised
7 Statutes, for one year after the effective date of this act.

8 Sec. 9. Requirements for enactment; three-fourths vote

9 Pursuant to article IV, part 1, section 1, Constitution of Arizona,
10 section 5-601.02, Arizona Revised Statutes, as amended by this act, is
11 effective only on the affirmative vote of at least three-fourths of the
12 members of each house of the legislature.