



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

Senate: GOV DPA 4-3-1-0 | 3rd Read 16-12-2-0

House: GOV DPA 5-4-0-0

SB 1575: racing; boxing; transfer; gaming commission

Sponsor: Senator Borrelli, LD 30

Caucus & COW

Overview

Establishes the Arizona Gaming Commission (Commission).

History

The Arizona Racing Commission is established to issue racing dates, prepare and adopt complete rules to govern racing meetings, conduct hearings on applications for permits and approve permits and conduct reviews of applications to construct capital improvements at racetracks ([A.R.S. § 5-104](#)).

Except for the financial and accounting functions delegated to the director, the Arizona Boxing and Mixed Martial Arts Commission has sole discretion, management, control and jurisdiction over all boxing and mixed martial arts contests held in Arizona. Additionally, this commission has sole authority, control and jurisdiction over all required licenses related to boxing and mixed martial arts ([A.R.S. § 5-227](#)).

The Department of Gaming is responsible for certifying prospective gaming employees, facility support employees, tribal gaming employees, financiers, management contractors, providers of gaming services and manufacturers and distributors of gaming devices to ensure individuals or companies are not involved in Indian gaming permitted under the tribal-state compacts. This department must seek to promote the public welfare and safety and seek to prevent corrupt influences from infiltrating Indian gaming ([A.R.S. § 5-602](#)).

Provisions

1. Removes current specifications regarding tribal-state gaming compacts. (Sec. 3)
2. Establishes the Commission. (Sec. 9)
3. Outlines the following members of the Commission who must be citizens of the United States and residents of Arizona:
 - a) a licensed certified public accountant that has at least five years of experience in general accounting, principles and practice of corporate finance, general finance, gaming or economics, appointed by the Governor;
 - b) one member with at least five years of experience in investigation, law enforcement or gaming law, appointed by the Governor;
 - c) the Director of the Commission; and
 - d) three public members, one appointed by the Governor, one appointed by the President of the Senate and one appointed by the Speaker of the House of Representatives. (Sec. 9)
4. Instructs the Governor to appoint the Director with the consent of the Senate. (Sec. 9)

5. Requires the Governor's appointment for Director to be made from a candidate or list of candidates submitted by both the Speaker of the House of Representatives or the President of the Senate. (Sec. 9)
6. Declares that the Director serves at the pleasure of the Governor and is eligible for compensation pursuant to statute. (Sec. 9)
7. States that the Director and all other employees of the Commission are subject to statute relating to the State Personnel System. (Sec. 9)
8. Provides that the Director must have at least five years' experience in public or business administration. (Sec. 9)
9. Prescribes a four-year term for Commission members. (Sec. 9)
10. Allows a Commission member to be removed by:
 - a) the Governor for cause; or
 - b) a vote of a majority of the Commission members without cause. (Sec. 9)
11. Requires each Commission member to take the official oath before entering on the discharge of the appointee's duties. (Sec. 9)
12. Declares that Commission members are eligible to receive compensation pursuant to statute for each day spent in the discharge of their duties and reimbursement for all expenses necessarily and properly incurred in attending a meeting of or for the Commission, including mileage expenses. (Sec. 9)
13. Specifies that a person who has a financial interest, directly or indirectly, in gaming is not qualified for membership on, appointment to or employment by the Commission. (Sec. 9)
14. Provides that a person who holds elected office in Arizona or any officer or official of a political party or convention are not qualified for membership on, appointment to or employment by the Commission. (Sec. 9)
15. Declares that the Commission meets at the discretion of the Director and a majority of the Commission members constitutes a quorum. (Sec. 9)
16. Prescribes that the Commission must have an office located in Phoenix and allows an office to be maintained in Tucson. (Sec. 9)
17. Directs a state agency or a political subdivision, upon request of the Commission, to provide the Commission with its documents, equipment, facilities, personnel and services to the extent possible without cost to the Commission. (Sec. 9)
18. Requires the Commission to:
 - a) assume all powers and duties of the Arizona Racing Commission, Arizona State Boxing and Mixed Martial Arts Commission and the Department of Gaming;
 - b) enforce all adopted rules related to gaming;
 - c) ensure the continued growth and success of gaming in Arizona by establishing public confidence;
 - d) regulate the activities, association, location and practice relating to the operation of licensed gaming establishments and the manufacture, sale or distribution of gaming devices and associated equipment; and

- e) license all establishments where gaming is conducted and where gaming devices are operated to protect the public health, safety, order and general welfare of Arizona residents. (Sec. 9)
- 19. Establishes that the employment or financial interest of any relative to the first degree of consanguinity or affinity to the Director or any other Commission employee in the gambling industry in Arizona is grounds for dismissal. (Sec. 9)
- 20. Continues the Commission until July 1, 2034. (Sec. 13)
- 21. Repeals the governing statutes of the Commission on January 1, 2034. (Sec. 13)
- 22. Contains a purpose statement that states the Legislature establishes the Commission to regulate and promote gaming. (Sec. 14)
- 23. Establishes that the Commission succeeds to the powers and duties of:
 - a) the Arizona Racing Commission;
 - b) the Arizona State Boxing and Mixed Martial Arts Commission; and
 - c) the Department of Gaming. (Sec. 15)
- 24. Declares that all certificates, licenses, permits, registrations and other indicia of authority and qualification issued by the Arizona Racing Commission, the Arizona State Boxing and Mixed Martial Arts Commission and the Department of Gaming retain their validity as provided by law. (Sec. 15)
- 25. Transfers to the Commission, on the general effective date, all equipment, furnishings, records and other property and all unexpended and unencumbered appropriated monies of the Arizona Racing Commission, the Arizona State Boxing and Mixed Martial Arts Commission and the Department of Gaming. (Sec. 15)
- 26. States that all personnel under the state personnel system, who are employed by the Arizona Racing Commission, the Arizona State Boxing and Mixed Martial Arts Commission and the Department of Gaming are transferred, on the general effective date, to comparable positions and pay classifications in the respective administrative units of the Commission. (Sec. 15)
- 27. Specifies that the initial terms of the Commission are as follows:
 - a) the certified public accountant term expires on the last Monday in January 2027;
 - b) the member with investigation, law enforcement or gaming law experience term expires on the last Monday in January 2028; and
 - c) the public members must assign themselves by lot to terms of two, three and four years in office and notification must be sent to the Governor, Speaker of the House of Representatives and the President of the Senate. (Sec. 15)
- 28. Directs Legislative Council staff to prepare proposed conforming legislation for consideration in the Fifty-seventh Legislature, First Regular Session. (Sec. 16)
- 29. Defines *gaming*. (Sec. 9)
- 30. Makes technical and conforming changes. (Sec. 1-8, 10-12)

<input type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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Amendments

Committee on Government

1. Adds three members to the Commission that have experience in horse racing, one appointed by the Governor, one appointed by the President of the Senate and one appointed by the Speaker of the House of Representatives.
2. Removes the requirement for the Director appointment to be made from a candidate or list of candidates provided by the Legislature.
3. Modifies the date for the repeal of the statutes governing the Commission to January 1, 2035.
4. Prescribes the initial terms of the three members with racing experience as follows:
 - a) the term of the member appointed by the Speaker of the House of Representatives expires on the last Monday in January 2026;
 - b) the term of the member appointed by the President of the Senate expires on the last Monday in January 2027; and
 - c) the term of the member appointed by the Governor expires on the last Monday in January 2028.