

State of Arizona
House of Representatives
Fifty-fifth Legislature
Second Regular Session
2022

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)

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

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

4 5-1211. Fees; penalty

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

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

19 C. The department shall deposit, pursuant to sections 35-146 and
20 35-147, the fees collected pursuant to this section in the fantasy sports
21 contest fund established by section 5-1212.

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

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

32 5-1212. Fantasy sports contest fund

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

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

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

1 Sec. 3. Repeal

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

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

6 5-1318. Fees; event wagering fund

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

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

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

35 Sec. 5. Department of gaming regulatory assessment;
36 pari-mutuel pool

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