

State of Arizona
Senate
Forty-seventh Legislature
Second Regular Session
2006

SENATE BILL 1329

AN ACT

AMENDING SECTIONS 5-110, 5-111 AND 5-112, ARIZONA REVISED STATUTES; RELATING TO PARI-MUTUEL WAGERING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-110, Arizona Revised Statutes, is amended to
3 read:

4 5-110. Racing days, times and allocations; emergency transfer;
5 county fairs; charity days

6 A. Permits for horse, harness or dog racing meetings shall be approved
7 and issued for substantially the same dates allotted to permittees for the
8 same type of racing during the preceding year or for other dates that
9 permittees request, provided that, in the event there is a conflict in dates
10 requested between two or more permittees in the same county for the same kind
11 of racing, the permittee whose application is for substantially the same
12 dates as were allotted to the permittee in the preceding year shall be
13 entitled to have preference over other permittees. In the event two or more
14 permittees have agreed that the dates to be allotted to each of them each
15 year shall be alternated from one year to the next, the commission shall
16 recognize their agreement and such permittees may be accorded preference over
17 any other permittee as to those dates to be allotted to such permittees on an
18 alternating basis. Except as otherwise provided, the commission shall allot
19 dates to the respective permittees after giving due consideration to all of
20 the factors involved and the interests of permittees, the public and this
21 state.

22 B. The commission may require by the terms of any permit that the
23 permittee offer such number of races during any racing meeting as the
24 commission shall determine, provided that the permittee shall be permitted to
25 offer not less than the same number of races each day as offered in the prior
26 year. The commission shall require each horse racing permittee to conduct
27 for a period of thirty days a number of races equal to an average of not less
28 than two races for each day of racing exclusively for quarter horses. If, in
29 the opinion of the commission, the permittee is offering acceptable quarter
30 horse races but an honest effort is not being put forth to fill these races
31 by the horsemen, the commission may rescind the two race per day quarter
32 horse requirement.

33 C. Live racing and wagering on simulcast races shall be ~~permissible~~
34 **CONDUCTED AS FOLLOWS:**

35 1. In either daytime or nighttime, but there shall be no live daytime
36 dog racing **OR HARNESS RACING** on the same day that there is live daytime horse
37 ~~or harness~~ racing in any county in which commercial horse or harness racing
38 has been conducted prior to February 1, 1971, and no live nighttime horse or
39 harness racing on the same day that there is live nighttime dog racing in the
40 same county. There shall be no wagering on simulcast dog races **OR SIMULCAST**
41 **HARNESS RACES OFFERED BY A DOG RACING PERMITTEE** before ~~4:15~~ 4:00 p.m.,
42 mountain standard time, on the same day that there is live daytime horse
43 **RACING** or harness racing in any county in which commercial horse or harness
44 racing has been conducted before February 1, 1971, and no wagering on
45 simulcast horse **RACES** or **SIMULCAST** harness ~~racing~~ **RACES OFFERED BY A HORSE**

1 RACING PERMITTEE after 7:30 p.m., mountain standard time, on the same day
2 that there is live nighttime dog racing in the same county. The hours during
3 which any other dog, harness or horse racing is to be conducted shall be
4 determined by the commission. The application for a permit shall state the
5 exact days on which racing will be held and the time of day during which
6 racing will be conducted.

7 2. IN ADDITION TO THE WAGERING ON SIMULCAST RACING OTHERWISE ALLOWED
8 BY THIS SECTION:

9 (a) A COMMERCIAL LIVE HORSE RACING PERMITTEE AT A RACE TRACK ENCLOSURE
10 WHERE LIVE HORSE RACING HAS BEEN CONDUCTED FOR A PERIOD OF AT LEAST TEN YEARS
11 AFTER 1992 OR AT A NEW RACE TRACK ENCLOSURE IN THE SAME COUNTY THAT REPLACED
12 A PREVIOUSLY EXISTING RACE TRACK ENCLOSURE, DURING THE PERIOD OF TIME THAT
13 THE PERMITTEE IS AUTHORIZED TO CONDUCT LIVE OR SIMULCAST HORSE RACING, MAY
14 OFFER AND CONDUCT WAGERING AFTER 7:30 P.M. ON SIMULCAST HORSE RACING RECEIVED
15 AT THE RACE TRACK ENCLOSURE WHERE THE LIVE RACING IS CONDUCTED AND AT ANY
16 ADDITIONAL WAGERING FACILITY OWNED OR LEASED BY THE PERMITTEE IN ANY COUNTY
17 IN THIS STATE, EXCEPT THAT IF THERE IS ANY COMMERCIAL LIVE DOG RACING
18 PERMITTEE IN A COUNTY AT A RACE TRACK ENCLOSURE OR AT A NEW RACE TRACK
19 ENCLOSURE THAT REPLACED THE PREVIOUSLY EXISTING RACE TRACK ENCLOSURE IN A
20 COUNTY WHERE LIVE DOG RACING HAS BEEN CONDUCTED FOR A PERIOD OF AT LEAST TEN
21 YEARS AFTER 1992, THE COMMERCIAL LIVE HORSE RACING PERMITTEE SHALL OBTAIN THE
22 CONSENT OF THE COMMERCIAL LIVE DOG RACING PERMITTEE FOR THE WAGERING ON THE
23 SIMULCAST HORSE RACING IN THAT COUNTY.

24 (b) A COMMERCIAL LIVE DOG RACING PERMITTEE AT A RACE TRACK ENCLOSURE
25 WHERE LIVE DOG RACING HAS BEEN CONDUCTED FOR A PERIOD OF AT LEAST TEN YEARS
26 BEGINNING AFTER 1992 OR AT A NEW RACE TRACK ENCLOSURE IN THE SAME COUNTY THAT
27 REPLACED A PREVIOUSLY EXISTING RACE TRACK ENCLOSURE, DURING THE PERIOD OF
28 TIME THAT THE PERMITTEE IS AUTHORIZED TO CONDUCT LIVE OR SIMULCAST DOG
29 RACING, MAY OFFER AND CONDUCT WAGERING BEFORE 4:00 P.M. ON SIMULCAST DOG
30 RACING RECEIVED AT THE RACE TRACK ENCLOSURE WHERE THE LIVE RACING IS
31 CONDUCTED AND IN ANY COUNTY IN THIS STATE, EXCEPT THAT IF THERE IS ANY
32 COMMERCIAL LIVE HORSE RACING PERMITTEE IN A COUNTY AT A RACE TRACK ENCLOSURE
33 OR AT A NEW RACE TRACK ENCLOSURE IN THE SAME COUNTY THAT REPLACED THE
34 PREVIOUSLY EXISTING RACE TRACK ENCLOSURE IN A COUNTY WHERE LIVE HORSE RACING
35 HAS BEEN CONDUCTED FOR A PERIOD OF AT LEAST TEN YEARS BEGINNING AFTER 1992,
36 THE COMMERCIAL LIVE DOG RACING PERMITTEE SHALL OBTAIN THE CONSENT OF THE
37 COMMERCIAL LIVE HORSE RACING PERMITTEE FOR THE WAGERING ON THE SIMULCAST DOG
38 RACING IN THAT COUNTY.

39 3. IN ADDITION TO THE WAGERING ON SIMULCAST HARNESS RACING OTHERWISE
40 ALLOWED BY THIS SECTION:

41 (a) A COMMERCIAL LIVE HORSE RACING PERMITTEE AT A RACE TRACK ENCLOSURE
42 WHERE LIVE HORSE RACING HAS BEEN CONDUCTED FOR A PERIOD OF AT LEAST TEN YEARS
43 BEGINNING AFTER 1992 OR AT A NEW RACE TRACK ENCLOSURE IN THE SAME COUNTY THAT
44 REPLACED A PREVIOUSLY EXISTING RACE TRACK ENCLOSURE MAY OFFER WAGERING ON
45 SIMULCAST HARNESS RACING AFTER 7:30 P.M. DURING THE PERIODS THAT THE

1 PERMITTEE IS AUTHORIZED TO CONDUCT LIVE OR SIMULCAST RACING AT THE
2 PERMITTEE'S RACE TRACK ENCLOSURE AND AT ANY ADDITIONAL WAGERING FACILITY
3 OPERATED BY THE PERMITTEE IN ANY COUNTY IN THIS STATE, EXCEPT THAT IF THERE
4 IS ANY COMMERCIAL LIVE DOG RACING PERMITTEE IN A COUNTY AT A RACE TRACK
5 ENCLOSURE WHERE LIVE DOG RACING HAS BEEN CONDUCTED FOR A PERIOD OF AT LEAST
6 TEN YEARS BEGINNING AFTER 1992 OR AT A NEW RACE TRACK ENCLOSURE IN THE SAME
7 COUNTY THAT REPLACED THE PREVIOUSLY EXISTING RACE TRACK ENCLOSURE, THE
8 COMMERCIAL LIVE HORSE RACING PERMITTEE SHALL OBTAIN THE CONSENT OF THE
9 COMMERCIAL LIVE DOG RACING PERMITTEE FOR THE WAGERING ON THE SIMULCAST
10 HARNESS RACING IN THAT COUNTY.

11 (b) A COMMERCIAL LIVE DOG RACING PERMITTEE AT A RACE TRACK ENCLOSURE
12 WHERE LIVE DOG RACING HAS BEEN CONDUCTED FOR A PERIOD OF AT LEAST TEN YEARS
13 BEGINNING AFTER 1992 OR AT A NEW RACE TRACK ENCLOSURE IN THE SAME COUNTY THAT
14 REPLACED A PREVIOUSLY EXISTING RACE TRACK ENCLOSURE MAY OFFER WAGERING ON
15 SIMULCAST HARNESS RACING BEFORE 4:00 P.M. DURING THE PERIODS THAT THE
16 PERMITTEE IS AUTHORIZED TO CONDUCT LIVE OR SIMULCAST RACING AT THE
17 PERMITTEE'S RACE TRACK ENCLOSURE AND AT ANY ADDITIONAL WAGERING FACILITY
18 OPERATED BY THE PERMITTEE IN ANY COUNTY IN THIS STATE, EXCEPT THAT IF THERE
19 IS ANY COMMERCIAL LIVE HORSE RACING PERMITTEE IN A COUNTY AT A RACE TRACK
20 ENCLOSURE WHERE LIVE HORSE RACING HAS BEEN CONDUCTED FOR A PERIOD OF AT LEAST
21 TEN YEARS AFTER 1992 OR AT A NEW RACE TRACK ENCLOSURE IN THE SAME COUNTY THAT
22 REPLACED THE PREVIOUSLY EXISTING RACE TRACK ENCLOSURE, THE COMMERCIAL LIVE
23 DOG RACING PERMITTEE SHALL OBTAIN THE CONSENT OF THE COMMERCIAL LIVE HORSE
24 RACING PERMITTEE FOR THE WAGERING ON THE SIMULCAST HARNESS RACING IN THAT
25 COUNTY.

26 D. DURING THE PERIOD OF A PERMIT FOR CONDUCTING SIMULCAST HARNESS
27 RACING BY A COMMERCIAL LIVE HORSE OR DOG RACING PERMITTEE, THE STATE SHALL
28 RECEIVE A REGULATORY FEE FROM THE DAILY PARI-MUTUEL POOL OF THE PERMITTEE IN
29 AN AMOUNT AS DETERMINED BY THE DEPARTMENT BY RULE SUBJECT TO THE APPROVAL OF
30 THE COMMISSION. THE BALANCE OF THE AMOUNT IN THE PARI-MUTUEL POOL FOR DOG
31 RACING PERMITTEES SHALL BE DISTRIBUTED AS PROVIDED IN SECTION 5-111,
32 SUBSECTION B. THE BALANCE OF THE AMOUNT IN THE PARI-MUTUEL POOL FOR HORSE
33 RACING PERMITTEES SHALL BE DISTRIBUTED AS PROVIDED IN SECTION 5-111,
34 SUBSECTION D. A DEDUCTION SHALL NOT BE ALLOWED FROM THE AMOUNT RECEIVED BY
35 THIS STATE FOR CAPITAL IMPROVEMENTS DEDUCTIONS UNDER SECTIONS 5-111.02 AND
36 5-111.03 OR FOR HARDSHIP TAX CREDITS DETERMINED UNDER SECTION 5-111.

37 ~~D.~~ E. If the commission determines that an emergency has obligated or
38 may obligate a permittee to discontinue racing at a location, the commission
39 may authorize the permittee to transfer racing for the number of days lost to
40 any other location.

41 ~~E.~~ F. A racing meeting, when operated by a county fair racing
42 association or under lease during the county fair to any individual,
43 corporation or association, shall not come under the limitation placed on
44 days of racing in this section.

1 ~~F.~~ G. The department shall be the judge of whether a county fair
2 racing meeting is being operated in accordance with ~~the provisions of~~ this
3 section. A county fair racing meeting conducted by an individual,
4 corporation or association, other than the properly authorized county fair
5 racing association, shall come under the general provisions of this article
6 the same as a commercial meeting. Notwithstanding this subsection, a county
7 fair racing meeting, whether conducted by a county fair racing association or
8 by an individual, corporation or association other than a county fair racing
9 association, is exempt from the requirement prescribed in section 5-111 to
10 pay to the state a percentage of the pari-mutuel pool collected at the
11 meeting.

12 ~~G.~~ H. The commission may allow a permittee, in addition to the days
13 specified in this permit, to operate up to three racing days during any one
14 meeting as charity days. From the amount deducted from the total handled in
15 the pari-mutuel pool on charity days, the permittee shall deduct an amount
16 equal to the purses and the cost of conducting racing on these days, and
17 shall donate the balance to nonprofit organizations and corporations ~~which~~
18 ~~THAT~~ benefit the general public, ~~which~~ ~~THAT~~ are engaged in charitable,
19 benevolent and other like work and ~~which~~ ~~THAT~~ are selected by the permittee
20 and approved by the department. In no event shall the amount given to
21 charity from charity racing days be less than the amount which otherwise
22 would have gone to this state as the state's share on a noncharity racing
23 day.

24 ~~H.~~ I. Notwithstanding any other provision of this chapter, any dog
25 racing permittee to which a permit to conduct dog racing in this state has
26 been issued may in any racing year modify the racing date allocations made to
27 the permittee for conducting dog racing at a track by reallocating up to
28 two-thirds of the racing dates allocated to that permittee for dog racing at
29 a track to another track in this state at which the permittee or a
30 corporation of common ownership to the permittee conducts dog racing. For
31 the purpose of this section a corporation of common ownership to the
32 permittee is a corporation ~~which~~ ~~THAT~~ is owned or controlled, directly or
33 indirectly, by the same corporation that owns or controls the permittee and
34 ~~which~~ ~~THAT~~ holds a permit to conduct dog racing in this state.

35 ~~I.~~ J. Notwithstanding any other provision of this article, any dog
36 racing permittee that has offered live dog racing in eight out of ten
37 calendar years from 1980 to 1990 in counties that have a population of less
38 than five hundred thousand persons according to the most recent United States
39 decennial census shall be considered as operating a racetrack enclosure for
40 all purposes under this article and shall not be required to conduct live
41 racing as a condition of that permittee's racing permit. Any permittee
42 qualified under this subsection may conduct wagering on telecasts of races
43 conducted at racetrack enclosures within this state or at racetrack
44 enclosures outside this state without offering live racing at that
45 permittee's racetrack enclosure.

1 Sec. 2. Section 5-111, Arizona Revised Statutes, is amended to read:

2 5-111. Wagering percentage to permittee and state; exemptions

3 A. The commission shall prescribe rules governing wagering on races
4 under the system known as pari-mutuel wagering. Wagering shall be conducted
5 by a permittee only by pari-mutuel wagering and only on the dates for which
6 racing or dark day simulcasting has been authorized by the commission.
7 Wagering ~~for a licensed~~ DURING A racing meeting shall be conducted by a
8 COMMERCIAL OR COUNTY FAIR LIVE RACING permittee only within an enclosure in
9 which authorized LIVE racing takes place and, ~~in counties having a population~~
10 ~~of less than five hundred thousand persons or at least one million five~~
11 ~~hundred thousand persons, as shown by the most recent United States decennial~~
12 ~~census,~~ at those additional facilities ~~which~~ THAT are owned or leased by a
13 permittee, ~~and which~~ THAT ARE APPROVED BY THE COMMISSION AND THAT are used by
14 a permittee for handling wagering as part of the pari-mutuel system ~~and pool~~
15 ~~of the permittee at the enclosure where the authorized racing is conducted~~ OF
16 THE COMMERCIAL OR COUNTY FAIR LIVE RACING PERMITTEE. ~~In all other counties,~~
17 ~~wagering may also be conducted at additional facilities which are owned or~~
18 ~~leased by a permittee who is licensed to conduct live racing in those~~
19 ~~counties or who has the consent of all commercial permittees currently~~
20 ~~licensed to conduct live racing in those counties and which are used by a~~
21 ~~permittee for handling wagering and as part of the pari-mutuel system and~~
22 ~~pool of the permittee at the enclosure where the authorized racing is~~
23 ~~conducted.~~ If the additional facilities have not been used for authorized
24 racing before their use for handling wagering, a permittee shall not use the
25 facilities for handling wagering before receiving approval for such use by
26 the governing body of the city or town, if located within the corporate
27 limits, or by the board of supervisors, if located in an unincorporated area
28 of the county. A permittee may televise ~~the~~ ANY LIVE races OR ANY SIMULCAST
29 RACES RECEIVED AT THE PERMITTEE'S RACING ENCLOSURE to the additional
30 facilities at the times the races are conducted OR RECEIVED AT THE
31 PERMITTEE'S RACING ENCLOSURE. For the purpose of section 5-110, subsection C
32 only, a race upon which wagering is permitted under this subsection shall be
33 deemed to also occur at the additional facility in the county in which the
34 additional facility is located, and as such shall be limited in the same
35 manner as actual live racing in such county. For the purpose of subsections
36 B and C of this section, the wagering at the additional facility shall be
37 deemed to occur in the county in which the additional facility is located.

38 B. During the period of any permit for dog racing in any county, the
39 state shall receive five and one-half per cent of all monies handled in the
40 pari-mutuel pool operated by the permittee, to be paid daily during the
41 racing meeting. In all counties having a population of one million five
42 hundred thousand persons or more, according to the most recent United States
43 decennial census, four and three-quarters per cent of the gross amount of
44 monies handled in a pari-mutuel pool shall be deducted from the pari-mutuel
45 pool and shall be deposited daily into a trust account for the payment of

1 purse amounts. In counties having a population of less than one million five
2 hundred thousand persons according to the most recent United States decennial
3 census, four per cent of the gross amount of monies handled in a pari-mutuel
4 pool shall be deducted from the pari-mutuel pool and shall be deposited daily
5 in a trust account for the payment of purse amounts. In addition,
6 twenty-five per cent of any reduction in pari-mutuel taxes each year
7 resulting from the application of the hardship tax reduction credit
8 determined pursuant to subsection I of this section shall be deposited in the
9 trust account for supplementing purse amounts in an equitable manner over the
10 racing meeting as determined by the commission. Notwithstanding any other
11 provision of this subsection, the percentage paid by a **COMMERCIAL LIVE DOG**
12 **RACING** permittee to the state does not apply to monies handled in a
13 pari-mutuel pool for wagering on simulcasts of out-of-state **DOG** races.
14 During a week in which a permittee conducts live racing at the permittee's
15 racetrack enclosure, the permittee shall deduct from monies handled in a
16 pari-mutuel pool for wagering on simulcasts of out-of-state races and deposit
17 daily in a trust account for the payment of purse amounts the same percentage
18 of the pari-mutuel pool as is deducted for purses for live races unless
19 otherwise agreed by written contract. Unless otherwise agreed by written
20 contract, if the commission reasonably determines that live racing will not
21 be conducted within one calendar year at a racetrack enclosure, the permittee
22 shall deduct from monies handled in a pari-mutuel pool for wagering on
23 simulcasts of out-of-state races and deposit daily in a trust account to
24 supplement purses of any dog track where live racing is conducted within a
25 one hundred mile radius. The supplementing provided by this subsection shall
26 be in the most equitable manner possible as determined by the commission.
27 The permittee shall allocate the funds in the trust account and pay purse
28 amounts at least biweekly. The permittee ~~may~~, at the permittee's discretion,
29 **MAY** pay additional amounts to augment purses from the amounts received by the
30 permittee under this subsection.

31 C. During the period of a permit for horse, harness or dog racing, the
32 permittee ~~which~~ **THAT** conducts such meeting may deduct up to and including
33 twenty-five per cent of the total amount handled in the regular pari-mutuel
34 pools and ~~may~~, at the permittee's option, **MAY** deduct up to and including
35 thirty per cent of the total amount handled in the exacta, daily double,
36 quinella and other wagering pools involving two horses or dogs, and up to and
37 including thirty-five per cent of the total amount handled in the trifecta or
38 other wagering pools involving more than two horses or dogs in one or more
39 races. The amounts if deducted shall be distributed as prescribed in
40 subsection D of this section and section 5-111.02 for horse or harness racing
41 permittees. For dog racing permittees, unless otherwise agreed by written
42 contract, the permittee shall allocate to purses from amounts wagered on live
43 racing conducted in this state an amount equal to fifty per cent of any
44 amounts that are deducted pursuant to this subsection in excess of twenty per
45 cent of the total amount handled in the regular pari-mutuel pools, twenty-one

1 per cent of the total amount handled in the exacta, daily double, quinella
 2 and other wagering pools involving two dogs or twenty-five per cent of the
 3 total amount handled in the trifecta or other wagering pools involving more
 4 than two dogs in one or more races. For dog racing permittees the
 5 percentages prescribed in subsection B of this section shall be distributed
 6 to the state and to the trust account for payment of purse amounts and the
 7 permittee shall receive the balance. If the dog racing permittee has made
 8 capital improvements, the distribution to the state shall be adjusted as
 9 provided in section 5-111.03. Monies deposited in the trust account for
 10 payment of purses pursuant to this subsection shall be in addition to amounts
 11 deposited pursuant to subsection B of this section.

12 D. During the period of a permit for horse or harness racing, the
 13 state shall receive two per cent of the gross amount of the first one million
 14 dollars of the daily pari-mutuel pools and five per cent of the gross amount
 15 exceeding one million dollars of the daily pari-mutuel pools.
 16 Notwithstanding any other provision of this subsection, the percentage paid
 17 by a permittee to the state does not apply to monies handled in a pari-mutuel
 18 pool for wagering on simulcasts of out-of-state HORSE races BY A COMMERCIAL
 19 LIVE HORSE RACING PERMITTEE OR ON SIMULCASTS OF OUT-OF-STATE HARNESS RACES BY
 20 A COMMERCIAL LIVE HARNESS RACING PERMITTEE. ~~The permittee shall retain the~~
 21 ~~balance of the total amounts deducted pursuant to subsection C of this~~
 22 ~~section. Of~~ FROM the amount ~~retained by the permittee, less the amount~~
 23 DEDUCTED PURSUANT TO SUBSECTION C OF THIS SECTION FROM WAGERING ON LIVE OR
 24 SIMULCAST HORSE RACING OR SIMULCAST HARNESS RACING, AFTER DEDUCTIONS FOR
 25 ALLOCATIONS TO THIS STATE AS PROVIDED IN SUBSECTION C OF THIS SECTION AND THE
 26 AMOUNTS payable to the permittee for capital improvements pursuant to ~~section~~
 27 SECTIONS 5-111.02 AND 5-111.03, breakage distributed to the permittee
 28 pursuant to section 5-111.01 and other applicable state, county and city
 29 transaction privilege or other taxes, unless otherwise agreed by written
 30 contract, A COMMERCIAL HORSE OR HARNESS RACING PERMITTEE SHALL ALLOCATE fifty
 31 per cent ~~shall~~ OF THE BALANCE TO be used for purses AT THE RACE TRACK
 32 ENCLOSURE WHERE THE COMMERCIAL HORSE OR HARNESS RACING PERMITTEE CONDUCTS
 33 LIVE RACING. A COMMERCIAL LIVE DOG RACING PERMITTEE SHALL ALLOCATE AMOUNTS
 34 NET OF COSTS OF ADVERTISING DEDUCTED FROM THE PROCEEDS RECEIVED FROM WAGERING
 35 ON SIMULCAST HARNESS RACING IN THE SAME MANNER PROVIDED IN SUBSECTION B OF
 36 THIS SECTION. Unless otherwise agreed by written contract, fifty per cent of
 37 the revenues received by ~~the~~ A COMMERCIAL LIVE HORSE RACING permittee from
 38 simulcasting races as provided in section 5-112, net of costs of advertising,
 39 shall be utilized as a supplement to the general purse structure. All
 40 amounts ~~which~~ THAT are deducted from the pari-mutuel pool for purses pursuant
 41 to this section and sections 5-111.01, 5-112 and 5-114 and ~~revenues which~~
 42 PROCEEDS THAT are received from simulcasting and ~~which~~ THAT are to be used as
 43 a supplement to the general purse structure pursuant to this subsection shall
 44 be deposited daily into a trust account for the payment of purse amounts.

1 E. Any county fair racing association may apply to the commission for
2 one racing meeting each year and the commission shall set the number of days
3 and the dates of such meetings. A racing meeting conducted under this
4 subsection shall be operated in such manner that all profits accrue to the
5 county fair racing association, and the county fair racing association may
6 deduct from the pari-mutuel pool the same amount as prescribed in subsection
7 C of this section. All county fair racing meetings, whether conducted by
8 county fair racing associations under ~~the provisions of~~ this subsection or by
9 an individual, corporation or association other than a county fair racing
10 association, are exempt from the payment to the state of the percentage of
11 the pari-mutuel pool prescribed by subsection D of this section and are also
12 exempt from ~~the provisions of~~ section 5-111.01.

13 F. Monies from charity racing days are exempt from the state
14 percentage of the pari-mutuel pool prescribed in this section.

15 G. Sums held by a permittee for payment of unclaimed pari-mutuel
16 tickets are exempt from the provisions of the revised Arizona unclaimed
17 property act, title 44, chapter 3.

18 H. All of the amounts received by a permittee from the gross amount of
19 monies handled in a pari-mutuel pool and all amounts held by a permittee for
20 payment of purses pursuant to this section and sections 5-111.01, 5-112 and
21 5-114 are exempt from the provisions of title 42, chapter 5.

22 I. On August 1 of each year a permittee is eligible for a hardship tax
23 credit pursuant to this subsection. For THE purposes of this subsection,
24 "permittee" ~~shall include~~ INCLUDES any person who has succeeded to the
25 interest of a permittee and who is authorized to conduct racing at the
26 facility for which the permit was issued. The department shall determine the
27 amount of any hardship tax credit as follows:

28 1. Determine the percentage decrease in pari-mutuel wagering by
29 determining the percentage decrease in pari-mutuel wagering between the base
30 period amount and the amount of pari-mutuel wagering in the previous fiscal
31 year at the racetrack and the additional wagering facilities operated by the
32 permittee. The base period amount is the highest total annual pari-mutuel
33 wagering at the racetrack and all additional wagering facilities as reported
34 to the department for fiscal year 1989-1990, 1990-1991, 1991-1992, 1992-1993
35 or 1993-1994.

36 2. Determine the permittee's hardship tax credit by multiplying the
37 total pari-mutuel tax due as a result of wagering at the racetrack and all
38 additional wagering facilities for the previous fiscal year before applying
39 any hardship tax credit amount by the percentage decrease in pari-mutuel
40 wagering determined pursuant to paragraph 1 of this subsection and
41 multiplying the result by three.

42 3. The permittee's pari-mutuel tax due as otherwise determined under
43 subsections B and D of this section shall be reduced for the current period
44 and any future periods by an amount equal to the amount of the hardship tax

1 credit determined pursuant to this subsection. The hardship tax credit is in
2 addition to any other tax exemptions, rebates and credits.

3 Sec. 3. Section 5-112, Arizona Revised Statutes, is amended to read:

4 5-112. Wagering legalized; simulcasting of races; unauthorized
5 wagering prohibited; classification

6 A. Except as provided in subsection L of this section, section
7 5-101.01, subsection G and title 13, chapter 33, any person within the
8 enclosure of a racing meeting held pursuant ~~to the provisions of~~ this article
9 may wager on the results of a race held at the meeting or televised to the
10 racetrack enclosure by simulcasting pursuant to this section by contributing
11 money to a pari-mutuel pool operated by the permittee as provided by this
12 article.

13 B. The department ~~may~~, upon request by a permittee, **MAY** grant
14 permission for electronically televised simulcasts of horse, harness or dog
15 races to be received by the ~~permittee~~ **COMMERCIAL OR COUNTY FAIR RACING**
16 **PERMITTEE AT THE PERMITTEE'S RACING ENCLOSURE**. In counties having a
17 population of one million five hundred thousand persons or more according to
18 the most recent United States decennial census, the simulcasts shall be
19 received at the racetrack enclosure where a horse, harness or dog racing
20 meeting is being conducted, provided that the simulcast may only be received
21 during, ~~immediately~~ before or ~~immediately~~ after a minimum of ~~nine-posted~~
22 **EIGHT** races **HAVE BEEN POSTED** for that racing day. In counties having a
23 population of five hundred thousand persons or more, but less than one
24 million five hundred thousand persons according to the most recent United
25 States decennial census, the simulcasts shall be received at the racetrack
26 enclosure where a horse, harness or dog racing meeting is being conducted
27 provided that the simulcast may only be received during, ~~immediately~~ before
28 or ~~immediately~~ after a minimum of four posted races for that racing day. In
29 all other counties, the simulcasts shall be received at a racetrack enclosure
30 at which authorized racing has been conducted whether or not posted races
31 have been offered for the day the simulcast is received. The simulcasts shall
32 be limited to horse, harness or dog races. The simulcasts shall be limited
33 to the same type of racing as authorized in the permit for live racing
34 conducted by the permittee. The department ~~may~~, upon request by a permittee,
35 **MAY** grant permission for the permittee to transmit the live race from the
36 racetrack enclosure where a horse, harness or dog racing meeting is being
37 conducted to a facility or facilities in another state. All simulcasts of
38 horse or harness races shall comply with the interstate horse racing act of
39 1978 (P.L. 95-515; 92 Stat. 1811; 15 United States Code chapter 57). All
40 forms of pari-mutuel wagering shall be allowed on **LIVE OR SIMULCAST** horse,
41 harness or dog races ~~televised by simulcasting~~ **THAT ARE AVAILABLE FOR**
42 **WAGERING AND THAT ARE CONDUCTED BY A COMMERCIAL HORSE OR DOG RACING PERMITTEE**
43 **UNDER THIS CHAPTER**. All monies wagered by patrons on these horse, harness or
44 dog races shall be computed in the amount of money wagered each racing day
45 for purposes of section 5-111.

1 C. Notwithstanding subsection B of this section, in counties having a
2 population of one million five hundred thousand persons or more according to
3 the most recent United States decennial census, simulcasts may be received
4 at the racetrack enclosure and ~~at~~ THE PERMITTEE MAY OFFER PARI-MUTUEL
5 WAGERING ON THE SIMULCASTS AT any additional wagering facility used by a
6 permittee for handling wagering as provided in section 5-111, subsection A
7 during a permittee's racing meeting as approved by the commission, WHETHER OR
8 NOT THE SIMULCASTS ARE TELEVISED TO THE ADDITIONAL WAGERING FACILITY AND
9 whether or not posted races have been conducted on the day the simulcast is
10 received, if:

11 1. For horse and harness racing, the permittee's racing permit
12 requires the permittee to conduct a minimum of ~~nine~~ EIGHT posted LIVE races
13 PER DAY BUT NOT LESS THAN FORTY-FIVE POSTED LIVE RACES on an average of five
14 racing days each week at the permittee's racetrack enclosure during the
15 period beginning on October 1 and ending on the first full week in May,
16 UNLESS A LESSER NUMBER OF LIVE RACES IS AGREED TO IN A WRITTEN AGREEMENT
17 BETWEEN THE PERMITTEE AND THE GROUP REPRESENTING THE MAJORITY OF THE HORSEMEN
18 AT THE PERMITTEE'S RACING FACILITY THAT HAS REPRESENTED THE HORSEMEN FOR NOT
19 LESS THAN FIVE YEARS PRIOR TO THE AGREEMENT IF THE AGREEMENT DOES NOT REDUCE
20 THE NUMBER OF POSTED LIVE RACE DAYS DURING THE PERIOD TO LESS THAN ONE
21 HUNDRED FIFTY POSTED LIVE RACE DAYS.

22 2. For dog racing, the permittee is required to conduct a minimum of
23 twelve posted races on each of five days each week for fifty weeks during a
24 calendar year at the permittee's racetrack enclosure.

25 D. Notwithstanding subsection B of this section, in counties having a
26 population of five hundred thousand persons or more but less than one million
27 five hundred thousand persons according to the most recent United States
28 decennial census, simulcasts may be received at the racetrack enclosure and
29 THE PERMITTEE MAY OFFER PARI-MUTUEL WAGERING ON THE SIMULCASTS at any
30 additional wagering facility used by a permittee for handling wagering as
31 provided in section 5-111, subsection A during a permittee's racing meeting
32 as approved by the commission, WHETHER OR NOT THE SIMULCASTS ARE TELEVISED TO
33 THE ADDITIONAL WAGERING FACILITY AND whether or not posted races have been
34 conducted on the day the simulcast is received, subject to the following
35 conditions:

36 1. For horse and harness racing, the permittee may conduct wagering on
37 dark day simulcasts for twenty days, provided the permittee conducts
38 ~~a minimum~~ AN AVERAGE of seven posted races on each of the racing days
39 mandated in the permittee's commercial racing permit. In order to conduct
40 wagering on dark day simulcasts for more than twenty days, the permittee is
41 required to conduct a minimum of seven posted races on one hundred forty
42 racing days at the permittee's racetrack enclosure.

43 2. For dog racing, the permittee is required to conduct a minimum of
44 nine posted races on each of four days each week for fifty weeks during a
45 calendar year at the permittee's racetrack enclosure.

1 E. In an emergency and upon a showing of good cause by a permittee,
2 the commission may grant an exception to the minimum racing day requirements
3 of subsections C and D of this section.

4 F. The minimum racing day requirements of subsections C and D of this
5 section shall be computed by adding all racing days, including any county
6 fair racing days operated in accordance with section 5-110, subsection ~~F~~ G,
7 allotted to the permittee's racetrack enclosure in one or more racing permits
8 and all racing days allotted to the permittee's racetrack enclosure pursuant
9 to section 5-110, subsection ~~H~~ I.

10 G. Notwithstanding subsection B of this section and subject to
11 subsections C and D of this section, during the period of the permit for
12 horse racing, wagering on dark day simulcasts of horse races at a permittee's
13 additional wagering facilities shall only be allowed for a maximum number of
14 days equal to the number of days of live horse racing scheduled to be
15 conducted at that permittee's racetrack enclosure during the permittee's
16 racing meeting, and during the period of a permit for dog racing, wagering on
17 dark day simulcasts of dog races at a permittee's additional wagering
18 facilities shall only be allowed for a maximum number of days equal to the
19 number of days of live dog racing scheduled to be conducted at that
20 permittee's racetrack enclosure during the permittee's racing meeting. The
21 number of days allowed for dark day simulcasting under this subsection shall
22 be computed by adding all racing days, including any county fair racing days
23 operated in accordance with section 5-110, subsection ~~F~~ G, allotted to the
24 permittee's racetrack enclosure in one or more racing permits and all racing
25 days allocated to the permittee's racetrack enclosure pursuant to section
26 5-110, subsection ~~H~~ I.

27 H. Simulcast signals or teletracking of simulcast signals does not
28 prohibit live racing or teletracking of that live racing in any county at any
29 time.

30 I. Except as provided in subsection L of this section, section
31 5-101.01, subsection G and title 13, chapter 33, any person within a
32 racetrack enclosure or an additional facility authorized for wagering
33 pursuant to section 5-111, subsection A may wager on the results of a race
34 televised to the ~~facility~~ PERMITTEE'S LIVE RACING ENCLOSURE pursuant to
35 section 5-111, subsection A by contributing to a pari-mutuel pool operated as
36 provided by this article.

37 J. Notwithstanding subsection B of this section, the department, in
38 counties having a population of one million five hundred thousand persons or
39 more according to the most recent United States decennial census, ~~may, upon~~
40 AND ON request by a permittee for one day each year, MAY grant permission for
41 simulcasts to be received without compliance with the minimum of ~~nine~~ EIGHT
42 posted races requirement.

43 K. Except as provided in this article and in title 13, chapter 33, all
44 forms of wagering or betting on the results of a race, including but not
45 limited to buying, selling, cashing, exchanging or acquiring a financial

1 interest in pari-mutuel tickets, except by operation of law, whether the race
2 is conducted in this state or elsewhere, are illegal.

3 L. ~~Until June 1, 2003, a permittee shall not knowingly permit a minor~~
4 ~~to be a patron of the pari-mutuel system of wagering. Beginning on June 1,~~
5 ~~2003,~~ A permittee shall not knowingly permit a person who is under twenty-one
6 years of age to be a patron of the pari-mutuel system of wagering.

7 M. Except as provided in title 13, chapter 33, any person ~~violating~~
8 ~~any provision of~~ WHO VIOLATES this article with respect to any wagering or
9 betting, whether the race is conducted within or without this state, is
10 guilty of a class 6 felony.

11 N. EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER FOR HARNESS RACING,
12 simulcasting may only be authorized for the same type of racing authorized by
13 a permittee's live racing permit.

14 O. ANY PERSON OTHER THAN A PERMITTEE UNDER THIS ARTICLE WHO ACCEPTS A
15 WAGER OR BET ON THE RESULTS OF A RACE WHETHER THE RACE IS CONDUCTED WITHIN OR
16 WITHOUT THIS STATE, INCLUDING BUYING, SELLING, CASHING, EXCHANGING OR
17 ACQUIRING A FINANCIAL INTEREST IN A PARI-MUTUEL TICKET FROM A PERSON IN THIS
18 STATE OUTSIDE OF A RACING ENCLOSURE OR ADDITIONAL WAGERING FACILITY THAT IS
19 APPROVED BY THE COMMISSION AND LOCATED IN THIS STATE IS GUILTY OF A CLASS 6
20 FELONY.

21 P. PURSUANT TO THE PROVISIONS OF SECTION 13-108, A PARI-MUTUEL WAGER
22 OR BET PLACED OR MADE BY A PERSON IN THIS STATE SHALL BE DEEMED FOR ALL
23 PURPOSES TO OCCUR WITHIN THIS STATE.

24 Sec. 4. Exemption from rule making

25 For the purposes of establishing the regulatory fee for conducting
26 simulcast harness racing pursuant to section 5-110, subsection D, Arizona
27 Revised Statutes, as amended by this act, the department of racing is exempt
28 from the rule making requirements of title 41, chapter 6, Arizona Revised
29 Statutes, for six months after the effective date of this act, except that
30 the department shall file the rules pursuant to title 41, chapter 6, Arizona
31 Revised Statutes, and hold at least one public hearing and the rules must be
32 filed with the secretary of state.