CHAPTER 306

HOUSE BILL 2855

AN ACT

AMENDING SECTIONS 5-1211 AND 5-1212, ARIZONA REVISED STATUTES; REPEALING SECTION 5-1318, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2021, CHAPTER 405, SECTION 3; AMENDING SECTION 5-1318, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 2021, CHAPTER 234, SECTION 4; RELATING TO AMUSEMENTS.

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

Section 1. Section 5-1211, Arizona Revised Statutes, is amended to read:

5-1211. Fees; penalty

A. The department shall establish a fee for the privilege of operating fantasy sports contests. In determining the fee, the department shall consider the highest percentage of revenue share that an Indian tribe pays to this state pursuant to the tribal-state gaming compacts and any amendments. THE FEE MAY NOT EXCEED TEN PERCENT OF THE FANTASY SPORTS CONTEST OPERATOR'S ADJUSTED REVENUES. A fantasy sports contest operator shall report to the department and pay the fee from its monthly fantasy sports contest adjusted revenues, on a form and in the manner prescribed by the department. This subsection does not apply to an individual who offers a fantasy sports contest under section 5-1202, subsection B.

B. The fee established pursuant to subsection A of this section is due and payable to the department by the twenty-fifth day of each month and shall be based on monthly fantasy sports contest adjusted revenue derived during the previous month.

C. The department shall deposit, pursuant to sections 35-146 and 35-147, the fees collected pursuant to this section in the fantasy sports contest fund established by section 5-1212.

D. A licensed fantasy sports contest operator who fails to remit to the department the fees required under this section is liable, in addition to any sanction or penalty imposed under this chapter, for the payment of a penalty of five percent per month up to a maximum of twenty-five percent of the amounts ultimately found to be due, to be recovered by the department. Penalties imposed and collected by the department under this subsection must be deposited in the fantasy sports contest fund established by section 5-1212.

Sec. 2. Section 5-1212, Arizona Revised Statutes, is amended to read:

5-1212. Fantasy sports contest fund

A. The fantasy sports contest fund is established consisting of monies deposited pursuant to section 5-1211 or from any other source. The department shall administer the fund. Monies in the fund are subject to legislative appropriation.

B. On notice from the department, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

C. The department may spend not more than ten percent of monies on the department's annual costs of regulating and enforcing this chapter unless otherwise provided by the legislature. The department AT THE END OF EACH FISCAL YEAR, ANY REVENUES COLLECTED IN EXCESS OF THE AMOUNT APPROPRIATED FROM THE FUND shall transfer any remaining monies in the fund BE TRANSFERRED to the state general fund.
Section 3. Repeal

Section 5-1318, Arizona Revised Statutes, as amended by Laws 2021, chapter 405, section 3, is repealed.

Section 4. Section 5-1318, Arizona Revised Statutes, as added by Laws 2021, chapter 234, section 4, is amended to read:

5-1318. Fees; event wagering fund

A. The department shall establish a fee for the privilege of operating event wagering. In determining the fee, the department shall consider the highest percentage of revenue share that an Indian tribe pays to this state pursuant to the tribal-state gaming compact. THE FEE MAY NOT EXCEED TEN PERCENT OF THE EVENT WAGERING OPERATOR'S ADJUSTED GROSS EVENT WAGERING RECEIPTS. The event wagering operator or designee has the option to choose either the cash accrual or modified accrual basis method of accounting for purposes of calculating the amount of the fee owed by the event wagering operator or designee. The fees required pursuant to this section are due and payable to the department not later than the twenty-fifth day of the month following the calendar month in which the adjusted gross event wagering receipts were received and the obligation was accrued.

B. The event wagering fund is established consisting of monies deposited pursuant to this chapter or from any other source. The department shall administer the fund. Except as otherwise provided in this chapter, the department shall deposit, pursuant to sections 35-146 and 35-147, all monies collected under this chapter in the event wagering fund. On OR BEFORE the twenty-fifth of each month, any NINETY PERCENT OF THE monies remaining DEPOSITED in the event wagering fund FROM THE PREVIOUS MONTH shall be transferred to the state general fund. On notice from the department, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

C. Unless otherwise determined by the legislature, the department may spend not more than ten percent of monies on the department's annual costs of regulating and enforcing this chapter, and any remaining monies in the fund revert to the state general fund.

Section 5. Department of gaming regulatory assessment; pari-mutuel pool

Notwithstanding any other law, in fiscal year 2022-2023, the department of gaming shall establish and collect a regulatory assessment from each commercial racing permittee, payable from amounts deducted from pari-mutuel pools by the permittee, in addition to the amounts the permittee is authorized to deduct pursuant to section 5-111, subsection B, Arizona Revised Statutes, from amounts wagered on live and simulcast races from in-state and out-of-state wagering handled by the permittee, in the amount of 0.5 percent of the amounts wagered.
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APPROVED BY THE GOVERNOR JUNE 28, 2022.