State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

CHAPTER 4

SENATE BILL 1066

AN ACT

AMENDING SECTION 13-3302, ARIZONA REVISED STATUTES; RELATING TO GAMBLING.

(TEXT OF BILL BEGINS ON NEXT PAGE)
Be it enacted by the Legislature of the State of Arizona:

Section 1. The following conduct is not unlawful under this chapter:

1. Amusement gambling.
2. Social gambling.
3. Regulated gambling if the gambling is conducted in accordance with the statutes, rules or orders governing the gambling.
4. Gambling that is conducted at state, county or district fairs and that complies with section 13-3301, paragraph 1, subdivision (d).

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

1. The nonprofit organization shall maintain this status and no member, director, officer, employee or agent of the nonprofit organization may receive any direct or indirect pecuniary benefit other than being able to participate in the raffle on a basis equal to all other participants.
2. The nonprofit organization has been in existence continuously in this state for a five-year period immediately before conducting the raffle.
3. No person except a bona fide local member of the sponsoring organization may participate directly or indirectly in the management, sales or operation of the raffle.
4. Paragraph 1 or 3 of this subsection does not prohibit:
   a) A licensed general hospital, a licensed special hospital or a foundation established to support cardiovascular medical research that is exempt from taxation of income under section 501(c)(3) of the internal revenue code from contracting with an outside agent who participates in the management, sales or operation of the raffle if the proceeds of the raffle are used to fund medical research, graduate medical education or indigent care and the raffles are conducted no more than three times per calendar year. The maximum fee for an outside agent shall not exceed fifteen percent of the net proceeds of the raffle.
   b) An entity that is exempt from taxation of income under section 501(c)(3) of the internal revenue code and that has at least a twenty-year history of providing comprehensive services to prevent child abuse and to provide services and advocacy for victims of child abuse from contracting with an outside agent who participates in the management, sales or operation of the raffle if the proceeds of the raffle are used to provide comprehensive services to prevent child abuse and to provide services and advocacy for victims of child abuse and the raffles are conducted no more than three times per calendar year. The maximum fee for an outside agent shall not exceed fifteen percent of the net proceeds of the raffle.
C. A state, county or local historical society designated by this state or a county, city or town to conduct a raffle may conduct the raffle subject to the following conditions:

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

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

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

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

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

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

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

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