



# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1349**

**Amendment Number: H1**

**Bill Subtitle: CONCERNING PAID ESPORTS TOURNAMENTS.**

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An "esports tournaments organizer" is a person who:

- Is engaged in the business of professionally conducting paid esports tournaments for cash prizes for members of the general public; and
- Requires cash or cash equivalent as an entry fee to be paid by a member of the general public who participates in a paid esports tournament.

HB1349 exempts esports tournaments from Arkansas criminal law that prohibits gambling, § 5-66-101 et seq.

### **Revenue Impact :**

None.

### **Taxpayer Impact :**

A taxpayer competing in a paid or nonpaid esports tournament will not be considered as engaged in illegal gambling in violation of Arkansas law. Income earned by a competitor or esports tournament organizer as a result of a paid esports tournament will be taxable.

### **Resources Required :**

None.

### **Time Required :**

Adequate time is provided for implementation.

### **Procedural Changes :**

None.

### **Other Comments :**

The bill specifically states that income earned by esports tournament competitors or organizers is taxable. However, this income would already be considered as taxable.

### **Legal Analysis :**

HB1349-H1 (engrossed H2/15/23) contains a drafting error on page 2, line 27. The word "competes" should read "compete."