

Senate Engrossed House Bill

**FILED**

**JANICE K. BREWER  
SECRETARY OF STATE**

State of Arizona  
House of Representatives  
Forty-seventh Legislature  
Second Regular Session  
2006

CHAPTER 127

# HOUSE BILL 2128

AN ACT

AMENDING SECTIONS 13-3302 AND 13-3311, ARIZONA REVISED STATUTES; RELATING TO GAMBLING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 13-3302, Arizona Revised Statutes, is amended to  
3 read:

4 13-3302. Exclusions

5 A. The following conduct is not unlawful under this chapter:

6 1. Amusement gambling.

7 2. Social gambling.

8 3. Regulated gambling if the gambling is conducted in accordance with  
9 the statutes, rules or orders governing the gambling.

10 4. Gambling that is conducted at state, county or district fairs and  
11 that complies with section 13-3301, paragraph 1, subdivision (d).

12 B. An organization that has qualified for an exemption from taxation  
13 of income under section 43-1201, paragraph 1, 2, 4, 5, 6, 7, 10 or 11 may  
14 conduct a raffle that is subject to the following restrictions:

15 1. The nonprofit organization shall maintain this status and no  
16 member, director, officer, employee or agent of the nonprofit organization  
17 may receive any direct or indirect pecuniary benefit other than being able to  
18 participate in the raffle on a basis equal to all other participants.

19 2. The nonprofit organization has been in existence continuously in  
20 this state for a five year period immediately before conducting the raffle.

21 3. No person except a bona fide local member of the sponsoring  
22 organization may participate directly or indirectly in the management, sales  
23 or operation of the raffle.

24 4. Nothing in paragraph 1 or 3 of this subsection prohibits a licensed  
25 general hospital, ~~or~~ a licensed special hospital OR A FOUNDATION ESTABLISHED  
26 TO SUPPORT CARDIOVASCULAR MEDICAL RESEARCH that is exempt from taxation of  
27 income under section 43-1201, paragraph 4 or section 501(c)(3) of the  
28 internal revenue code from contracting with an outside agent who participates  
29 in the management, sales or operation of the raffle if the proceeds of the  
30 raffle are used to fund medical research, graduate medical education or  
31 indigent care, provided that the raffles are conducted no more than three  
32 times per calendar year. The maximum fee for an outside agent shall not be  
33 greater than fifteen per cent of the net proceeds of the raffle.

34 C. A state, county or local historical society designated by this  
35 state or a county, city or town to conduct a raffle may conduct the raffle  
36 subject to the following conditions:

37 1. No member, director, officer, employee or agent of the historical  
38 society may receive any direct or indirect pecuniary benefit other than being  
39 able to participate in the raffle on a basis equal to all other participants.

40 2. The historical society must have been in existence continuously in  
41 this state for a five year period immediately before conducting the raffle.

42 3. No person except a bona fide local member of the sponsoring  
43 historical society may participate directly or indirectly in the management,  
44 sales or operation of the raffle.

1           Sec. 2. Section 13-3311, Arizona Revised Statutes, is amended to read:  
2           13-3311. Amusement gambling intellectual contests or events;  
3                     registration; filing of rules; sworn statement;  
4                     public inspection of records; exception

5           A. Before any person conducts an amusement gambling intellectual  
6 contest or event pursuant to section 13-3301, paragraph 1, subdivision (d),  
7 item (iii), ~~such persons~~ THE PERSON shall register with the attorney  
8 general's office. The registration shall include:

9           1. The name and address of the person conducting the contest or event.

10           2. The minimum dollar amount of all prizes to be awarded.

11           3. The duration of the event.

12           4. The statutory agent or person authorized to accept service of  
13 process in Arizona for the person conducting the contest or event.

14           5. All rules governing the contest or event, including the rules  
15 applicable in case of a tie.

16           6. The name and description of the product and the established  
17 purchase price for the product.

18           B. Within ten days following the award of all prizes in connection  
19 with an amusement gambling intellectual contest or event, the person  
20 conducting the contest or event shall file with the attorney general's office  
21 the names and addresses of all persons who have won prizes in connection with  
22 the contest or event.

23           C. For each amusement gambling intellectual contest or event held, the  
24 person conducting the event shall file with the attorney general's office a  
25 sworn statement under oath that no increment has been added to the  
26 established purchase price for the product in connection with the gambling  
27 event.

28           D. THIS SECTION DOES NOT APPLY TO ORGANIZATIONS THAT HAVE QUALIFIED  
29 FOR AN EXEMPTION FROM TAXATION OF INCOME UNDER SECTION 43-1201, PARAGRAPH 1,  
30 2, 4, 5, 6, 7, 10 OR 11.

31           Sec. 3. Emergency

32           This act is an emergency measure that is necessary to preserve the  
33 public peace, health or safety and is operative immediately as provided by  
34 law.

**APPROVED BY THE GOVERNOR APRIL 17, 2006.**

**FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 17, 2006.**