

1 State of Arkansas *As Engrossed: H2/15/23 S3/1/23 S3/6/23 S3/8/23*

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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## For An Act To Be Entitled

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

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## Subtitle

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CONCERNING PAID ESPORTS TOURNAMENTS.

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

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

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### CHAPTER 118

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### PAID ESPORTS TOURNAMENTS

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#### 23-118-101. Legislative findings.

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

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

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

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#### 23-118-102. Definitions.

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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:

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

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

12 (iii) A game based on or otherwise involving horse  
13 racing or dog racing; or

14 (iv) Any electronic pull-tab game or similar  
15 traditional gambling game;

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

17 (A) Is engaged in the business of professionally  
18 conducting paid esports tournaments for cash prizes for esports tournament  
19 competitors; and

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

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

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

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

30 (B) Event that does not require an entry or venue fee to  
31 compete in esports;

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

36 (B) "Paid esports tournament" includes any esports

1 tournament or contest that meets the following conditions:

2 (i) The values of all prizes and awards offered to  
3 winning esports tournament competitors in public contests, and the method  
4 through which prizing is determined, are established and made known to the  
5 esports tournament competitors in advance of the tournament or contest;

6 (ii) All winning outcomes reflect the relative  
7 knowledge and skill of the esports tournament competitors and are determined  
8 by the results of the performance of esports tournament competitors;

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

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

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

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

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

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26 23-118-103. Paid esports tournaments authorized.

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

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

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34 /s/Ray