

Senate Engrossed

event wagering; fantasy sports; fees

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

# SENATE BILL 1459

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 FANTASY SPORTS CONTESTS AND EVENT WAGERING.

(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

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.** A fantasy sports  
10 contest operator shall report to the department and pay the fee from its  
11 monthly fantasy sports contest adjusted revenues, on a form and in the  
12 manner prescribed by the department. This subsection does not apply to an  
13 individual who offers a fantasy sports contest under section 5-1202,  
14 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~~ **EIGHT** percent of  
41 monies on the department's annual costs of regulating and enforcing this  
42 chapter unless otherwise provided by the legislature. The department  
43 shall transfer any remaining monies in the fund to the state general fund.

44 Sec. 3. Repeal

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46 chapter 405, section 3, is repealed.

1           Sec. 4. Section 5-1318, Arizona Revised Statutes, as added by Laws  
2 2021, chapter 234, section 4, is amended to read:

3           5-1318. Fees; event wagering fund

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

16           B. The event wagering fund is established consisting of monies  
17 deposited pursuant to this chapter or from any other source. The  
18 department shall administer the fund. Except as otherwise provided in  
19 this chapter, the department shall deposit, pursuant to sections 35-146  
20 and 35-147, all monies collected under this chapter in the event wagering  
21 fund. On the twenty-fifth of each month, any monies remaining in the  
22 event wagering fund shall be transferred to the state general fund. On  
23 notice from the department, the state treasurer shall invest and divest  
24 monies in the fund as provided by section 35-313, and monies earned from  
25 investment shall be credited to the fund.

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