



DOUGLAS A. DUCEY
GOVERNOR

STATE OF ARIZONA
OFFICE OF THE GOVERNOR

EXECUTIVE OFFICE

May 16, 2018

The Honorable Michele Reagan
Secretary of State
1700 W. Washington, 7th Floor
Phoenix, AZ 85007

Dear Secretary Reagan:

I am transmitting to you the following bills from the Fifty-third Legislature, 2nd Regular Session, which I signed on May 16, 2018:

- HB 2088 pupils; concussions; parental notification (Carter)
- HB 2197 health professionals; workforce data (Carter)
- HB 2209 internet protocol; corporation commission (Grantham)
- HB 2212 firearm possession; peace officers; definition (Thorpe)
- HB 2235 dental therapy; regulation; licensure (Thorpe)
- HB 2253 schools; exchange teachers; employment duration (Carter)
- HB 2307 scrap vehicles; sales (Campbell)
- HB 2310 underground storage tanks; reimbursement claims (Bowers)
- HB 2324 community health workers; voluntary certification (Carter)
- HB 2356 juvenile court; jurisdiction; age (Bowers)
- HB 2383 HOV lanes; emergency vehicles (Clodfelter)
- HB 2384 unlawful flight; vehicle impoundment (Clodfelter)
- HB 2414 state employee health plan; incentives (Kern)
- HB 2416 appropriation; study; prime contracting classification (Cobb)
- HB 2422 personal delivery devices (Townsend)
- HB 2455 commercial vehicles definition; driver licenses (Cook)
- HB 2510 auto dealers; task force; fund (John)

HB 2520 schools; reading requirement (Coleman)
HB 2522 traffic violations; penalties (Syms)
HB 2526 career technical education districts (Clodfelter)
HB 2527 ticket surcharge; public safety equipment (Clodfelter)
HB 2529 assisted living; referrals; disclosure (Campbell)
HB 2532 occupational regulation; municipalities; counties; hearings (Payne)
HB 2534 teachers; certification requirements (Carter)
HB 2538 U.S. House vacancy; special election (Coleman)
HB 2564 court fees; EORP; state contribution (Livingston)
HB 2589 department of gaming omnibus (Cook)
HB 2596 property taxes; procedures; abatement (Toma)
HB 2648 ballot measures; paid circulator definition (Leach)
HB 2649 public meetings; recordings; posting; definition (Grantham)
HB 2650 commercial license; defensive driving school (Toma)
HB 2651 landlord tenant; security deposits (Toma)
HB 2652 electric bicycles; definition; use (Allen, J.)
HB 2653 expenditure limitation; waiver of penalties (Cobb)
HB 2654 illegal substances education; partnership (Thorpe)
HB 2655 real estate licenses; online classes (Mosley)
HB 2656 electronic wills and trusts (Leach)
HB 2657 interscholastic activities; health dangers; information (Carter)
SB 1039 appropriation; Arizona water protection fund (Griffin)
SB 1140 certificates of authority; video service (Griffin)
SB 1167 merit council; law enforcement qualifications (Griffin)
SB 1181 corporation commission; railway safety inspectors (Griffin)
SB 1245 appropriation; SNAP; benefit match; produce (Brophy McGee)
SB 1254 school district consolidation (Allen, S.)
SB 1271 construction liability; apportionment; study (Fann)
SB 1273 administrative proceedings; rules; contested cases (Petersen)
SB 1293 department of revenue; administrative efficiency (Farnsworth, D.)
SB 1296 government communications; emergency response interpreters (Bowie)
SB 1398 unemployment; return-to-work program; suitable work (Smith)
SB 1409 TPT; prime contracting; alteration; replacement (Fann)
SB 1476 county sheriff; reentry planning; appropriation (Gray)
SB 1478 employer contributions; EORP (Fann)
SB 1496 prisoners; drug sentences; out-of-custody treatment (Smith)
SB 1498 AZPOST; membership; training; AMBER alert (Smith)

SB 1504 developmental disability rates; appropriation (Smith)

Sincerely,

A handwritten signature in black ink that reads "Douglas A. Ducey". The signature is written in a cursive style with a large, prominent initial "D".

Douglas A. Ducey
Governor
State of Arizona

cc: Senate Secretary
Chief Clerk of the House of Representatives
Arizona News Service

Senate Engrossed House Bill

FILED

MICHELE REAGAN

SECRETARY OF STATE

State of Arizona
House of Representatives
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 318

HOUSE BILL 2589

AN ACT

AMENDING SECTIONS 5-103 AND 5-104, ARIZONA REVISED STATUTES; REPEALING SECTION 5-104.02, ARIZONA REVISED STATUTES; AMENDING SECTION 5-224, ARIZONA REVISED STATUTES; AMENDING TITLE 5, CHAPTER 2, ARTICLE 2, ARIZONA REVISED STATUTES, BY ADDING SECTION 5-226; AMENDING SECTIONS 5-227, 5-229 AND 5-238, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO GAMING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-103, Arizona Revised Statutes, is amended to
3 read:

4 5-103. Commissioners; qualifications; oath; interest in
5 racing prohibited; exception; annual report

6 A. A member of the commission shall have been a resident of this
7 state and a qualified elector for ~~not less than~~ AT LEAST five years ~~next~~
8 ~~preceding appointment~~ BEFORE THE GOVERNOR APPOINTS THE MEMBER.

9 B. Before entering ~~upon~~ ON the discharge of the appointee's duties,
10 each appointee shall take the official oath.

11 C. A person who has a financial interest, either directly or
12 indirectly, in a racetrack, or the operation of licensed wagering on the
13 results of races, is not qualified for membership on the commission or
14 appointment or employment by the commission, but this subsection ~~shall not~~
15 ~~be construed to~~ DOES NOT affect the entrance into a race outside this
16 state of a horse or dog belonging to a member, or the winning of a purse
17 or award by ~~such~~ A MEMBER'S horse or dog.

18 D. A commissioner or member or a relative of the commissioner or
19 member to the first degree of consanguinity may not have a financial
20 interest in a licensee or permittee regulated by the ~~department~~ DIVISION.

21 E. Of the five members appointed to the commission, ~~—~~

22 ~~1. One but not more than one~~ TWO shall have a financial interest or
23 substantial experience in the horse or harness racing industry.

24 ~~2. One but not more than one shall have a financial interest or~~
25 ~~substantial experience in the dog racing industry.~~

26 F. Members of the commission are eligible to receive compensation
27 pursuant to section 38-611 for each day spent in the discharge of their
28 duties and reimbursement for all expenses necessarily and properly
29 incurred in attending meetings of or for the commission.

30 G. The governor shall remove any commissioner who ceases to meet
31 the qualifications prescribed by this section.

32 Sec. 2. Section 5-104, Arizona Revised Statutes, is amended to
33 read:

34 5-104. Arizona racing commission; director; division; powers
35 and duties

36 A. The commission shall:

37 1. Issue racing dates.

38 2. Prepare and adopt complete rules to govern the racing meetings
39 ~~as may be~~ THAT ARE required to protect and promote the safety and welfare
40 of the animals participating in racing meetings, to protect and promote
41 public health, safety and the proper conduct of racing and pari-mutuel
42 wagering and any other matter pertaining to the proper conduct of racing
43 within this state.

1 3. Conduct hearings on applications for permits and approve permits
2 and shall conduct rehearings on licensing and regulatory decisions made by
3 the director as required pursuant to rules adopted by the commission.

4 4. Conduct all reviews of applications to construct capital
5 improvements at racetracks as provided in this chapter.

6 ~~5. Adopt rules governing the proper and humane methods for the
7 disposition and transportation of dogs by breeders, kennels or others.~~

8 B. The director shall license personnel and shall regulate and
9 supervise all racing meetings held and pari-mutuel wagering conducted in
10 this state and cause the various places where racing meetings are held and
11 wagering is conducted to be visited and inspected on a regular basis. The
12 director may delegate to stewards any of the director's powers and duties
13 ~~as~~ THAT are necessary to fully carry out and effectuate the purposes of
14 this chapter. The director shall exercise immediate supervision over the
15 ~~department~~ DIVISION. The director is subject to ongoing supervision by
16 the commission, and the commission may approve or reject decisions of the
17 director in accordance with rules established by the commission.

18 C. The commission or the ~~department~~ DIVISION is authorized to allow
19 stewards, with the written approval of the director, to require a jockey,
20 apprentice jockey, sulky driver, groom, horseshoer, outrider, trainer,
21 assistant trainer, exercise rider, pony rider, starter, assistant starter,
22 jockey's agent, veterinarian, assistant veterinarian, cool-out, security
23 or maintenance worker, official or individual licensed in an occupational
24 category whose role requires direct hands-on contact with horses, while on
25 the grounds of a permittee, to submit to a test if the stewards have
26 reason to believe the licensee is under the influence of or unlawfully in
27 possession of any prohibited substance regulated by title 13, chapter 34.

28 D. The ~~department~~ DIVISION shall employ the services of the office
29 of administrative hearings to conduct hearings on matters requested to be
30 heard by the director or the commission for the ~~department~~ DIVISION except
31 for those rehearings that are required by the terms of this chapter to be
32 conducted by the commission. Any person adversely affected by a decision
33 of a steward or by any other decision of the ~~department~~ DIVISION may
34 request a hearing on the decision. The decision of the administrative law
35 judge becomes the decision of the director unless rejected or modified by
36 the director within thirty days. The commission may hear any appeal of a
37 decision of the director in accordance with title 41, chapter 6,
38 article 10.

39 E. The ~~department~~ DIVISION may visit and investigate the offices,
40 tracks or places of business of any permittee and place in those offices,
41 tracks or places of business expert accountants and other persons as ~~it~~
42 THE DIVISION deems necessary for the purpose of ascertaining that the
43 permittee or any licensee is in compliance with the rules adopted pursuant
44 to this article.

1 F. The ~~department~~ DIVISION shall establish and collect the
2 following licensing fees and regulatory assessments, which shall not be
3 reduced for capital improvements pursuant to section 5-111.02:

4 1. For each racing license issued, a license fee.

5 2. From the purse accounts provided for in section 5-111, a
6 regulatory assessment to pay for racing animal medication testing, animal
7 safety and welfare.

8 3. From each permittee, a regulatory assessment for each day of
9 dark day simulcasting conducted in excess of the number of live racing
10 days conducted by the permittee.

11 4. From each commercial racing permittee, a regulatory assessment
12 payable from amounts deducted from pari-mutuel pools by the permittee, in
13 addition to the amounts the permittee is authorized to deduct pursuant to
14 section 5-111, subsection B from amounts wagered on live and simulcast
15 races from in-state and out-of-state wagering handled by the permittee.

16 G. The commission shall establish financial assistance procedures
17 for promoting adoption of retired racehorses. The provision of financial
18 assistance to nonprofit enterprises for the purpose of promoting adoption
19 of retired racehorses is contingent on a finding by the commission that
20 the program presented by the enterprise is in the best interest of the
21 racing industry and this state. On a finding by the commission, the
22 commission is authorized to make grants to nonprofit enterprises whose
23 programs promote adoption of retired racehorses. The commission shall
24 develop an application process. The commission shall require an
25 enterprise to report to the commission on the use of grants under this
26 subsection. Financial assistance for nonprofit enterprises that promote
27 adoption of retired racehorses under this subsection shall not exceed the
28 amount of retired racehorse adoption surcharges collected pursuant to this
29 subsection. The commission shall collect a retired racehorse adoption
30 surcharge in addition to each civil penalty assessed in connection with
31 horse or harness racing pursuant to this article. The amount of the
32 retired racehorse adoption surcharge shall be five percent of the amount
33 collected for each applicable civil penalty.

34 H. A license is valid for the period established by the commission,
35 but not to ~~exceed three~~ MORE THAN FIVE years, except for a temporary
36 license issued pursuant to section 5-107.01, subsection F. The licensing
37 period shall begin July 1.

38 I. A PERSON MAY SUBMIT AN APPLICATION IN WRITING THAT OBJECTS TO
39 ANY DECISION OF TRACK STEWARDS WITHIN THREE DAYS AFTER THE OFFICIAL
40 NOTIFICATION OF THE DECISION. ~~On application in writing by an objector to~~
41 ~~any decision of track stewards, made within three days after the official~~
42 ~~notification to the objector of the decision complained of, the department~~
43 DIVISION or administrative law judge shall review the objection. In the
44 case of a suspension of a license by the track stewards, the suspension
45 shall run for a period of not more than six months. Before the end of

1 this suspension period, filing an application for review is not cause for
2 reinstatement. If at the end of this suspension period the ~~department~~
3 DIVISION or administrative law judge has not held a hearing to review the
4 decision of the stewards, the suspended license shall be reinstated until
5 the ~~department~~ DIVISION or administrative law judge holds a hearing to
6 review the objection. Except as provided in section 41-1092.08,
7 subsection H, a final decision of the commission is subject to judicial
8 review pursuant to title 12, chapter 7, article 6.

9 J. The commission or the director may issue subpoenas for the
10 attendance of witnesses and the production of books, records and documents
11 relevant and material to a particular matter before the commission or
12 ~~department~~ DIVISION and the subpoenas shall be served and enforced in
13 accordance with title 41, chapter 6, article 10.

14 K. Any member of the commission, the administrative law judge or
15 the director or the director's designee may administer oaths, and the
16 oaths shall be administered to any person who appears before the
17 commission to give testimony or information pertaining to matters before
18 the commission.

19 L. The commission shall adopt rules that require permittees to
20 retain for three months all official race photographs and videotapes. The
21 ~~department~~ DIVISION shall retain all photographs and videotapes that are
22 used as evidence in an administrative proceeding until the conclusion of
23 the proceeding and any subsequent judicial proceeding. All photographs
24 and videotapes must be available to the public on request, including
25 photographs and videotapes of races concerning which an objection is made,
26 regardless of whether the objection is allowed or disallowed.

27 M. The director may establish a management review section for the
28 development, implementation and operation of a system of management
29 reports and controls in major areas of ~~department~~ DIVISION operations,
30 including licensing, ~~work load~~ WORKLOAD management and staffing, and
31 enforcement of this article and the rules of the commission.

32 N. In cooperation with the department of public safety, the
33 director shall establish a cooperative fingerprint registration system.
34 Each applicant for a license or permit under this article or any other
35 person who has a financial interest in the business or corporation making
36 the application shall submit to fingerprint registration as part of the
37 background investigation conducted pursuant to section 5-108. The
38 cooperative fingerprint registration system shall be maintained in an
39 updated form using information from available law enforcement sources and
40 shall provide current information to the director on request as to the
41 fitness of each racing permittee and each racing licensee to engage in the
42 racing industry in this state.

1 0. The director shall develop and require ~~department~~ DIVISION staff
2 to use uniform procedural manuals in the issuance of any license or permit
3 under this article and in the enforcement of this article and the rules
4 adopted under this article.

5 P. The director shall submit an annual report containing
6 operational and economic performance information as ~~is~~ necessary to
7 evaluate the department's budget request for the ~~forthcoming~~ NEXT fiscal
8 year to the governor, the speaker of the house of representatives, the
9 president of the senate and the ~~Arizona state library, archives and public~~
10 ~~records~~ ~~no~~ SECRETARY OF STATE NOT later than September 30 each year. The
11 annual report shall be for the preceding fiscal year and shall contain
12 performance information as follows:

13 1. The total state revenues for the previous fiscal year from the
14 overall pari-mutuel handle with an itemization for each horse racing
15 meeting, each harness racing meeting, each advanced deposit wagering
16 permittee and each additional wagering facility.

17 2. The total state revenues for the previous fiscal year from the
18 regulation of racing, including licensing fees assessed pursuant to
19 subsection F of this section and monetary penalties assessed pursuant to
20 section 5-108.02.

21 3. The amount and use of capital improvement funds pursuant to
22 section 5-111.02 that would otherwise be state revenues.

23 4. The number of licenses and permits issued, renewed, pending and
24 revoked during the previous fiscal year.

25 5. The investigations conducted during the previous fiscal year and
26 any action taken as a result of the investigations.

27 6. The ~~department~~ DIVISION budget for the immediately preceding
28 three fiscal years, including the number of full-time, part-time,
29 temporary and contract employees, a statement of budget needs for the
30 forthcoming fiscal year and a statement of the minimum staff necessary to
31 accomplish these objectives.

32 7. Revenues generated for this state for the preceding fiscal year
33 by persons holding racing meeting and advanced deposit wagering permits.

34 8. Recommendations for increasing state revenues from the
35 regulation of the racing industry while maintaining the financial health
36 of the industry and protecting the public interest.

37 Q. The commission may certify animals as Arizona bred or as Arizona
38 stallions. The commission may delegate this authority to a breeders'
39 association it contracts with for these purposes. The commission may
40 authorize the association, racing organization or ~~department~~ DIVISION to
41 charge and collect a reasonable fee to cover the cost of breeding or
42 ownership certification or transfer of ownership for racing purposes.

43 ~~R. The department has responsibility for the collection and~~
44 ~~accounting of revenues for the state boxing and mixed martial arts~~
45 ~~commission, including licensing fees required by section 5-230, the levy~~

1 ~~of the tax on gross receipts imposed by section 5-104.02 and cash~~
2 ~~deposited pursuant to section 5-229. All revenues collected pursuant to~~
3 ~~this subsection, from whatever source, shall be reported and deposited~~
4 ~~pursuant to section 5-104.02, subsection C, except that licensing fees~~
5 ~~required by section 5-230 shall be deposited in the racing regulation fund~~
6 ~~established by section 5-113.01. The director shall adopt rules as~~
7 ~~necessary to accomplish the purposes of this subsection and chapter 2,~~
8 ~~article 2 of this title.~~

9 ~~S. R.~~ The commission may obtain the services of the office of
10 administrative hearings on any matter that the commission is empowered to
11 hear.

12 ~~F. S.~~ The department DIVISION may adopt rules pursuant to title
13 41, chapter 6 to carry out the purposes of this article, ensure the safety
14 and integrity of racing in this state and protect the public interest.

15 Sec. 3. Repeal

16 Section 5-104.02, Arizona Revised Statutes, is repealed.

17 Sec. 4. Section 5-224, Arizona Revised Statutes, is amended to
18 read:

19 5-224. Division of boxing and mixed martial arts regulation;
20 powers and duties

21 A. A division of boxing and mixed martial arts regulation is
22 established in the department to provide staff support for the Arizona
23 state boxing and mixed martial arts commission. Subject to title 41,
24 chapter 4, article 4, the director of the department shall appoint an
25 executive director to perform the duties prescribed in this article. The
26 resources for the Arizona state boxing and mixed martial arts commission
27 shall come from monies appropriated to the department from the racing
28 regulation fund established by section 5-113.01 or from other sources
29 prescribed in section 5-225, subsection D.

30 B. The commission shall obtain from a physician licensed to
31 practice in this state rules and standards for the physical examination of
32 boxers and referees. A schedule of fees to be paid physicians by the
33 promoter or matchmaker for the examination shall be set by the commission.

34 C. The commission may adopt and issue rules pursuant to title 41,
35 chapter 6 to carry out the purposes of this chapter.

36 D. The commission shall hold regular meetings at least quarterly
37 and in addition may hold special meetings. Except as provided in section
38 5-223, subsection B, all meetings of the commission shall be open to the
39 public and reasonable notice of the meetings shall be given pursuant to
40 title 38, chapter 3, article 3.1.

41 E. The commission shall:

42 1. Make and maintain a record of the acts of the division,
43 including the issuance, denial, renewal, suspension or revocation of
44 licenses.

1 2. Keep records of the commission open to public inspection at all
2 reasonable times.

3 ~~3. Assist the director in the development of rules to be
4 implemented pursuant to section 5-104, subsection F.~~

5 ~~4. Conform to the rules adopted pursuant to section 5-104,
6 subsection F.~~

7 F. The commission may enter into intergovernmental agreements with
8 Indian tribes, tribal councils or tribal organizations to provide for the
9 regulation of boxing and mixed martial arts contests on Indian
10 reservations. ~~Nothing in This chapter shall be construed to~~ DOES NOT
11 diminish the authority of the department.

12 Sec. 5. Title 5, chapter 2, article 2, Arizona Revised Statutes, is
13 amended by adding section 5-226, to read:

14 5-226. Levy of tax on gross receipts; disposition;
15 verification and financial audit; definition

16 A. ANY PERSON WHO PROMOTES A BOXING CONTEST IN THIS STATE PURSUANT
17 TO THIS ARTICLE SHALL COMPLY WITH RULES ADOPTED PURSUANT TO THIS ARTICLE
18 AND SHALL WITHIN TEN DAYS AFTER THE CONTEST PAY TO THE DEPARTMENT FOUR
19 PERCENT OF THE GROSS RECEIPTS, AFTER THE DEDUCTION OF CITY, STATE AND
20 FEDERAL TAXES, OF THE MATCH OR EXHIBITION.

21 B. THE DEPARTMENT SHALL VERIFY THE GROSS RECEIPTS OF A CONTEST.
22 THE DIRECTOR MAY REQUIRE A PERSON LICENSED UNDER THIS ARTICLE TO SUPPLY A
23 CERTIFIED FINANCIAL AUDIT TO THE DEPARTMENT. THE DIRECTOR SHALL ADOPT
24 RULES THAT REQUIRE EACH PERSON LICENSED UNDER THIS ARTICLE TO SELECT A
25 CERTIFIED PUBLIC ACCOUNTANT TO CONDUCT THE FINANCIAL AUDIT. THE FINANCIAL
26 STATEMENTS PREPARED PURSUANT TO THIS SECTION SHALL BE PREPARED IN
27 ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND SHALL INCLUDE
28 ANY ADDITIONAL SCHEDULES THE DIRECTOR REQUIRES. A PERSON SUBJECT TO A
29 FINANCIAL AUDIT UNDER THIS SECTION SHALL AFFORD REASONABLE AND NEEDED
30 FACILITIES AND MAKE RETURNS AND EXHIBITS TO THE DEPARTMENT IN THE FORM AND
31 AT THE TIME PRESCRIBED BY THE DIRECTOR.

32 C. THE DEPARTMENT SHALL ESTABLISH AN UNARMED COMBAT SUBACCOUNT
33 WITHIN THE RACING REGULATION FUND ESTABLISHED BY SECTION 5-113.01. AT THE
34 END OF EACH MONTH THE DIRECTOR SHALL REPORT TO THE DEPARTMENT OF
35 ADMINISTRATION THE TOTAL AMOUNT RECEIVED UNDER THIS CHAPTER FROM ALL
36 SOURCES, INCLUDING LICENSE FEES, AND SHALL DEPOSIT THAT AMOUNT, EXCLUDING
37 LICENSE FEES, PURSUANT TO SECTIONS 35-146 AND 35-147, IN THE UNARMED
38 COMBAT SUBACCOUNT OF THE RACING REGULATION FUND.

39 D. A PROMOTER MAY ISSUE COMPLIMENTARY TICKETS THAT ARE EXEMPT FROM
40 TAXATION PURSUANT TO THIS TITLE. IF A PROMOTER ISSUES COMPLIMENTARY
41 TICKETS, THE EXEMPTION FROM TAXATION APPLIES TO TWO PERCENT OF THE TOTAL
42 NUMBER OF TICKETS ISSUED FOR THE EVENT OR SEVENTY-FIVE TICKETS, WHICHEVER
43 IS GREATER.

1 E. THE DEPARTMENT SHALL COLLECT AND ACCOUNT FOR REVENUES FOR THE
2 COMMISSION, INCLUDING LICENSE FEES REQUIRED BY SECTION 5-230, THE LEVY OF
3 THE TAX ON GROSS RECEIPTS IMPOSED BY THIS SECTION AND THE CASH BOND OR
4 SURETY BOND DEPOSITED PURSUANT TO SECTION 5-229. THE DIRECTOR SHALL
5 REPORT AND DEPOSIT ALL REVENUES COLLECTED PURSUANT TO THIS SUBSECTION,
6 FROM WHATEVER SOURCE, PURSUANT TO SUBSECTION C OF THIS SECTION, EXCEPT
7 THAT LICENSE FEES REQUIRED BY SECTION 5-230 SHALL BE DEPOSITED IN THE
8 RACING REGULATION FUND ESTABLISHED BY SECTION 5-113.01. THE DIRECTOR
9 SHALL ADOPT RULES AS NECESSARY TO ACCOMPLISH THE PURPOSES OF THIS SECTION.

10 F. FOR THE PURPOSES OF THIS SECTION, "GROSS RECEIPTS" MEANS ALL
11 RECEIPTS FROM THE FACE VALUE OF TICKETS SOLD.

12 Sec. 6. Section 5-227, Arizona Revised Statutes, is amended to
13 read:

14 5-227. Jurisdiction of commission

15 A. The commission shall:

16 1. Except for the financial and accounting functions delegated to
17 the director pursuant to section ~~5-104~~ 5-226, have sole direction,
18 management, control and jurisdiction over all boxing and mixed martial
19 arts contests held within this state unless exempt from the application of
20 this chapter by section 5-222.

21 2. Have sole control, authority and jurisdiction over all licenses
22 required by this chapter.

23 B. The commission shall grant a license to an applicant if in the
24 judgment of the commission the financial responsibility, experience,
25 character and general fitness of the applicant are such that ~~his~~ THE
26 APPLICANT'S participation is consistent with the public interest,
27 convenience or necessity and the best interests of boxing and in
28 conformity with the purposes of this chapter. The commission may delegate
29 the commission's licensing authority to the commission's executive
30 director.

31 Sec. 7. Section 5-229, Arizona Revised Statutes, is amended to
32 read:

33 5-229. Promoters; licenses; bond; proof of financial
34 responsibility

35 A. The commission may in its discretion withhold the granting of a
36 license to a promoter until the applicant furnishes proof of his financial
37 responsibility to promote contests in accordance with section ~~5-104.02~~
38 5-226, subsection B and the rules adopted by the director. The commission
39 may issue a license to conduct, hold or give boxing contests to any
40 qualified person or to a corporation duly authorized to do business under
41 the laws of this state.

42 B. In addition to the cash bond or surety bond required pursuant to
43 section 5-228, subsection E, the commission may require a promoter to
44 deposit with the department prior to each contest a cash bond or surety
45 bond in an amount set by the commission as a guarantee for the fulfillment

1 of the promoter's contract obligations for that contest, the payment of
2 licenses and taxes on gross receipts of that contest and reimbursement to
3 ticket purchasers if the contest is not held as advertised.

4 Sec. 8. Section 5-238, Arizona Revised Statutes, is amended to
5 read:

6 5-238. Sham boxing; withholding a purse

7 A. The commission may withhold all or part of a purse or other
8 monies payable to any contestant, manager or second if in the judgment of
9 the commission a boxing contestant is participating in a sham or fake
10 boxing contest or is otherwise not competing honestly or to the best of
11 ~~his~~ THE CONTESTANT'S ability.

12 B. If the commission withholds a purse or part of a purse or other
13 monies the commission shall give notice to all interested parties and hold
14 a hearing upon the matter within ten days.

15 C. If the commission determines that a contestant, manager or
16 second is not entitled to a purse, part of a purse or other monies the
17 promoter shall turn such monies over to the director to be applied
18 pursuant to section ~~5-104.02~~ 5-226, subsection C.

19 Sec. 9. Retention of members

20 Notwithstanding section 5-103, Arizona Revised Statutes, as amended
21 by this act, all persons serving as members of the Arizona racing
22 commission on the effective date of this act may continue to serve until
23 the expiration of their normal terms. The governor shall make all
24 subsequent appointments as prescribed by statute.

25 Sec. 10. Exemption from rulemaking

26 The department of gaming is exempt from the rulemaking requirements
27 of title 41, chapter 6, Arizona Revised Statutes, for one year after the
28 effective date of this act for the purposes of adopting rules to include a
29 unique pari-mutuel wager.

30 Sec. 11. Rural county fair racing fund; delayed repeal

31 A. The rural county fair racing fund is established. The department
32 of gaming shall administer the fund. Monies in the fund are continuously
33 appropriated. The department shall transfer two hundred thousand dollars
34 of surplus monies in fiscal year 2018-2019 from the racing regulation fund
35 established by section 5-113.01, Arizona Revised Statutes, as amended by
36 this act, into the rural county fair racing fund. The department shall
37 distribute matching grants from the rural county fair racing fund to
38 counties with a population of less than eight hundred thousand persons and
39 that operate county fair racing. The Arizona racing commission shall
40 establish application procedures for counties to apply for grants from the
41 rural county fair racing fund. The Arizona racing commission shall review
42 the applications submitted by counties and distribute grant monies from
43 the rural county fair racing fund on a first-come, first-served basis. A
44 county is not eligible for a grant from the rural county fair racing fund
45 unless the county agrees to contribute county revenues for county fair

1 racing in an amount that is equal to at least fifty percent of the amount
2 of the grant from the rural county fair racing fund. A county may not
3 receive a grant of more than forty thousand dollars from the rural county
4 fair racing fund during any fiscal year.

5 B. This section is repealed from and after June 30, 2020. Any
6 monies remaining in the rural county fair racing fund that are unspent and
7 unencumbered on July 1, 2020 revert to the department of gaming and shall
8 be deposited in the racing regulation fund established by section
9 5-113.01, Arizona Revised Statutes, as amended by this act.

APPROVED BY THE GOVERNOR MAY 16, 2018

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 16, 2018

Passed the House February 21, 20 18

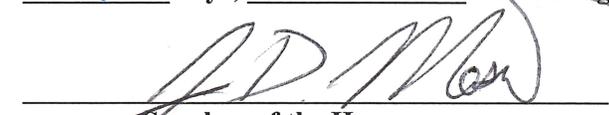
Passed the Senate May 3, 20 18

by the following vote: 48 Ayes,

by the following vote: 26 Ayes,

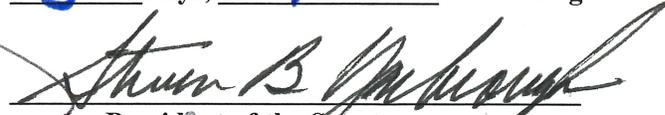
9 Nays, 3 Not Voting

3 Nays, 1 Not Voting



Speaker of the House

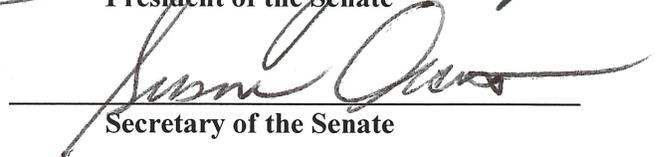
Pro Tempore



President of the Senate



Chief Clerk of the House



Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20____

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

at _____ o'clock _____ M.

Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20____

at _____ o'clock _____ M.

Secretary of State

H.B. 2589

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

May 3, 2018,

by the following vote: 51 Ayes,

6 Nays, 3 Not Voting

[Signature]
Speaker of the House

[Signature]
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this
4th day of May, 2018,

at 9:01 o'clock A M.

[Signature]
Secretary to the Governor

Approved this 16th day of

May, 2018,

at 1:51 o'clock P. M.

[Signature]
Governor of Arizona

H.B. 2589

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 16 day of May, 2018,

at 4:29 o'clock P. M.

[Signature]
Secretary of State