



ARIZONA STATE SENATE
Fifty-Sixth Legislature, Second Regular Session

AMENDED
FACT SHEET FOR S.B. 1575

racing; boxing; transfer; gaming commission

Purpose

Establishes the Arizona Gaming Commission (Gaming Commission) to succeed the powers and duties of the Arizona Racing Commission (Racing Commission), the Arizona State Boxing and Mixed Martial Arts Commission (Boxing & MMA Commission) and the Arizona Department of Gaming (ADG).

Background

The ADG was established in 1995 and regulates tribal gaming activities in accordance with the Arizona tribal-state gaming compacts. The ADG is also responsible for certifying casino employees and vendors working with casinos and licensing fantasy sports contests and event wagering ([A.R.S. Title 5](#)). In 2015, the Legislature established a Division of Racing and a Division of Boxing and Mixed Martial Arts within the ADG to work with the Racing Commission and the Boxing & MMA Commission in regulating horse racing, boxing and mixed martial arts ([Laws 2015, Ch. 19](#)).

The Racing Commission was established in 1949 and has the power and duty to: 1) issue racing dates; 2) adopt rules to govern racing meetings to protect and promote the safety and welfare of animals; 3) promote the proper conduct of racing and parimutuel wagering; and 4) conduct hearings for permits and licensing and review applications for capital improvements at racetracks ([A.R.S. § 5-104](#)). The Racing Commission consists of five members, who are appointed by the Governor with consent of the Senate to five-year terms ([A.R.S. § 5-102](#)).

The Boxing & MMA Commission was established in 1982 and expanded to include mixed martial arts in 1997 with the power and duty to: 1) manage licensure for all referees, judges, matchmakers, promoters, trainers, ring announcers, timekeepers, ringside physicians, inspectors, mixed martial arts contestants, boxers, managers and seconds; 2) require medical examination and insurance coverage; 3) oversee all contests; 4) ensure payment to participants; and 5) conduct investigations and take appropriate disciplinary action ([A.R.S. Title 5, Chapter 2](#)). The Boxing & MMA Commission consists of three members who are appointed by the Governor with consent of the Senate to three-year terms ([A.R.S. § 5-223](#)).

There is no anticipated fiscal impact to the state General Fund associated with this legislation.

Provisions

1. Establishes the Gaming Commission to succeed the powers and duties of the Racing Commission, the Boxing & MMA Commission and the ADG.

2. Stipulates that:
 - a) all certificates, license, registrations, permits and other indicia of qualification and authority that were issued by the Racing Commission, the Boxing & MMA Commission and the ADG are transferred to the Gaming Commission;
 - b) all equipment, records, furnishings and other property and all appropriated monies that remain unexpended and unencumbered of the Racing Commission, the Boxing & MMA Commission and the ADG are transferred to the Gaming Commission on the general effective date; and
 - c) all personnel who are under the state personnel system, who are employed by the Racing Commission, the Boxing & MMA Commission and the ADG are transferred to comparable positions and pay classifications in the respective administrative units of the Gaming Commission on the general effective date.
3. Prescribes the Gaming Commission membership to consist of:
 - a) one governor-appointed member who is a certified public accountant licensed by Arizona or another state and has at least five years of experience in general accounting and practice of corporate finance, general finance, gaming or economics;
 - b) one governor-appointed member with at least five years of experience in investigation, law enforcement or gaming law;
 - c) the Director of the Gaming Commission, who must have at least five years of public or business administration experience; 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.
4. Requires the Governor to appoint the Director of the Gaming Commission with consent of the Senate.
5. Requires the appointment of the Director of the Gaming Commission by the Governor to be made from a candidate or list of candidates submitted by both the Speaker of the House of Representatives and the President of the Senate.
6. Requires the initial terms for the governor-appointed member who is a certified public accountant licensed by Arizona or another state to expire the last Monday in January 2027.
7. Requires the initial term of the governor-appointed member with at least five years of experience in investigation, law enforcement or gaming law to expire the last Monday in January 2028.
8. Requires, for initial terms, the three public members to assign themselves by lot to terms of two, three and four years in office.
9. Requires the Chairperson to notify the Governor, the President of the Senate and the Speaker of the House of Representative of the initial terms of the public members of the Gaming Commission.
10. Requires each Gaming Commission member to be appointed to four-year terms, after the initial terms.

11. Stipulates that the Director serves at the pleasure of the Governor and is eligible to receive a salary within the range determined by the Arizona Department of Administration.
12. Stipulates that the Director and all employees of the Gaming Commission are subject to the state personnel system.
13. Allows the Governor to remove any member of the Gaming Commission for cause.
14. Allows any members of the Gaming Commission to be removed by a majority vote of the members of the Gaming Commission without cause.
15. Requires each member to take an official oath before entering on the discharge of the appointee's duties.
16. Stipulates that members of the Gaming Commission are eligible to receive:
 - a) compensation at a rate of up to \$30 for each day spent in the discharge of their duties; and
 - b) reimbursement for all expenses necessarily and properly incurred in attending a meeting of or for the Gaming Commission, including mileage expenses.
17. Disqualifies from Gaming Commission membership, appointment or employment any person who:
 - a) has a direct or indirect financial interest in gaming; or
 - b) holds elected office in Arizona or any officer or official of a political party or convention.
18. Declares that a majority of the Gaming Commission constitutes a quorum.
19. Requires the Commission to:
 - a) assume all the powers and duties of the Racing Commission, the Boxing & MMA Commission and the ADG;
 - b) enforce all rules adopted relating to gaming;
 - c) ensure the continued growth and success of gaming in Arizona by establishing public confidence;
 - d) regulates the location, practice, association and activities relating to the operation of licensed gaming establishments and the manufacture, sale or distribution of gaming devices and associated equipment;
 - 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;
 - f) meet at its discretion; and
 - g) have an office located in Phoenix.
20. Allows the Gaming Commission to have an office in Tucson.
21. Requires an agency of Arizona or a political subdivision of Arizona, on request of the Gaming Commission, to provide the Gaming Commission with its services, equipment, documents, personnel and facilities to the extent possible without cost to the Gaming Commission.
22. Stipulates that the employment or financial interest of any relative to the first degree of consanguinity or affinity to the Director or any other employee of the Gaming Commission in the gaming industry in Arizona is grounds for dismissal.

23. Repeals the Racing Commission, Boxing & MMA Commission and the ADG.
24. Terminates the Gaming Commission as of July 1, 2034.
25. Requires Legislative Council to prepare proposed conforming legislation for consideration in the Fifty-seventh Legislature, First Regular Session.
26. Defines *gaming* to mean all racing, boxing, kickboxing, mixed martial arts, gambling on Indian reservations, fantasy sports contests and event wagering conducted in Arizona.
27. Contains a purpose statement.
28. Makes technical and conforming changes.
29. Becomes effective on the general effective date.

Amendments Adopted by Committee

1. Requires the appointment of the Director of the Gaming Commission by the Governor to be made from a candidate or list of candidates submitted by both the Speaker of the House of Representatives and the President of the Senate.
2. Makes technical and conforming changes.

Senate Action

GOV 2/14/24 DPA 4-3-1

Prepared by Senate Research
February 16, 2024
JT/slp