

REFERENCE TITLE: Indian tribes; gaming; event wagering

State of Arizona  
Senate  
Fifty-seventh Legislature  
First Regular Session  
2025

# **SB 1681**

Introduced by  
Senator Gonzales

AN ACT

AMENDING SECTIONS 5-605, 5-1304 AND 5-1305, ARIZONA REVISED STATUTES;  
RELATING TO AMUSEMENTS AND SPORTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:  
2 Section 1. Section 5-605, Arizona Revised Statutes, is amended to  
3 read:

4 5-605. Tribal-state compacts; 2021 compact trust fund; annual  
5 report; definition

6 A. The 2021 compact trust fund is established for the exclusive  
7 purposes of mitigating impacts to Indian tribes from gaming authorized by  
8 the 2021 gaming compact amendment and providing economic benefits to  
9 beneficiary tribes, including those ~~with~~ THAT HAVE an effective gaming  
10 compact that includes the 2021 amendments and THAT do not engage in  
11 gaming. The trust fund consists of contributions from Indian tribes  
12 designated in the 2021 gaming compact amendments. The trust fund shall  
13 not include tribal contributions made pursuant to section 5-601.02,  
14 subsection H.

15 B. The department of gaming shall administer the 2021 compact trust  
16 fund as trustee in accordance with the terms of section 12.1 of the 2021  
17 gaming compact amendment. The state treasurer shall accept, separately  
18 account for and hold in trust any monies deposited in the state treasury,  
19 which are considered to be trust monies as defined by section 35-310 and  
20 which shall not be commingled with any other monies in the state treasury  
21 except for investment purposes. On notice from the director of the  
22 department of gaming, the state treasurer shall invest and divest any  
23 trust fund monies deposited in the state treasury as provided by sections  
24 35-313 and 35-314.03, and monies earned from the investment shall be  
25 credited to the trust fund.

26 C. The beneficiaries of the trust fund are federally recognized  
27 Indian tribes with a 2021 gaming compact amendment that are eligible to  
28 receive payments from the trust fund according to the terms of the 2021  
29 gaming compact amendment.

30 D. Monies in the trust fund shall be disbursed exclusively for the  
31 purposes prescribed in this article and in accordance with the 2021 gaming  
32 compact amendment. Surplus monies, including any unexpended and  
33 unencumbered balance at the end of the fiscal year, shall be carried  
34 forward to the following year and shall not revert or be transferred to  
35 any other fund, including the state general fund. Monies in the trust  
36 fund are exempt from the provisions of section 35-190 relating to lapsing  
37 of appropriations.

38 E. ~~On or before September 30 of each year, WITHIN NINETY DAYS AFTER~~  
39 ~~THE END OF THE FISCAL YEAR, the department of gaming shall issue~~ ~~AN~~ AN  
40 ANNUAL report to the governor, the president of the senate, the speaker of  
41 the house of representatives and each tribe that has executed a 2021  
42 gaming compact amendment. ~~that discloses all monies deposited in and~~  
43 ~~disbursed from the trust fund during the prior fiscal year~~ THIS REPORT  
44 SHALL BE SEPARATE FROM ANY OTHER REPORT ISSUED BY THE DEPARTMENT OF  
45 GAMING. THE REPORT SHALL BE SIGNED BY THE DIRECTOR OF THE DEPARTMENT OF

1 GAMING AND A COPY SHALL BE PROVIDED TO THE SECRETARY OF STATE. THE REPORT  
2 SHALL INCLUDE ALL OF THE FOLLOWING:

- 3 1. THE BALANCE IN THE TRUST FUND AT THE TIME OF THE REPORT.
- 4 2. THE BALANCE OF THE TRUST FUND, BY QUARTER.
- 5 3. THE ACTUAL CALCULATIONS USED TO DETERMINE EACH TRIBE'S

6 ELIGIBILITY.

7 4. THE MONIES DEPOSITED IN EACH QUARTER IN THE TRUST FUND,  
8 CATEGORIZED BY EACH CONTRIBUTING TRIBE, INCLUDING INTEREST.

- 9 5. LINE ITEM DETAILS OF ALL EXPENDITURES MADE FROM THE TRUST FUND.

10 6. INDIVIDUAL PAYMENTS DISBURSED FROM THE TRUST FUND IN THE PRIOR  
11 FISCAL YEAR.

12 7. THE DATE AND AMOUNTS OF DISBURSEMENTS MADE TO EACH INDIVIDUAL  
13 TRIBE.

14 8. THE AMOUNT OF MONIES DISBURSED TO THE DEPARTMENT OF GAMING FOR  
15 ADMINISTRATION AND OTHER EXPENSES.

16 F. For the purposes of this section, "2021 gaming compact  
17 amendment" means a tribal-state gaming compact amendment that becomes  
18 effective after January 1, 2021.

19 Sec. 2. Section 5-1304, Arizona Revised Statutes, is amended to  
20 read:

21 5-1304. Licensure; application

22 A. The department may issue not more than ten event wagering  
23 operator licenses to applicants other than an Indian tribe. ~~ON~~  
24 ~~APPLICATION, the department ~~may~~ SHALL issue not more than ten~~ AN event  
25 ~~wagering operator licenses to Indian tribes in this state if the Indian~~  
26 ~~tribe receiving~~ a license TO EACH FEDERALLY RECOGNIZED INDIAN TRIBE  
27 LOCATED IN THIS STATE THAT has signed the most recent tribal-state gaming  
28 compact and any applicable appendices or amendments. The department shall  
29 issue event wagering operator licenses only to applicants that are either  
30 of the following in compliance with this chapter:

31 1. An owner of an Arizona professional sports team or franchise,  
32 operator of a sports facility that hosts an annual tournament on the PGA  
33 tour, promoter of a national association for stock car auto racing  
34 national touring race conducted in this state or the owner's, operator's  
35 or promoter's designee, contracted to operate event wagering for both  
36 retail event wagering at a sports facility or its complex as prescribed in  
37 subsection D of this section and mobile event wagering throughout the  
38 state. If a designee is used, the designee shall be considered the  
39 applicant and be subject to any requirements of the application process  
40 rather than the owner, operator or promoter.

41 2. An Indian tribe, or an entity fully owned by an Indian tribe, or  
42 its designee contracted to operate ~~only mobile event wagering outside the~~  
43 ~~boundaries of its Indian lands and throughout the state~~ EVENT WAGERING FOR  
44 BOTH RETAIL EVENT WAGERING WITHIN A FIVE-BLOCK RADIUS OF A SPORTS FACILITY  
45 OR A SPORTS COMPLEX AS PRESCRIBED IN SUBSECTION D OF THIS SECTION AND

1    MOBILE EVENT WAGERING THROUGHOUT THIS STATE, if it has signed the most  
2    recent tribal-state gaming compact and any applicable appendices or  
3    amendments. IF A DESIGNEE IS USED, THE DESIGNEE SHALL BE CONSIDERED THE  
4    APPLICANT AND BE SUBJECT TO ANY REQUIREMENTS OF THE APPLICATION PROCESS  
5    RATHER THAN THE OWNER, OPERATOR OR PROMOTER.

6       B. An applicant for an event wagering license shall submit an  
7    application in a form prescribed by the department, including all of the  
8    following:

9            1. The identification of the applicant's principal owners that own  
10    more than five percent of the company, the partners, the members of its  
11    board of directors and the officers, the identification of any holding  
12    company, including its principals, that is engaged by the applicant to  
13    assist in the management or operation of event wagering, if applicable,  
14    and information to verify that the applicant is qualified to hold a  
15    license under subsection A of this section.

16            2. A full set of fingerprints for the purpose of obtaining a state  
17    and federal criminal records check pursuant to section 41-1750 and Public  
18    Law 92-544. The department of public safety may exchange this fingerprint  
19    data with the federal bureau of investigation. The fingerprints shall be  
20    furnished by the applicant's officers and directors, if a corporation,  
21    members, if a limited liability company, and partners, if a partnership.  
22    An applicant convicted of a disqualifying offense may not be licensed.

23            3. A notice and description of civil judgments obtained against the  
24    applicant pertaining to antitrust or security regulation laws of the  
25    federal government, of this state or of any other state, jurisdiction,  
26    province or country.

27            4. If the applicant has conducted gaming operations in a  
28    jurisdiction that allows such activity, letters of compliance from the  
29    regulatory body that regulates event wagering, sports wagering or any  
30    other gaming activity that the applicant is licensed for, conducts or  
31    operates under jurisdiction of the regulatory body.

32            5. Information, documentation and assurances concerning financial  
33    background and resources of the applicant or its management services  
34    provider as may be required to establish by clear and convincing evidence  
35    the financial stability and responsibility of the applicant or its  
36    management services provider, including bank references, business and  
37    personal income and disbursement schedules, tax returns and other reports  
38    filed with governmental agencies, and business and personal accounting and  
39    check records and ledgers. Each applicant or its management services  
40    provider, in writing, shall authorize the examination of all bank accounts  
41    and records as may be deemed necessary by the department. The department  
42    may consider any relevant evidence of financial stability. The applicant  
43    is presumed to be financially stable if the applicant or its management  
44    services provider establishes by clear and convincing evidence that it  
45    meets each of the following standards:

1       (a) The ability to ensure the financial integrity of event wagering  
2 operations by maintaining a bankroll or equivalent provisions adequate to  
3 pay winning wagers to bettors when due. An applicant is presumed to have  
4 met this standard if the applicant or its management services provider  
5 maintains, on a daily basis, a bankroll or equivalent provisions in an  
6 amount that is at least equal to the average daily minimum bankroll or  
7 equivalent provisions, calculated on a monthly basis, for the  
8 corresponding month in the previous year.

9       (b) The ability to meet ongoing operating expenses that are  
10 essential to maintaining continuous and stable event wagering operations.

11       (c) The ability to pay, as and when due, all state and federal  
12 taxes.

13       6. Information to establish by clear and convincing evidence that  
14 the applicant or its management services provider has sufficient business  
15 ability and gaming experience as to establish the likelihood of creating  
16 and maintaining a successful and stable event wagering operation.

17       7. Information regarding the financial standing of the applicant,  
18 including each person or entity that has provided loans or financing to  
19 the applicant or its management services provider.

20       8. Information on the amount of adjusted gross event wagering  
21 receipts and associated adjusted gross receipts that the applicant expects  
22 to generate.

23       9. A nonrefundable application fee or annual licensing fee as  
24 prescribed by section 5-1310.

25       10. Any additional information required by the department to  
26 determine the financial and operational ability to fulfill its obligations  
27 as an event wagering operator.

28       C. Any applicant for licensure agrees to be subject to state  
29 jurisdiction to the extent necessary to determine the applicant's  
30 qualification to hold a license, including all necessary administrative  
31 procedures, hearings and appeals as provided in title 41, chapter 6 and  
32 department rules.

33       D. A license issued by the department pursuant to this section  
34 authorizes ~~an event wagering operator identified in subsection A,  
35 paragraph 2 of this section to operate only mobile event wagering or~~ an  
36 event wagering operator identified in subsection A, ~~paragraph 1~~ of this  
37 section to offer both:

38       1. Event wagering in this state through an event wagering facility  
39 within a five-block radius of the event wagering operator's sports  
40 facility or, in the case of a designee, the sports facility ~~or~~ OF the  
41 designating owner, operator or promoter of a professional sports team,  
42 event or franchise. An event wagering facility within one mile of a  
43 tribal gaming facility must be:

44       (a) Within a sports complex that includes retail centers that are  
45 adjacent to the sports facility.

1       (b) Not more than one-fourth of a mile from a sports facility  
2 within the sports complex.

3       2. Event wagering through a mobile platform as specified by the  
4 department. A licensed event wagering operator or its designated  
5 management services provider may offer event wagering through an event  
6 wagering platform as specified by the department. THE EVENT WAGERING  
7 FACILITY MAY BE LOCATED IN RETAIL OR COMMERCIAL SPACE ON LAND THAT IS NOT  
8 IDENTIFIED AS INDIAN LAND PURSUANT TO THE INDIAN GAMING REGULATORY ACT  
9 (P.L. 100-497; 102 STAT. 2467).

10      E. A license issued under this section is valid for five years if  
11 the licensee submits an annual license fee, maintains the qualifications  
12 to obtain a license under this section and substantially complies with  
13 this chapter and other laws and rules relating to event wagering. A  
14 licensee may renew its license by submitting an application in a form  
15 prescribed by department rule and the application fee. A license may not  
16 be renewed if it is determined by the department that the event wagering  
17 operator has not substantially complied with this chapter or any other law  
18 regulating its event wagering operations or other operations licensed by  
19 the department. A licensee shall submit the nonrefundable annual license  
20 and application fees prescribed in section 5-1310 with its application for  
21 the renewal of its license.

22      F. A person may not apply for or obtain more than one event  
23 wagering operator license. A management services provider may offer  
24 services to more than one event wagering operator.

25      Sec. 3. Section 5-1305, Arizona Revised Statutes, is amended to  
26 read:

27      5-1305. License review: approval: fees: material change:  
28                   exemption: display: transferability

29      A. On receipt of a completed application and the required fee, the  
30 department shall conduct the necessary background investigation to ensure  
31 the applicant is qualified for licensure. On completion of the necessary  
32 background investigation, the department shall either issue a license or  
33 deny the application. If the application is denied, the department shall  
34 forward a statement setting forth the grounds for denial to the applicant  
35 together with all other documents on which the department relied, to the  
36 extent allowed by law.

37      B. The department may conduct additional background investigations  
38 of any person required to be licensed at any time while the license  
39 remains valid. The issuance of a license does not create or imply a right  
40 of employment or continued employment. The event wagering operator or  
41 limited event wagering operator may not employ and, if already employed,  
42 shall terminate an event wagering employee if it is determined that the  
43 person meets any of the following criteria:

44      1. Has been convicted of any gaming offense.

1       2. Has been convicted of a felony in the seven years before  
2 submitting an application unless that felony has been set aside.

3       3. Has ever been convicted of a felony related to extortion,  
4 burglary, larceny, bribery, embezzlement, robbery, racketeering, money  
5 laundering, forgery, fraud, murder, voluntary manslaughter, a sexual  
6 offense that requires the individual to register pursuant to section  
7 13-3821 or kidnapping.

8       4. Knowingly and wilfully provides materially important false  
9 statements or information or omits materially important information on the  
10 person's employment application or background questionnaire.

11      5. Is a person whose prior activities, criminal record, if any, or  
12 reputation, habits and associations pose a threat to the public interest  
13 or to the effective regulation and control of gaming or create or enhance  
14 the dangers of unsuitable, unfair or illegal practices, methods and  
15 activities in the conduct of gaming or the carrying on of the business and  
16 financial arrangements incidental thereto.

17      C. Not later than sixty days after the department receives a  
18 complete application, the department shall issue a license to the  
19 applicant unless the background investigation the department conducts  
20 discloses that the applicant has a criminal history or unless other  
21 grounds sufficient to disqualify the applicant are apparent on the face of  
22 the application. If more than ten applications are received for  
23 a particular license type, the department shall adopt a process for  
24 ensuring an equal opportunity for all qualified applicants to obtain a  
25 license. The department shall review and approve or deny an application  
26 for a license as provided in title 41, chapter 6, article 10.

27      D. For each application for licensure or renewal of a license that  
28 is approved under this section, the amount of the application fee must be  
29 credited toward the licensee's license fee and the licensee shall remit  
30 the balance of the initial license fee to the department on approval of a  
31 license. The fees collected from licensees under this section shall be  
32 deposited in the event wagering fund established by section 5-1318 and  
33 used by the department to pay the actual operating and administrative  
34 expenses incurred for event wagering.

35      E. Each person licensed under this chapter shall give the  
36 department written notice within thirty days after a material change is  
37 made to information provided in the licensee's application for a license  
38 or renewal.

39      F. Indian tribes within this state **THAT ARE** operating event  
40 wagering exclusively on Indian lands are exempt from the licensure  
41 requirements of this section. Event wagering on Indian lands is governed  
42 by the tribal-state gaming compact, its appendices, any amendments and the  
43 Indian gaming regulatory act (P.L. 100-497; 102 Stat. 2467).

44      G. Each licensee shall display its license conspicuously in the  
45 licensee's place of business or have the license available for inspection

1 by an agent of the department or a law enforcement agency. Each licensee  
2 that operates an event wagering platform shall conspicuously display a  
3 notice of the license on its platform's landing page.

4 H. The department ~~shall~~ **MAY NOT** keep all information, records,  
5 interviews, reports, statements, memoranda or other data supplied to or  
6 used by the department in the course of its review or investigation of an  
7 application for an event wagering operator license or renewal of a license  
8 confidential. **THE DEPARTMENT SHALL IMMEDIATELY RELEASE ANY MATERIALS**  
9 **DESCRIBED IN THIS SUBSECTION TO ANY MEMBER OF THE LEGISLATURE ON WRITTEN**  
10 **REQUEST.** The materials described in this subsection are **NOT** exempt from  
11 disclosure **IN COMPLIANCE WITH A COURT ORDER, SUBPOENA, STATUTORY AUDIT OR**  
12 **pursuant to title 39, chapter 1, article 2.**

13 I. A license issued under this chapter may not be transferred to  
14 another person or entity without prior approval of the department. The  
15 department shall work with applicants and licensees to ensure there is no  
16 gap in the validity of the license.