



Arizona Department of Gaming

Public Comments from the first set of Event Wagering & Fantasy Sports draft rules

The comments in this document are notes compiled by ADG staff and are based on their observation of the live meeting. For the official record, please refer to the meeting recordings

Links to recorded meetings:

[Meeting 1](#)

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Event Wagering Public Comment Session 1 **6/18/2021**

Speaker	Organization	Rule	Comment
Andrew Diss	Coyotes	121(C)(2)	C2 should not be subject to approval from the Department if they want to terminate their relationship.
Dave Auther	AZ Downs	Limited Licenses	Leg unclear with respect to horse tracks. Are they a limited event wagering operator? Do we need a contract with one of the sports teams to operate? How many locations for the sports book are they allowed to have.
Amylynn Pierce	Diamondbacks	121(A)	Happy with one skin.
Josh Pearl	Penn. Interactive	121(A)	Remove skins language. Event wagering system includes hardware, software, firmware. Would require skin partners to change their operating system.
Andrew Winchell	Fanduel	121(A)	Support one skin. Want clarification. Event wagering platform is supposed to review online and in person sports wagers. Their tech processes online/retail differently. Should be allowed to use different software vs. online wagers in the system.
Talonya Adams	Az Legislature	License Allocation	Can a tribe withdraw an application for a license? Would that be subject to approval from ADG? Does the department intend to clarify renewal when demand is greater than the number of licenses available?
Set 1			
Andrew Winchell	FanDuel	Official League Data	Not spelled out in a greater level of detail. References tiered bets in legislation. Should follow Virginia and Michigan.
John Pappas	Vendors & Suppliers		Who falls into supplier vs. ancillary supplier?
Andrew Diss	Coyotes	119 League Data	Add section E to include: "If a non official data provider is approved by ADG, it is approved for all."
Andrew Winchell	FanDuel	Geolocation	Annual testing for geolocation. With so many devices, not sure it is possible to test. You should review.
JR Loera	Self		Will the recordings be available?
Set 2			
Andrew Winchell	Fanduel	Wagers & Events Voided Tickets R-19-4-134 & 135(K)	Patrons being able to void tickets before the start of the events. Not done in sports wagering, done in horse racing. Needs to be corrected because these are fixed odds and they should not be able to void.
Andrew Winchell	Fanduel	In Play Wagering 134(M) 135(J)	Remove provision that limits in-play wagering by removing "bets are final" language.
Andrew Diss	Coyotes	105(C)	Who are the responsible parties with respect to folks who "impact the integrity of the game." Would the franchise be included? Clarify the rule better to ensure they exclude the franchises?
Andrew Winchell	Fanduel	Payment of Winning Tickets 19-4-134(C)	Winning ticket immediately payable. But there are reasons that they wouldn't pay due to fraud etc. Please change in accordance with the responsible parties approved internal controls."

John Pappas	Vendors & Suppliers	R19-4-131 Forms of Payment	Credit is not listed as an acceptable form of payment. Why?
Ernest Matthews	Az Downs	Retail Due Date	Minimum of 90 days notice. 9/9 due date would overlap. Will it be modified for the startup?
Andrew Winchell	Fanduel	Online Account	Rule requires wagers to be placed using a device. Supposed to say "Fund the player account" CC's shouldn't be used to directly wager.
Rhea Loney	Penn. National	140 Notice of Investigation	Sometimes they don't want the patron to know they're being investigated. Should be removed.
Talonya Adams	Az Legislature	R19-4-136 Layoff Wagers	Can the department define a layoff wager in the rules? (B) indicated layoff wagers are not part of the wagering revenue. R19-4-114(B) has the Department provided layoff wagers calculation available now?
Andrew Winchell	Fanduel	R19-4-140B(1)	Extend to "5 business days" to from 5 days to withdraw funds. The clock should start when the operator completes it, not if a payment processor delays.
Andrew Winchell	Fanduel	140(C) Dormant Accounts	Have 2 year domancy rule. Most other states have 3 years. Would like unified timeframe.
Set 3			
Andrew Winchell	Fanduel	Auditing	Not seen this level of detail. Requires daily individual audits. Request significant changes. Rewrite.
Rhea Loney	Penn. National	Auditing	If you include annual audit, operators are already doing it. Duplicative and expensive. Yearly audit on all rules will be difficult. Internal or external. Extend 3 or 5 years? Maybe upon ADG request?
Andrew Diss	Coyotes	Misc.	Confidentiality Protections. Include within regs.
Andrew Diss	Coyotes	Misc.	with 9/9 timeline. How are you going to complete due dilligence? Want to make sure everyone is able to start at the same time if we apply within the timeline?
Sen. Sally Gonzales	Az Legislature	Approval of Licenses	Short timeframe. Everyone should start on same date. Concerned with public's knowledge. 92 people on call is a small audience. Too short for general public to comment.
Amylyn Pierce	Diamondbacks	Start Time	All need to start at the same time. If there is provisional licensing, that would help and appreciated.
Talonya Adams	Az Legislature	Temporary License R19-4-105(J)	Is the rule reference for granting a provisional license?
Talonya Adams	Az Legislature	R19-4-154 Barred Person	Not defined in statute. Would be helpful to define in rule and clarify distinction between "self exclusion."
Kevin Cochran	Draft Rules	Designess Licensing	Designee would be an event wagering operator. Draft rules sets up designess as getting their own license. Conflicts with statute.
Andrew Winchell	Fanduel	Supplier Licensing	Supplier is defined in statute and limited to who would be required as a supplier. Needs to be acknowledged in rule language. They must satisfy the definition of supplier in the act as well.

Earnest Matthews	Az Downs	Limited Licenses	What is the process to submit a supplement? What is the supplement for? Will a form be produced by ADG?
Andrew Winchell	Fanduel	Licensing 19-4-104(A)	Employees may be transferred and hired at the time they are filing their licensing with ADG. Change "before the begin their duties."
Andrew Winchell	Fanduel	Monthly List	Many wont change month-to-month. What is the value of providing a supplier change? Seems like duplicative lists.
Sen. Sally Gonzales	Az Legisalture	Public Comment	Opportunity for public comment after publication?
John Pappas	Vendors & Suppliers	Ancillary Supplier R19-4-104(F)(1)	Requirements can be waived in rule. What are the determining factors? How can they go about getting the waiver?
Andrew Winchell	Fanduel	R19-4-135(H)	Cancel wage per rule in (H). But in (I) it allows responsible parties to cancel wagers for "error." Would like that included in (H).
Talonya Adams	Az Legislature	Definitions R19-4-101	(B)7 Event wager definition should exclude "high school atheletes.
Talonya Adams	Az Legislature	R19-4-156(F)	156(F) Debt Set off langauge mirror statutory language to reflect the funds are to be "remitted to the agencies for which the obligation is owed."
Talonya Adams	Az Legislature	R19-4-105(I)	ADG revising fees with notice of 60 days. Will that include event wagering operator license fee? Will it include the method by which the fee is determined.
Josh Pearl	Penn. Interactive	R19-4-119 Tech standards	Remove requirement of GLI 19. It is included in GLI 33.

Fantasy Sports Public Comment Session 1		6/18/2021	
Speaker	Organization	Rule	Comment
Peter S.	Fantasy Sports & Gaming Association	General Concern on Rules	Have not listened to comments yet. Gone beyond the law. i.e. internal control requirements (26 requirements in rules, 9 in statute). Supplier licensing. Different industry.
Tim Jensen	Fantasy Sports & Gaming Association Member Company	R19-205(H) Licensing Feeds	Small companies for season long fantasy games cant afford the fees. Please adopt a tiered structure based on participants or other means that is conducive
Michael Petropoulos	Fantasy Sports & Gaming Association Member Company	R19-205(H) Licensing Feeds	Highlight Tennessee's tiered system for licensing. Please take a look.
Tim Jensen	Fantasy Sports & Gaming Association Member Company	R19-4-209 Priviledge Fee	Initial fees are too costly in many states. i.e. Virginia. Please take into account small companies. See Virginia's revisions.
Set 1			
Andrew Winchell	FanDuel	Geofencing Requirements R19-2-208	Fantasy sports the customer can be anywhere. Do not have Wire Act concerns. Suggest removing the geofencing requirements. Not needed. Is there a geofencing requirement for fantasy sports? Statute does not have a requirement.
Tim Jensen	Fantasy Sports & Gaming Association	Geofencing Requirements R19-2-208	Fantasy sports do not need geofencing in statute.
Kevin Cochran	Draft Kings	Internal Controls	9 areas of focus not 26. Most states do not require submitting internal controls. They want to standardize as much as possible. Please incorporate internal controls to mimic statute.
Tim Jensen	Fantasy Sports & Gaming Association Member Company	Geofencing Requirements R19-2-204	Can you say "commercial best practices" instead of "all connections." There are a lot of connection options and this would be onerous.
Michael Petropoulos	Fantasy Sports & Gaming Association Member Company		Financial audits normally have reciprocity.
Tim Jensen	Fantasy Sports & Gaming Association Member Company	R19-2-222, 223, 224	Small companies don't have independent departments. Its difficult to comply with internal firewalls because employees wear multiple hats.
Peter S.	Fantasy Sports & Gaming Association	Date change	Concern that they will go live 9/9. Need earlier start. Can we do temporary licensing to ensure and earlier start?
Andrew Winchell	Fantasy Sports & Gaming Association Member Company	R19-4-202	requirement to be accepted by "persons in the state" should be struck. These are cross border contests.
Kevin Cochran	Fantasy Sports & Gaming Association Member Company	Servers	Want more flexible way to use data. Not just servers in state.
Set 2			
Tim Jensen	Fantasy Sports & Gaming Association Member Company	R19-4-217(a)	Include credit card for formal payment?
Andrew Winchell	FanDuel	R19-4-217(a)	Most have account based system. Not use credit card. Suggest to clarify that fees are paid by credit cards or customer accounts using those forms of payme.t
Andrew Winchell	FanDuel	R19-4-217(H)	"Entry should be final at the start of the contest." Players can adjust their lineup after the game has started. Need to allow for "late swaps."
Tim Jensen		R19-4-220(B)1	Can clarify to "initiate request within 5 days."

Tim Jensen		R19-4-220(B)(2) A,B,C & D	Don't always have investgative info. May be restricted by a jurisdiction for holding funds. Give flexibility to allow for that.
Tim Jensen			Dormant account to three years instead of two?
Michael Petropoulos	Fantasy Sports & Gaming Association Member Company	R19-4-213	The audit required in rule is highly burdensome and not ever seen in any other jurisdiction.
Andrew Winchell	FanDuel	R19-4-218(A) Player Account	Verify ID. Generally to require the person be "validated" before entering a contest. Remove prohibition on creating an account until the person has been fully validated.
Andrew Winchell	FanDuel	R19-4-218(D) Player Account	Only in certain situations a gov ID is necessary. The normal process it is not always required to ID the customer. Remove or we would be required to collect govt issued ID even if we had not need of it.
Tim Jensen	Fantasy Sports & Gaming Association Member Company	Govt Issued ID	Verification services match against credit checks, not Government ID.
Tim Jensen	Fantasy Sports & Gaming Association Member Company	R19-4-223 Accounting Rev.	Daily reconcile. For season long operator a daily reconcile does not make sense. Quarterly? Annually?
Set 3			
Andrew Winchell	FanDuel	Debt Set Off	Statute requires list be provided to operators. Want clarification that lists are provided in a electronic format. Ensure efficiency. Produce annually? If so, when?
Kevin Cochran	Draft Kings	Debt Set Off	Produce annually. Caution when the check is performed. Could miss people. Regualrly updated list would ensure no misses.
Tim Jensen	Fantasy Sports & Gaming Association Member Company	R19-4-228, 229	Nationwide contests. Some last all year and people move around. In 228 and 229 clarify between "Az residents" or those "located in Az." What happens in someone is barred in 1 state but tries to bet in another. How can operators enforce the rules. The definition would be helpful to clarify.
Michael Petropoulos	Fantasy Sports & Gaming Association Member Company	R19-4-223, 224	Testing requirements add onto existing audit requirements are too burdensome. Small companies cannot enter state.
Peter S.	Fantasy Sports & Gaming Association	General Concern on Rules	Please look at tiered fee structures and testing are limited. If you want a robust industry please consider this when making changes.
Tim Jensen	Fantasy Sports & Gaming Association Member Company	General Process	When will rules be republished and will there be another comment period?
Andrew Winchell	Fanduel	Events R19-4217(G)	Prhibition against fantasy contests once a sports event has started. Please remove. Many events are wagered on after the start.
Alex Kaganovsky	Fantasy Sports & Gaming Association Member Company	General	Plesae don't make the rules burdensome for small companies. It's not usually one big fee, it is a lot of small requirements that push small business out.

Fantasy Sports Public Comment Session 2			6/21/2021
Speaker	Organization	Rule	Comment
No Comment on Policy Issues			
Set 1			
Meredith Yu	Yahoo Sports	Geofencing	Difficult to impement geofencing rule.
Set 2			
Adam Boothe	Prize Picks	216(a)	Have to provide catalog. What is the approval process like? Will it be quick? Things like tennis matches are quick. What will be approved? What does the process look like?
Meredith Yu	Yahoo Sports	ID Verification 19-4-218	Long list of PII. The list is more extensive than other jurisdiction. They don't store SSN. Please revisit the info operators maintain on all of their users.
Andrew Winchell	FanDuel	ID Verification 19-4-218	There is no requirement in statute to collect PII for fantasy sports. Requires them to "keep records" but no government issued ID.
Kevin Cochran	Draft Kings	ID Verification 19-4-218	ADG is saying statute is requiring gov issued ID? He sees it only required for self-exclusion.
Set 3			
Meredith Yu	Yahoo Sports	Internal Audit	Rely on external auditors. Requiring internal audits is not a requirement of any other jurisdiction. Please revisit.
Adam boothe	Prize Picks	221 Promotions and Bonuses	What would be the rules, time of this process? Please provide langauge that allows flexibility, we don't want to be rejected.
Andrew Winchell	FanDuel	R-19-4-227(a) Event waging rule	Patron dispute. Must notify player and give information about complaint resolution process. Not required to notify about the complaint resolution process. Should come from regulator.
Meredith Yu	Yahoo Sports	Investigations	Could lead to more fraud if operators overshare nature of investigation. Please relook at language.
Talonya Adams	Az Leg.	R19-4-226 Remedies	ADG may fine licensees. Will those fines be published?
Kevin Cochran	Draft Kings	General	Can you share an update to the timeline? Need to get resources aligned.
Meredith Yu	Yahoo Sports	Change Control R19-4-206	Require written approval for change requests. What constitutes a material change?
Brandon Loechner	Ruben Brown CPA Accounting	Audit 206(G)	Does AZ have the ability to review auditor papers upon request or provide input on audit?
JR Loera	Fort McDowell	General Timeline	Will further public comment be available after changes have been made?
Meredith Yu	Yahoo Sports	19-4-204(D)	No other jurisdiction has requirement of "parent organizations." 10% ownership requirements says "it may be required." How will that determination be made?

Event Wagering Public Comment Session 2			6/21/2021
Speaker	Organization	Rule	Comment
Josh Pearl	Penn. Interactive	Designee	Would the local entity, (Tribe) would they be required to fill out paperwork for the application process?
David Miller	PGA	Skins	Statute allows only one skin. Want to affirm that is the case. That was the legislative intent. Regs need to make that clear.
Joe Solosky	NASCAR	Skins	Legislative intent to have one skin. Would like that clarified in the rules.
Matt Olin	San Carlos Apache	Skins	Legislation changed and allows for more than one skin.
Amilyn Pierce	D-Backs	Skins	100% certain it was the legislative intent it was one skin.
Set 1			
David Miller	PGA	Official League Data	What is in the rules (timely etc.), it is inconsistent with the requirement that official league data be used. Makes sense to establish standards of "commerically reasonable terms." Need factors to define "commerically reasonable terms" more clearly in the rules.
Brandt Iden	Sport Radar	Official League Data	Agree with PGA. Need to adopt Michigan's rules on this. Need more clarity in the case of an "opt out."
Set 2			
Trevor Hayes	William Hill	R19-4-134	"voided physical ticket needs to be branded." Would require operators to buy a scanner. Not necessary in other states. Burdensome. Please remove.
Set 3			
Trevor Hayes	William Hill	Marketing	Consider adding "promoting and marketing in advance" of launch date. Advanced downloads consideration.
Andrew Winchell	FanDuel	R19-4-132 Reserve Requirement	Maintain 500K reserve. Suggest clarifying the calculation. Sum of player accts. Suggest calculation: Aggregate money held on wagers of results not been determined and amount not paid on winning wagers.
Andrew Winchell	FanDuel	R19-4-155(a)(3) Responsible Gaming	Az Number. Wants a toll free number approved by ADG. Want national hotline option. Burdensom since they are a national operator.
JR Loera	Ft Mcdowell	General	Issue updated set of draft rules that will be open for public comment? Correct?
Talonya Adams	Az Leg.	General	Will second set of rules include fees?