

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

# HOUSE BILL 4155

## AN ACT

AMENDING SECTIONS 4-120, 5-226, 5-230, 5-238 AND 5-1211, ARIZONA REVISED STATUTES; REPEALING SECTION 5-1212, ARIZONA REVISED STATUTES; AMENDING SECTION 5-1318, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; 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 4-120, Arizona Revised Statutes, is amended to  
3 read:

4 4-120. Liquor licenses fund; exemption

5 A. The liquor licenses fund is established consisting of monies  
6 deposited pursuant to sections 4-115 and 4-116.01. The department ~~of~~  
7 ~~liquor licenses and control~~ shall administer the fund. The amount  
8 deposited in the fund each year shall not exceed the amount appropriated  
9 by the legislature.

10 B. Monies in the fund are subject to legislative appropriation.

11 C. Monies in the fund are exempt from the provisions of section  
12 35-190 relating to lapsing of appropriations, except that any monies  
13 remaining in the fund ON DECEMBER 31 OF EACH YEAR THAT ARE in excess of  
14 ~~seven hundred thousand dollars at the end of each fiscal year~~ \$700,000  
15 revert to the state general fund.

16 Sec. 2. Section 5-226, Arizona Revised Statutes, is amended to  
17 read:

18 5-226. Levy of tax on gross receipts; disposition;  
19 verification and financial audit; definition

20 A. Any person who promotes a boxing contest in this state pursuant  
21 to this article shall comply with rules adopted pursuant to this article  
22 and shall within ten days after the contest pay to the department four  
23 percent of the gross receipts, after the deduction of city, state and  
24 federal taxes, of the match or exhibition.

25 B. The department shall verify the gross receipts of a contest.  
26 The director may require a person licensed under this article to supply a  
27 certified financial audit to the department. The director shall adopt  
28 rules that require each person licensed under this article to select a  
29 certified public accountant to conduct the financial audit. The financial  
30 statements prepared pursuant to this section shall be prepared in  
31 accordance with generally accepted accounting principles and shall include  
32 any additional schedules the director requires. A person subject to a  
33 financial audit under this section shall afford reasonable and needed  
34 facilities and make returns and exhibits to the department in the form and  
35 at the time prescribed by the director.

36 C. ~~The department of gaming shall establish an unarmed combat~~  
37 ~~subaccount within the racing regulation fund established by section~~  
38 ~~5-113.01.~~ At the end of each month the director of the department of  
39 gaming shall report to the department of administration the total amount  
40 received under this chapter from all sources, including license fees, and  
41 shall deposit that amount, pursuant to sections 35-146 and 35-147, in the  
42 unarmed combat subaccount of the ~~racing regulation~~ EVENT WAGERING fund  
43 ESTABLISHED BY SECTION 5-1318.

44 D. A promoter may issue complimentary tickets that are exempt from  
45 taxation pursuant to this title. If a promoter issues complimentary

1 tickets, the exemption from taxation applies to two percent of the total  
2 number of tickets issued for the event or seventy-five tickets, whichever  
3 is greater.

4 E. The department shall collect and account for revenues for the  
5 commission, including license fees required by section 5-230, the levy of  
6 the tax on gross receipts imposed by this section and the cash bond or  
7 surety bond deposited pursuant to section 5-229. The director shall  
8 report and deposit all revenues collected pursuant to this subsection,  
9 from whatever source, pursuant to subsection C of this section. The  
10 director shall adopt rules as necessary to accomplish the purposes of this  
11 section.

12 F. For the purposes of this section, "gross receipts" means all  
13 receipts from the face value of tickets sold.

14 Sec. 3. Section 5-230, Arizona Revised Statutes, is amended to  
15 read:

16 5-230. License fees; expiration; renewal; medical  
17 examinations

18 A. The commission may establish and issue annual licenses and may  
19 establish and collect fees for those licenses. The commission shall  
20 deposit the license fees in the unarmed combat subaccount in the ~~rac~~  
21 ~~ing~~ ~~regulation~~ ~~EVENT WAGERING~~ fund established by section ~~5-226~~ 5-1318.

22 B. A license expires at midnight three hundred sixty-five days  
23 after the date of issuance and may be renewed on filing an application for  
24 renewal of a license with the commission and payment of the license fee  
25 prescribed in subsection A of this section. The application for renewal  
26 of a license shall be on a form provided by the commission. There is a  
27 thirty-day grace period during which a license may be renewed if a late  
28 filing penalty fee equal to the license fee is submitted with the regular  
29 license fee. A licensee that files late shall not conduct any activity  
30 regulated by this chapter until the commission has renewed the license.  
31 If the licensee fails to apply to the commission within the thirty-day  
32 grace period, the licensee must apply for a new license pursuant to  
33 subsection A of this section.

34 C. The results of all combatant medical examinations expire three  
35 hundred sixty-five days after the date the medical examination is  
36 performed. The commission may grant a grace period of up to fifteen days  
37 to align with the licensing period.

38 Sec. 4. Section 5-238, Arizona Revised Statutes, is amended to  
39 read:

40 5-238. Sham contest; withholding a purse

41 A. The commission may withhold all or part of a purse or other  
42 monies payable to any combatant, manager or second if in the judgment of  
43 the commission a combatant is participating in a sham or fake contest or  
44 is otherwise not competing honestly or to the best of the combatant's  
45 ability.

1 B. If the commission withholds a purse or part of a purse or other  
2 monies, the commission shall give notice to all interested parties and  
3 hold a hearing on the matter within ten days.

4 C. If the commission determines that a combatant, manager or second  
5 is not entitled to a purse, part of a purse or other monies, the promoter  
6 shall turn such monies over to the director to be applied pursuant to  
7 section ~~5-226~~ 5-1318, subsection C.

8 Sec. 5. Section 5-1211, Arizona Revised Statutes, is amended to  
9 read:

10 5-1211. Fees; penalty

11 A. The department shall establish a fee for the privilege of  
12 operating fantasy sports contests. In determining the fee, the department  
13 shall consider the highest percentage of revenue share that an Indian  
14 tribe pays to this state pursuant to the tribal-state gaming compacts and  
15 any amendments. The fee may not exceed ten percent of the fantasy sports  
16 contest operator's adjusted revenues. A fantasy sports contest operator  
17 shall report to the department and pay the fee from its monthly fantasy  
18 sports contest adjusted revenues, on a form and in the manner prescribed  
19 by the department. This subsection does not apply to an individual who  
20 offers a fantasy sports contest under section 5-1202, subsection B.

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

25 C. The department shall deposit, pursuant to sections 35-146 and  
26 35-147, the fees collected pursuant to this section in the ~~fantasy sports~~  
27 ~~contest~~ EVENT WAGERING fund established by section ~~5-1212~~ 5-1318.

28 D. A licensed fantasy sports contest operator who fails to remit to  
29 the department the fees required under this section is liable, in addition  
30 to any sanction or penalty imposed under this chapter, for the payment of  
31 a penalty of five percent per month up to a maximum of twenty-five percent  
32 of the amounts ultimately found to be due, to be recovered by the  
33 department. Penalties imposed and collected by the department under this  
34 subsection must be deposited in the ~~fantasy sports contest~~ EVENT WAGERING  
35 fund established by section ~~5-1212~~ 5-1318.

36 Sec. 6. Repeal; transfer of monies

37 A. Section 5-1212, Arizona Revised Statutes, is repealed.

38 B. All unexpended and unencumbered monies remaining the fantasy  
39 sports contest fund established by section 5-1212, Arizona Revised  
40 Statutes, as repealed by subsection A of this section, are transferred to  
41 the event wagering fund established by section 5-1318, Arizona Revised  
42 Statutes, as amended by this act, on the effective date of this section.

1           Sec. 7. Section 5-1318, Arizona Revised Statutes, is amended to  
2 read:

3           5-1318. Fees; event wagering fund; subaccount

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 of the event wagering operator's adjusted gross  
9 event wagering receipts. The event wagering operator or designee has the  
10 option to choose either the cash accrual or modified accrual basis method  
11 of accounting for purposes of calculating the amount of the fee owed by  
12 the event wagering operator or designee. The fees required pursuant to  
13 this section are due and payable to the department not later than the  
14 twenty-fifth day of the month following the calendar month in which the  
15 adjusted gross event wagering receipts were received and the obligation  
16 was accrued.

17           B. The event wagering fund is established consisting of monies  
18 deposited pursuant to this chapter, **MONIES DEPOSITED PURSUANT TO SECTION**  
19 **5-1211** or **MONIES** from any other source. The department shall administer  
20 the fund. Except as otherwise provided in this chapter, the department  
21 shall deposit, pursuant to sections 35-146 and 35-147, all monies  
22 collected under this chapter in the event wagering fund. On or before the  
23 twenty-fifth of each month, ninety percent of the monies deposited in the  
24 event wagering fund from the previous month shall be transferred to the  
25 state general fund. On notice from the department, the state treasurer  
26 shall invest and divest monies in the fund as provided by section 35-313,  
27 and monies earned from investment shall be credited to the fund.

28           **C. THE UNARMED COMBAT SUBACCOUNT OF THE EVENT WAGERING FUND IS**  
29 **ESTABLISHED CONSISTING OF MONIES RECEIVED FROM LICENSE FEES COLLECTED**  
30 **PURSUANT TO SECTION 5-230 AND FROM ANY OTHER SOURCE. THE DEPARTMENT SHALL**  
31 **ADMINISTER THE SUBACCOUNT. AT THE END OF EACH MONTH THE DIRECTOR OF THE**  
32 **DEPARTMENT SHALL REPORT TO THE DEPARTMENT OF ADMINISTRATION THE TOTAL**  
33 **AMOUNT RECEIVED PURSUANT TO THIS SUBSECTION AND SHALL DEPOSIT THAT AMOUNT,**  
34 **PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE UNARMED COMBAT SUBACCOUNT.**  
35 **THE DEPARTMENT MAY TRANSFER MONIES THE DEPARTMENT SPENDS ON THE ANNUAL**  
36 **COSTS TO REGULATE AND ENFORCE THIS CHAPTER PURSUANT TO SUBSECTION D OF**  
37 **THIS SECTION FROM THE EVENT WAGERING FUND INTO THE UNARMED COMBAT**  
38 **SUBACCOUNT.**

39           ~~E.~~ D. Unless otherwise determined by the legislature, the  
40 department may spend not more than ten percent of monies on the  
41 department's annual costs of regulating and enforcing this chapter **AND**  
42 **CHAPTER 10 OF THIS TITLE. OF THE TEN PERCENT, THE DEPARTMENT MAY SPEND UP**  
43 **TO \$500,000 EACH FISCAL YEAR TO SUPPORT PROBLEM GAMBLING PROGRAMS.**

44           **E. THE DEPARTMENT MAY USE MONIES DESIGNATED FOR PROBLEM GAMBLING**  
45 **PROGRAMS PURSUANT TO SUBSECTION D OF THIS SECTION AND ANY OTHER MONIES**

1 DESIGNATED FOR PROBLEM GAMBLING, INCLUDING PRIVATE DONATIONS, GRANTS OR  
2 FEDERAL MONIES, TO DISBURSE GRANTS FOR PROBLEM GAMBLING PURPOSES.

3 Sec. 8. Department of gaming; regulatory assessment;  
4 pari-mutuel pool

5 Notwithstanding any other law, in fiscal year 2026-2027, the  
6 department of gaming shall establish and collect a regulatory assessment  
7 from each commercial racing permittee, payable from amounts deducted from  
8 pari-mutuel pools by the permittee, in addition to the amounts the  
9 permittee is authorized to deduct pursuant to section 5-111, subsection B,  
10 Arizona Revised Statutes, from amounts wagered on live and simulcast races  
11 from in-state and out-of-state wagering handled by the permittee, in the  
12 amount of 0.5 percent of the amounts wagered.

13 Sec. 9. Department of gaming; horse racing; gate approval;  
14 timed workouts; delayed repeal

15 A. Notwithstanding any other law, for race meetings in the years  
16 2026 and 2027, the department of gaming may allow a first-time starter  
17 horse to race as long as the horse has gate approval and at least two  
18 timed workouts. One of the timed workouts shall be an out-of-the-gate  
19 workout that is conducted within sixty days of the race in which the horse  
20 is entered.

21 B. This section is repealed from and after December 31, 2027.