

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

State of Arizona
Senate
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SB 1438

Introduced by

Senators Borrelli: Allen S, Carter, Gowan, Kerr, Livingston, Mesnard,
Pace, Ugenti-Rita; Representatives Biasiucci, Blackman, Bolick, Campbell,
Carroll, Cobb, Finchem, Hernandez A, Hernandez D, Lieberman, Nutt, Payne,
Pierce, Rivero, Roberts, Thorpe, Toma, Weninger

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 13-3301. Definitions

5 In this chapter, unless the context otherwise requires:

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

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

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

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

15 (d) Any of the following:

16 (i) ~~No~~ A benefit is NOT given to the player or players other than
17 an immediate and unrecorded right to replay ~~which~~ THAT is not exchangeable
18 for value.

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

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

27 (iv) Skill and not chance is clearly the predominant factor in the
28 game and the odds of winning the game based ~~upon~~ ON chance cannot be
29 altered, provided the game complies with any licensing or regulatory
30 requirements by the jurisdiction in which it is operated, ~~no~~ A benefit for
31 a single win is NOT given to the player or players other than a
32 merchandise prize ~~which~~ THAT has a wholesale fair market value of less
33 than ~~ten dollars~~ \$10 or coupons ~~which~~ THAT are redeemable only at the
34 place of play and only for a merchandise prize ~~which~~ THAT has a fair
35 market value of less than ~~ten dollars~~ \$10 and, regardless of the number of
36 wins, ~~no~~ AN aggregate of coupons may NOT be redeemed for a merchandise
37 prize with a wholesale fair market value of greater than ~~five hundred~~
38 ~~fifty dollars~~ \$550.

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

43 3. "Crane game" means an amusement machine ~~which~~ THAT is operated
44 by player controlled buttons, control sticks or other means, or a
45 combination of the buttons or controls, ~~which~~ THAT is activated by coin

1 insertion into the machine and where the player attempts to successfully
2 retrieve prizes with a mechanical or electromechanical claw or device by
3 positioning the claw or device over a prize.

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

9 (a) ALL PRIZES AND AWARDS OFFERED TO WINNING PARTICIPANTS ARE
10 ESTABLISHED AND MADE KNOWN TO THE PARTICIPANTS IN ADVANCE OF THE GAME OR
11 CONTEST AND THE VALUE OF THE PRIZES AND AWARDS IS NOT DETERMINED BY THE
12 NUMBER OF PARTICIPANTS OR THE AMOUNT OF ANY FEES PAID BY THOSE
13 PARTICIPANTS.

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

18 (c) A WINNING OUTCOME IS NOT BASED:

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

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

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

30 ~~5.~~ 6. "Player" means a natural person who participates in
31 gambling.

32 ~~6.~~ 7. "Regulated gambling" means either:

33 (a) Gambling conducted in accordance with a tribal-state gaming
34 compact or otherwise in accordance with the requirements of the Indian
35 gaming regulatory act of 1988 (P.L. 100-497; 102 Stat. 2467; 25 United
36 States Code sections 2701 through 2721 and 18 United States Code sections
37 1166 through 1168); or

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

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

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

1 (iii) If conducted by an organization ~~which~~ THAT is exempt from
2 taxation of income under section 501 of the internal revenue code, the
3 organization's records are open to public inspection.

4 (iv) ~~Beginning on June 1, 2003,~~ None of the players is under
5 twenty-one years of age.

6 ~~7.~~ 8. "Social gambling" means gambling that is not conducted as a
7 business and that involves players who compete on equal terms with each
8 other in a gamble if all of the following apply:

9 (a) No player receives, or becomes entitled to receive, any
10 benefit, directly or indirectly, other than the player's winnings from the
11 gamble.

12 (b) No other person receives or becomes entitled to receive any
13 benefit, directly or indirectly, from the gambling activity, including
14 benefits of proprietorship, management or unequal advantage or odds in a
15 series of gambles.

16 (c) ~~Until June 1, 2003, none of the players is below the age of~~
17 ~~majority. Beginning on June 1, 2003,~~ None of the players is under
18 twenty-one years of age.

19 (d) Players "compete on equal terms with each other in a gamble"
20 when no player enjoys an advantage over any other player in the gamble
21 under the conditions or rules of the game or contest.