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REFERENCE TITLE: **internet; gambling**

State of Arizona
House of Representatives
Forty-fifth Legislature
Second Regular Session
2002

HB 2404

Introduced by
Representatives Hatch-Miller, Laughter: Anderson, Blendu, Brimhall,
Cannell, Chase, Cooley, Flake, Foster, Gleason, Hanson, Marsh, May,
McClure, Nelson, Pierce, Senators Blanchard, Bundgaard, Burns, Guenther,
Hamilton, Mitchell, Petersen

AN ACT

AMENDING SECTION 13-3301, 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 13-3301, Arizona Revised Statutes, is amended to
3 read:

4 13-3301. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Amusement gambling" means gambling ~~involving~~ **THAT INVOLVES** a
7 device, game or contest ~~which~~ **AND THAT** is played for entertainment if all of
8 the following apply:

9 (a) The player or players actively participate in the game or contest
10 or with the device.

11 (b) The outcome is not in the control to any material degree of any
12 person other than the player or players.

13 (c) The prizes are not offered as a lure to separate the player or
14 players from their money.

15 (d) Any of the following:

16 (i) No benefit is given to the player or players other than an
17 immediate and unrecorded right to replay ~~which~~ **THAT** is not exchangeable for
18 value.

19 (ii) The gambling is an athletic event and no person other than the
20 player or players derives a profit or chance of a profit from the money paid
21 to gamble by the player or players.

22 (iii) The gambling is an intellectual contest or event, the money paid
23 to gamble is part of an established purchase price for a product, no
24 increment has been added to the price in connection with the gambling event
25 and no drawing or lottery is held to determine the winner or winners.

26 (iv) Skill and not chance is clearly the predominant factor in the
27 game, ~~and~~ the odds of winning the game based ~~upon~~ **ON** chance cannot be
28 altered, ~~provided~~ the game complies with any licensing or regulatory
29 requirements by the jurisdiction in which it is operated, ~~—~~ **AND** no benefit for
30 a single win is given to the player or players other than a merchandise prize
31 ~~which~~ **THAT** has a wholesale fair market value of less than four dollars or
32 coupons ~~which~~ **THAT** are redeemable only at the place of play and only for a
33 merchandise prize ~~which~~ **THAT** has a fair market value of less than four
34 dollars and, regardless of the number of wins, no aggregate of coupons may be
35 redeemed for a merchandise prize with a wholesale fair market value of
36 greater than thirty-five dollars.

37 2. "Conducted as a business" means gambling that is engaged in with
38 the object of gain, benefit or advantage, either direct or indirect, realized
39 or unrealized, but not when incidental to a bona fide social relationship.

40 3. "Crane game" means an amusement machine **TO** which **ALL OF THE**
41 **FOLLOWING APPLY:**

42 (a) **IT** is operated by player controlled buttons, control sticks or
43 other means, or a combination of the buttons or controls, ~~—~~ **which**.

44 (b) **IT** is activated by **INSERTING A** coin ~~insertion~~ into the machine ~~and~~
45 ~~where~~.

1 (c) The player attempts to successfully retrieve prizes with a
2 mechanical or electromechanical claw or device by positioning the claw or
3 device over a prize.

4 4. "Gambling" or "gamble" means one act of risking or giving something
5 of value, INCLUDING MAKING A BET OR WAGER ON THE INTERNET, for the
6 opportunity to obtain a benefit from a game or contest of chance or skill or
7 a future contingent event but does not include bona fide business
8 transactions ~~which~~ THAT are valid under the law of contracts including
9 contracts for the purchase or sale at a future date of securities or
10 commodities, contracts of indemnity or guarantee and life, health or accident
11 insurance.

12 5. "INTERNET" MEANS THE INTERNATIONAL COMPUTER NETWORK OF BOTH FEDERAL
13 AND NONFEDERAL INTEROPERABLE PACKET SWITCHED DATA NETWORKS, INCLUDING THE
14 GRAPHICAL SUBNETWORK CALLED THE WORLD WIDE WEB.

15 6. "MAKING A BET OR WAGER ON THE INTERNET" MEANS USING THE INTERNET TO
16 DIRECTLY OR INDIRECTLY OFFER MONEY OR ANY VALUABLE THING WITH THE
17 UNDERSTANDING OR AGREEMENT THAT THE MONEY OR VALUABLE THING WILL BE PAID OR
18 DELIVERED TO A PERSON IF THE PAYMENT OR DELIVERY IS CONTINGENT ON THE RESULT
19 OF A RACE, CONTEST OR GAME OR ON THE HAPPENING OF AN EVENT NOT KNOWN TO BE
20 CERTAIN. MAKING A BET OR WAGER ON THE INTERNET DOES NOT INCLUDE THE USE OF
21 TECHNOLOGICAL AIDS TO BINGO, PULL-TABS, LOTTO, PUNCH BOARDS, TIP JARS,
22 INSTANT BINGO, OTHER GAMES THAT ARE SIMILAR TO BINGO, PARIMUTUEL RACING, THE
23 STATE LOTTERY OR GAMING THAT IS CONDUCTED PURSUANT TO A TRIBAL-STATE COMPACT
24 IF THE TECHNOLOGICAL AIDS DO NOT INVOLVE THE INTERNET.

25 ~~5-~~ 7. "Player" means a natural person who participates in gambling.

26 ~~6-~~ 8. "Regulated gambling" means gambling to which all of the
27 following apply:

28 (a) It is operated and controlled in accordance with a statute, rule
29 or order of this state or of the United States.

30 (b) All federal, state or local taxes, fees and charges in lieu of
31 taxes have been paid by the authorized person or entity on any activity
32 arising out of or in connection with the gambling.

33 (c) If conducted by an organization ~~which~~ THAT is exempt from taxation
34 of income under section 43-1201, the organization's records are open to
35 public inspection.

36 (d) Beginning on June 1, 2003, none of the players is under twenty-one
37 years of age.

38 ~~7-~~ 9. "Social gambling" means gambling that is not conducted as a
39 business and that involves players who compete on equal terms with each other
40 in a gamble if all of the following apply:

41 (a) No player receives, or becomes entitled to receive, any benefit,
42 directly or indirectly, other than the player's winnings from the gamble.

43 (b) No other person receives or becomes entitled to receive any
44 benefit, directly or indirectly, from the gambling activity, including

1 benefits of proprietorship, management or unequal advantage or odds in a
2 series of gambles.

3 (c) Until June 1, 2003, none of the players is below the age of
4 majority. Beginning on June 1, 2003, none of the players is under twenty-one
5 years of age.

6 (d) ~~Players~~ FOR THE PURPOSES OF THIS PARAGRAPH, "compete on equal
7 terms with each other in a gamble" ~~when~~ MEANS no player enjoys an advantage
8 over any other player in the gamble under the conditions or rules of the game
9 or contest.