

# Arizona lawmakers approve legislation to introduce sports wagering

By [Richard N. Velotta](#) Las Vegas Review-Journal

April 13, 2021 - 2:23 pm

Nevada's neighbor to the south hopes to roll out sports wagering by the end of the year after the Arizona House version of an expansive gaming bill was approved by a substantial majority.

Arizona Gov. Doug Ducey has indicated he intends to sign the legislation, which not only would allow Arizonans to place legal sports wagers at 20 locations — the homes of 10 professional sports franchises and 10 tribal casinos — but also expand the number of casino games available in tribal casinos with revised compact agreements with tribes.

Revised compact agreements would allow the play of baccarat, craps and roulette. Currently, only blackjack and poker play is allowed.

The legislation enables sports wagering and daily fantasy sports and will introduce a new keno game to be operated by the Arizona Lottery.

License holders are expected to contract with sports wagering companies FanDuel and DraftKings to operate their sportsbooks. The legislation also enables online wagering through apps.

The Joint Legislative Budget Committee, which reviews and estimates the financial impact of new legislation, said the state expects to generate \$34 million a year on an 8 percent gross gaming tax on sports wagers based on details of the bill and track records established in other states that introduced sports betting.

The committee anticipates Arizona gaming regulators will charge licensees \$150,000 a year for their licenses.

## **First major expansion**

Brenden Bussmann, director of government affairs for Las Vegas-based Global Market Advisors, said Arizona has the potential to be a strong sports-wagering market, but he doesn't expect other states to replicate its model. And, he expects Arizona's effects on Nevada's market to be minimal despite its geographic proximity.

"The market will likely have some familiar Nevada brands operating sportsbooks that will be able to rely on their existing database while also working to expand them," Bussmann said.

"This is the first major expansion of gaming in the state as the compacts are also renewed as part of this process," he said. "In addition to sports betting and fantasy sports, electronic keno was also allowed as part of the negotiations

with the governor. The limitations placed on geography may limit its impact, but it does throw an extra opportunity for gaming outside of the tribal communities.”

It will be interesting to see which teams and tribal operators land the 10 sports team licenses and 10 tribal licenses for mobile gaming, Bussmann said. Arizona becomes one of the first states to provide direct access to teams while not allowing all the tribes statewide access off-reservation.

“In the three years post-PASPA, we have gone from teams not wanting sports betting at all to now having direct access to licenses and actually incorporating into their venues,” he said.

The closest tribal casino to Nevada is the Spirit Mountain Casino, operated by the Fort Mohave Indian Tribe at Mohave Valley on the Colorado River in western Arizona. The Yavapai Prescott Indian Tribe runs two casinos in Prescott, Yavapai Casino and Bucky’s Casino.

Sixteen tribes operate 24 Arizona casinos, the largest of which are in suburban Phoenix, including Talking Stick Resort in Scottsdale and Wild Horse Pass in Chandler.

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