

Senate Engrossed
amusements; 2026-2027.

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SENATE BILL 1848

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 ~~racine~~
21 ~~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.