

## HOUSE FLOOR AMENDMENT EXPLANATION



Bill Number: **HB 2772**

Weninger Sub Floor Amendment

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1. Includes the Commerce Committee amendment, with revisions:
    - a. Replaces the Arizona Supreme Court with the Administrative Office of the Courts as an entity who identifies a person as owing an obligation.
    - b. Revises the manner in which the Department of Gaming sets the fee for the privilege of operating fantasy sports contests and operating event wagering by requiring the Department to consider the highest percentage of revenue share that an Indian tribe pays to this state pursuant to a gaming compact.
  2. Modifies the definition of *event wagering operator*.
  3. Instructs the Department of Gaming to provide an event wagering facility operator information of persons with outstanding obligations.
  4. Makes further clarifying changes.

Amendment explanation prepared by Paul Benny

Phone Number 4587

Is

2/22/2021

WENINGER SUBSTITUTE FLOOR AMENDMENT  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2772

I move the following SUBSTITUTE amendment to the COMMERCE Committee Amendment to HOUSE BILL 2772 (Reference to printed bill)

- 1 Page 6, line 19, after "DIRECTOR" insert "OF THE DEPARTMENT OF GAMING"
- 2 Line 36, after "SHALL" insert "ISSUE A"
- 3 Page 7, line 14, after the second quotation mark insert ":
- 4 (a)"
- 5 Between lines 20 and 21, insert:
- 6 "(b) INCLUDES EVENTS INVOLVING MOTOR VEHICLES."
- 7 Line 25, after the second "CONTEST" insert "THAT IS"
- 8 Line 26, after "FEE" insert "AND"
- 9 Lines 37, 40 and 41, after "ATHLETES" insert "OR PARTICIPANTS"
- 10 Page 8, line 9, after "MACHINE" insert a period strike remainder of line
- 11 Strike line 10
- 12 Line 20, strike "SPORTS" insert "A SPORT"; strike "CONSTITUTE" insert
- 13 "CONSTITUTES"
- 14 Line 33, strike "OR "PLATFORM""
- 15 Page 10, line 4, strike "FANTASY-CONTEST-RELATED" insert "FANTASY
- 16 CONTEST-RELATED"
- 17 Page 11, line 11, after the first comma insert "ON REQUEST,"
- 18 Page 12, line 22, strike "IF IT IS DETERMINED" insert "WHO IS IDENTIFIED"
- 19 Line 23, strike "THAT" insert "IF"
- 20 Page 13, line 2, strike the first and second commas

1 Page 17, strike lines 21 through 43, insert:

2 "E. IF A FANTASY SPORTS CONTEST OPERATOR IS REQUIRED TO FILE A FORM  
3 1099-MISC OR OTHER SUBSTANTIALLY EQUIVALENT FORM WITH THE UNITED STATES  
4 INTERNAL REVENUE SERVICE FOR A PERSON WHO IS IDENTIFIED BY THE  
5 ADMINISTRATIVE OFFICE OF THE COURTS, THE DEPARTMENT OF ECONOMIC SECURITY  
6 DIVISION OF CHILD SUPPORT ENFORCEMENT, THE DEPARTMENT OF ECONOMIC SECURITY  
7 SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM AND ASSISTANCE OVERPAYMENT OR THE  
8 ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION AS OWING AN  
9 OBLIGATION, THE FANTASY SPORTS CONTEST OPERATOR SHALL WITHHOLD FROM THE  
10 PERSON'S ACCOUNT THE AMOUNT OF OBLIGATIONS OWED AT THE TIME THE FORM  
11 1099-MISC OR A SUBSTANTIALLY EQUIVALENT FORM IS ISSUED, IF THE FANTASY  
12 SPORTS OPERATOR HAS BEEN NOTIFIED BY THIS STATE OF THE OBLIGATION. AT THAT  
13 TIME, THE FANTASY SPORTS CONTEST OPERATOR SHALL TRANSMIT THE AMOUNT  
14 WITHHELD FOR OBLIGATIONS TO THE DEPARTMENT OF GAMING AND SHALL ALSO  
15 TRANSMIT ANY INFORMATION REQUESTED BY THE DEPARTMENT OF GAMING. THE  
16 DEPARTMENT OF GAMING SHALL PROVIDE INFORMATION TO THE FANTASY SPORTS  
17 CONTEST OPERATOR OF PERSONS WITH OUTSTANDING OBLIGATIONS. IF THE  
18 IDENTIFIED PERSON IS ALSO SELF-EXCLUDED, TAX LIABILITIES AND SETOFF  
19 OBLIGATIONS SHALL BE SATISFIED BEFORE ANY MONIES ARE DONATED TO THE  
20 DEPARTMENT OF GAMING DIVISION OF PROBLEM GAMBLING PURSUANT TO SECTION  
21 5-1206. IF THE IDENTIFIED PERSON HAS MULTIPLE LIABILITIES, THOSE  
22 LIABILITIES SHALL BE SATISFIED IN THE FOLLOWING ORDER:

- 23 1. CHILD SUPPORT ENFORCEMENT.
- 24 2. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM AND ASSISTANCE  
25 OVERPAYMENT.
- 26 3. THE COURTS.
- 27 4. THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION."

28 Page 18, line 38, strike "OF"

29 Line 39, strike "OF," insert "OR"; after the second "OF" insert "AN"; after  
30 "FOR" insert "A LICENSE"

1 Page 20, line 19, strike "THAT IS NOT LESS THAN" insert ". IN DETERMINING THE  
2 FEE, THE DEPARTMENT SHALL CONSIDER"

3 Line 22, after "PAY" insert "THE FEE"

4 Page 21, line 7, after "CHAPTER" insert "UNLESS OTHERWISE PROVIDED BY THE  
5 LEGISLATURE"

6 Line 12, after "AND" insert "EACH INDIAN TRIBE WITH A GAMING FACILITY"

7 Strike lines 26 through 31, insert:

8 "1. "ADJUSTED GROSS EVENT WAGERING RECEIPTS" MEANS AN EVENT WAGERING  
9 OPERATOR'S GROSS WAGERING RECEIPTS, EXCLUDING VOIDED BETS, MINUS WINNINGS  
10 PAID TO AUTHORIZED PARTICIPANTS AND ANY FEDERAL EXCISE TAX. A DEDUCTION  
11 FROM ADJUSTED GROSS EVENT WAGERING RECEIPTS EQUAL TO THE VALUE OF FREE BETS  
12 OR PROMOTIONAL CREDITS REDEEMED BY AUTHORIZED PARTICIPANTS MAY BE TAKEN AS  
13 PROVIDED IN THIS PARAGRAPH. THE DEDUCTION UNDER THIS PARAGRAPH FOR FREE  
14 BETS OR PROMOTIONAL CREDITS IS LIMITED TO THE FIRST FIVE YEARS FOLLOWING  
15 THE EFFECTIVE DATE OF THIS SECTION AS FOLLOWS:

16 (a) FOR YEARS ONE AND TWO, A DEDUCTION NOT TO EXCEED TWENTY PERCENT  
17 OF AN EVENT WAGERING OPERATOR'S GROSS WAGERING RECEIPTS.

18 (b) FOR YEAR THREE, A DEDUCTION NOT TO EXCEED FIFTEEN PERCENT OF AN  
19 EVENT WAGERING OPERATOR'S GROSS WAGERING RECEIPTS.

20 (c) FOR YEARS FOUR AND FIVE, A DEDUCTION NOT TO EXCEED TEN PERCENT  
21 OF AN EVENT WAGERING OPERATOR'S GROSS WAGERING RECEIPTS.

22 (d) FOR YEAR SIX AND EACH YEAR THEREAFTER, A DEDUCTION OF FREE BETS  
23 IS NOT ALLOWED. JANUARY 1 FOLLOWING THE YEAR IN WHICH THE EVENT WAGERING  
24 OPERATOR BEGINS EVENT WAGERING OPERATIONS IS CONSIDERED THE FIRST YEAR OF  
25 EVENT WAGERING FOR THE PURPOSES OF THIS PARAGRAPH. AN EVENT WAGERING  
26 OPERATOR MAY DEDUCT UP TO TWENTY PERCENT OF AN EVENT WAGERING OPERATOR'S  
27 GROSS WAGERING RECEIPTS DURING ANY PERIOD THAT THE OPERATOR CONDUCTS EVENT  
28 WAGERING BEFORE JANUARY 1 OF THE FIRST YEAR OF EVENT WAGERING OPERATIONS."

1 Page 22, line 3, strike "OPERATION,"

2 Line 7, after "MEANS" insert "EITHER:

3 (a)"

4 Line 10, strike "PROFESSIONAL SPORTS EVENT BASED" insert "NATIONAL ASSOCIATION  
5 FOR STOCK CAR AUTO RACING NATIONAL TOURING RACE"

6 Line 11, strike "PROMOTER'S"; after "DESIGNEE" insert "OF SUCH AN OWNER,  
7 OPERATOR OR PROMOTER"

8 Line 12, after the period insert "IF AN OWNER, OPERATOR OR PROMOTER THAT  
9 QUALIFIED FOR AN EVENT WAGERING OPERATOR LICENSE APPOINTS A DESIGNEE, THE  
10 DESIGNEE WILL BE CONSIDERED THE EVENT WAGERING OPERATOR AND THE LICENSEE  
11 WITH RESPECT TO THE APPLICABLE LICENSE FOR THE PURPOSES OF THIS CHAPTER."

12 Between lines 12 and 13, insert:

13 "(b) AN ARIZONA INDIAN TRIBE OR AN ENTITY FULLY OWNED BY AN ARIZONA  
14 INDIAN TRIBE, OR ITS DESIGNEE, LICENSED TO OPERATE ONLY MOBILE EVENT  
15 WAGERING OUTSIDE THE BOUNDARIES OF ITS INDIAN LANDS AND THROUGHOUT THIS  
16 STATE IF IT HAS SIGNED THE MOST RECENT TRIBAL-STATE GAMING COMPACT AND ANY  
17 APPLICABLE APPENDICES OR AMENDMENTS. IF AN INDIAN TRIBE THAT QUALIFIED FOR  
18 AN EVENT WAGERING OPERATOR LICENSE APPOINTS A DESIGNEE, THE DESIGNEE WILL  
19 BE CONSIDERED THE EVENT WAGERING OPERATOR AND THE LICENSEE WITH RESPECT TO  
20 THE APPLICABLE LICENSE FOR THE PURPOSES OF THIS CHAPTER."

21 Line 33, strike "AN EVENT OR" insert "A"; after "SKILL" insert "OR AN EVENT"

22 Page 23, line 27, strike the first "PGA"; strike "OR" insert "AND"

23 Line 30, after "ORGANIZATION" insert "HEADQUARTERED IN THE UNITED STATES"

24 Page 24, line 36, strike "CONTRACTING" insert "REQUIREMENTS"

25 Page 25, line 4, strike "ANY WINNING PRIZE" insert "A PAYOUT OF WINNINGS THAT  
26 TRIGGERS THE LICENSEE'S OBLIGATION TO FILE A FORM W-2G OR A SUBSTANTIALLY  
27 EQUIVALENT FORM WITH THE UNITED STATES INTERNAL REVENUE SERVICE"

28 Line 10, strike ", ITS"

29 Line 11, strike "DESIGNEE"

- 1 Page 26, line 7, strike "EVENT WAGERING PLATFORM" insert "MANAGEMENT SERVICES"  
2 Line 11, strike "EVENT WAGERING"  
3 Line 12, strike the first "PLATFORM" insert "MANAGEMENT SERVICES PROVIDER";  
4 strike "AN" insert "THE"  
5 Between lines 14 and 15, insert:  
6 "H. AN OWNER, OPERATOR, PROMOTER OR INDIAN TRIBE THAT QUALIFIES FOR  
7 AN EVENT WAGERING OPERATOR LICENSE AND APPOINTS A DESIGNEE TO BE LICENSED  
8 AS AN EVENT WAGERING OPERATOR IS NOT RESPONSIBLE FOR THE CONDUCT OF ITS  
9 DESIGNEE."  
10 Line 25, strike "HOST" insert "HOSTS"  
11 Line 26, after "A" strike remainder of line insert "NATIONAL ASSOCIATION FOR  
12 STOCK CAR AUTO RACING NATIONAL TOURING RACE"  
13 Line 27, strike "THEIR" insert "THE OWNER'S, OPERATOR'S OR PROMOTER'S"  
14 Line 31, after "AND" insert "BE"  
15 Line 32, strike "OF A"  
16 Strike line 33, insert a period  
17 Page 27, line 9, after "COMPANY" insert a comma  
18 Line 34, strike the comma  
19 Line 35, after "PROVIDER" insert a comma  
20 Page 28, line 16, strike "THAN" insert "THAT THE"  
21 Line 29, after "AUTHORIZES" insert "AN EVENT WAGERING OPERATOR IDENTIFIED IN  
22 SUBSECTION A, PARAGRAPH 2 OF THIS SECTION TO OPERATE ONLY MOBILE EVENT  
23 WAGERING OR"  
24 Line 33, after the first "FACILITY" insert "OR, IN THE CASE OF A DESIGNEE, THE  
25 SPORTS FACILITY OR THE DESIGNATING OWNER, OPERATOR OR PROMOTER OF A  
26 PROFESSIONAL SPORTS TEAM, EVENT OR FRANCHISE"  
27 Page 29, line 12, after "OPERATOR" insert a period  
28 Page 30, line 3, strike "WITHIN THIRTY DAYS" insert "NOT LATER THAN SIXTY DAYS";  
29 strike "RECEIPT OF" insert "THE DEPARTMENT RECEIVES"  
30 Line 5, strike "UNDERTAKEN BY"; after "DEPARTMENT" insert "CONDUCTS"

- 1 Page 30, line 7, after the period insert "IF MORE THAN TEN APPLICATIONS ARE  
2 RECEIVED FOR A PARTICULAR LICENSE TYPE, THE DEPARTMENT SHALL ADOPT A  
3 PROCESS FOR ENSURING AN EQUAL OPPORTUNITY FOR ALL QUALIFIED APPLICANTS TO  
4 OBTAIN A LICENSE."
- 5 Page 31, strike line 35, insert "REVOCATION OR DENIAL OF AN APPLICATION FOR A  
6 LICENSE OR FORFEITURE OF A LICENSE."
- 7 Page 32, line 29, strike "FOR OBTAINING" insert "TO OBTAIN"
- 8 Page 33, lines 2 and 14, strike "LICENSEE" insert "OPERATOR"  
9 Line 16, after the comma insert "THE"  
10 Line 28, strike "LICENSEE" insert "OPERATOR"
- 11 Page 34, line 12, strike "LICENSEE" insert "OPERATOR"  
12 Line 22, strike the first and second "LICENSED"  
13 Line 32, strike "LICENSES" insert "LICENSEES"
- 14 Page 35, line 31, strike "OTHER THAN A SPORTS EVENT OR OTHER EVENT"  
15 Line 33, after "LEVEL" insert ", OTHER THAN A SPORTS EVENT OR OTHER EVENT"
- 16 Page 36, line 45, after "RECEIVED" insert "UNLESS OTHERWISE PROHIBITED BY FEDERAL  
17 LAW"
- 18 Page 37, line 19, strike the period  
19 Lines 21 and 24, strike "LIVE BETTING" insert "TIER TWO SPORTS WAGERS"
- 20 Page 39, line 35, strike "THAT IS NOT LESS THAN" insert ". IN DETERMINING THE  
21 FEE, THE DEPARTMENT SHALL CONSIDER"
- 22 Page 40, line 11, after "C." insert "UNLESS OTHERWISE DETERMINED BY THE  
23 LEGISLATURE,"
- 24 Page 41, line 13, after "EVENT" insert "WAGERING"  
25 Lines 30 and 34, after "TAKE" insert "COMMERCIALY"
- 26 Page 42, line 12, after "PERSON" strike remainder of line  
27 Line 13, strike "PERSON'S IDENTIFICATION MUST BE VERIFIED" insert "A PAYOUT OF  
28 WINNINGS THAT TRIGGERS THE LICENSEE'S OBLIGATION TO FILE A FORM W-2G OR A  
29 SUBSTANTIALLY EQUIVALENT FORM WITH THE UNITED STATES INTERNAL REVENUE  
30 SERVICE"
- 31 Line 15, strike "SET-OFF" insert "SETOFF"; strike "IT" insert "THE DEPARTMENT  
32 OF GAMING"

- 1 Page 42, line 16, strike "ARIZONA SUPREME COURT" insert "ADMINISTRATIVE OFFICE OF  
2 THE COURTS"; strike "TO IT"
- 3 Line 20, after "SYSTEM" insert "ADMINISTRATION"; after the period insert "THE  
4 DEPARTMENT OF GAMING SHALL PROVIDE TO THE EVENT WAGERING FACILITY OPERATOR  
5 INFORMATION OF PERSONS WITH OUTSTANDING OBLIGATIONS."
- 6 Line 21, after "PERSON" insert "RECEIVES A PAYOUT OF WINNINGS THAT TRIGGERS  
7 THE LICENSEE'S OBLIGATION TO FILE A FORM W-2G OR A SUBSTANTIALLY EQUIVALENT  
8 FORM WITH THE UNITED STATES INTERNAL REVENUE SERVICE AND"
- 9 Line 22, strike "JACKPOT, PRIZE OR"
- 10 Line 23, strike the first "AWARD" insert "WINNINGS"; strike "JACKPOT, PRIZE OR  
11 AWARD" insert "WINNINGS"
- 12 Lines 24 and 28, strike "SET-OFF" insert "SETOFF"
- 13 Line 35, strike "ARIZONA SUPREME COURT" insert "THE COURTS"
- 14 Line 36, after "SYSTEM" insert "ADMINISTRATION"
- 15 Line 42, after "AND" insert "EACH INDIAN TRIBE WITH A GAMING FACILITY"
- 16 Page 45, line 14, strike "~~section 5-112~~" insert "section 5-112 AND"
- 17 Amend title to conform

JEFF WENINGER

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