

Stricken language would be deleted from and underlined language would be added to present law.

1 State of Arkansas *As Engrossed: H2/15/23 S3/1/23*

2 94th General Assembly

A Bill

3 Regular Session, 2023

HOUSE BILL 1349

4

5 By: Representatives Ray, *V. Flowers*

6 By: Senator J. Dotson

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8

For An Act To Be Entitled

9 AN ACT CONCERNING PAID ESPORTS TOURNAMENTS; AND FOR
10 OTHER PURPOSES.

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12

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Subtitle

14

CONCERNING PAID ESPORTS TOURNAMENTS.

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16

17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

18

19 SECTION 1. Arkansas Code Title 23, is amended to add an additional
20 chapter to read as follows:

21

CHAPTER 118

22

PAID ESPORTS TOURNAMENTS

23

24 23-118-101. Legislative findings.

25

26 (a) The General Assembly finds that a paid esports tournament
27 conducted in compliance with this chapter does not constitute gambling for
28 any purpose.

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30 (b) Paid and nonpaid esports tournaments conducted in compliance with
31 this chapter are exempt from § 5-66-101 et seq.

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33 (c) Income earned by esports tournament competitors or esports
34 tournament organizers as a result of a paid esports tournament is taxable
35 under the Income Tax Act of 1929, § 26-51-101 et seq.

36

23-118-102. Definitions.

As used in this chapter:

(1)(A) "Esports" means any form of multiplayer competition in



1 which competitors compete against each other using video gaming consoles,
2 computers, or other electronic devices.

3 (B) "Esports" includes the ability to compete or perform
4 in front of an audience, and through an online platform, broadcast on
5 television, or at an in-person event.

6 (C) "Esports" does not include a:

7 (i) House-banked game in which participants compete
8 or play against the house, including without limitation an operator, rather
9 than other participants; or

10 (ii) Casino-style gambling game or other gambling
11 game customarily offered at a casino;

12 (2) "Esports tournament organizer" means a person that:

13 (A) Is engaged in the business of professionally
14 conducting paid esports tournaments for cash prizes for esports tournament
15 competitors; and

16 (B) Requires cash or cash equivalent as an entry fee to be
17 paid by a member of the general public who competes in a paid esports
18 tournament;

19 (3) "Esports tournament competitor" means an individual or group
20 of individuals who function as a team that competes in a paid or nonpaid
21 esports tournament offered by an esports tournament organizer;

22 (4) "Nonpaid esports tournament" means any:

23 (A) Esports event organized by an educational institution,
24 charity, nonprofit, or other institution that awards nonmonetary prizes to
25 esports tournament competitors; or

26 (B) Event that does not require an entry or venue fee to
27 competes in esports;

28 (5)(A) "Paid esports tournament" means, and is limited to, any
29 esports event facilitated by an esports tournament organizer for a cash prize
30 or other monetary compensation if an esports tournament competitor is
31 required to pay an entry or venue fee to compete.

32 (B) "Paid esports tournament" includes any esports
33 tournament or contest that meets the following conditions:

34 (i) The values of all prizes and awards offered to
35 winning esports tournament competitors in public contests, and the method
36 through which prizing is determined, are established and made known to the

1 esports tournament competitors in advance of the tournament or contest;

2 (ii) All winning outcomes reflect the relative
3 knowledge and skill of the esports tournament competitors and are determined
4 by the results of the performance of esports tournament competitors;

5 (iii) A winning outcome is determined by the results
6 of fully completed contests or events and not merely a portion of a contest
7 or event, except that an esports tournament competitor may be credited for
8 results in a suspended or shortened contest or event that has been suspended
9 or shortened by a decision of the esports tournament organizer on account of
10 weather or other natural or unforeseen events; and

11 (iv)(a) Each paid esports tournament competitor is
12 required to pay an entry fee to compete.

13 (b) Each nonpaid esports tournament competitor
14 is exempted from the requirement to pay an entry fee to compete.

15 (c) Payment under subdivision (5)(B)(iv)(a) of
16 this section shall be with cash or a cash equivalent and is not gambling for
17 the purposes of § 5-66-101 et seq.; and

18 (6) "Person" means any association, corporation, limited
19 liability company, fiduciary, individual, joint stock company, joint venture,
20 partnership, sole proprietorship, or other private legal entity.

21
22 23-118-103. Paid esports tournaments authorized.

23 (a) An esports tournament organizer is authorized to conduct a paid
24 esports tournament through one (1) or more websites, local area networks,
25 video gaming platforms, or other similar gaming platforms maintained and
26 operated by the esports tournament organizer under this chapter.

27 (b) Wagering on the outcome of an esports tournament is not authorized
28 under this chapter.

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30 /s/Ray
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