



ARIZONA STATE SENATE
Fifty-First Legislature, Second Regular Session

FACT SHEET FOR S.B. 1468

fantasy sports competitions; definitions

Purpose

Specifies that fantasy competitions are not gambling and outlines guidelines for determining whether a game is a fantasy competition.

Background

Gambling means the act of risking or giving something of value for the opportunity to obtain a benefit from a game or contest of chance or skill or a future contingent event. Gambling does not include a bona fide business transaction that is otherwise valid under contract law (A.R.S. § 13-3301).

Specified conduct is excluded from the definition of gambling if it meets a statutory exclusion. Statutory exclusions to gambling include amusement and social gambling, regulated gambling and gambling that is conducted at state, county and district fairs (A.R.S. § 13-3302).

A person commits *promotion of gambling* if that person knowingly and for a benefit conducts, organizes, manages, directs, supervises or finances gambling or furnishes advice or assistance for the conduct, organization, management, direction, supervision or financing of gambling for a benefit. Promotion of gambling is a class 5 felony (A.R.S. § 13-3303). A person commits *benefiting from gambling*, if a person knowingly obtains any benefit from gambling, other than through regulated or amusement gambling or as a player in social gambling. Benefiting from gambling is a class 1 misdemeanor (A.R.S. § 13-3304).

There is no anticipated fiscal impact to the state General Fund as a result of this legislation.

Provisions

1. Specifies that *fantasy competitions* are not gambling.
2. Defines *fantasy competitions* as any fantasy or simulated sports game or educational game or contest that involves a fantasy team that is not based on the current membership of an actual team that is a member of an amateur or professional sports organization and that meets the following conditions:
 - a) all prizes and awards offered to winning participants are established and made known to the participants in advance of the game or contest and the value of the prizes and awards is not determined by the number of participants or the amount of any fees paid by those participants; and

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- b) all winning outcomes reflect the relative knowledge and skill of the participants and are determined predominantly by accumulated statistical results of the performance of individuals in multiple real world sporting or other events; and
 - c) a winning outcome is not based:
 - i) On the score, point spread or performance of any single real world team or any combination of teams; or
 - ii) Solely on any single performance of an individual athlete in any single real world sporting or other event.
3. Becomes effective on the general effective date.

Prepared by Senate Research

February 17, 2014

JA/tf