

2018

**Arizona Department of
Gaming**



Annual Report

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In accordance with A.R.S. § 5-601(G), the Arizona Department of Gaming (“ADG”) submits this annual report for Fiscal Year 2018 (“FY18”). Pursuant to this statute, ADG shall distribute the report to the Governor, the President of the Senate, Speaker of the House of Representatives, and each Tribe that has executed a compact with the state. ADG also will provide a copy of this report to the Secretary of State, and make the report available for public access online at azgaming.gov.



Arizona Department of Gaming

Our Vision

- ❖ To be the leading regulator of gaming, racing, and unarmed combat sports in the United States and to administer a premier problem gambling program.

Our Mission

- ❖ Protect the public, ensure compliance with the gaming compact, and regulate the gaming industry.
- ❖ Support effective problem gambling prevention, treatment, and education programs throughout Arizona.
- ❖ Protect participants and the public through regulation and supervision of pari-mutuel racing and wagering, and boxing and mixed martial arts events.

Our Values

- ❖ We act with integrity.
- ❖ We support diversity.
- ❖ We work with the Tribes on a government-to-government basis.
- ❖ We are transparent, consistent, and responsible in all of our activities.
- ❖ We respect and support each other.

A Message from the Director

It is my privilege to submit to you the Arizona Department of Gaming's (ADG's) annual report for Fiscal Year 2018. The activities and major accomplishments in this report reflect the quality and dedication of ADG employees, and, our collective, active, mission-driven focus to improve our service to Arizona's citizens, Tribes, and visitors to our state. ADG's employees are devoted professionals who take tremendous pride in the mission of the agency.



This report summarizes our mission's work to protect and serve the public by enforcing state laws and the Arizona Tribal-State Gaming Compact, stopping criminal activity, and promoting commerce and economic development.

We have two primary responsibilities. First, we work with Arizona's Tribes to ensure the integrity and continued success of gaming in Arizona and that the State receives its portion of tribal gaming contributions, which fund critical programs benefiting Arizona's residents, economy, wildlife, and environment. Second, we regulate Horse Racing and Boxing & Mixed Martial Arts (MMA) and assure that those activities are well regulated and as safe as possible for all participants.

ADG is committed to doing our part to keep our communities safe and healthy and our economy thriving. Gaming process improvements and our ability to innovate are benefiting Arizona families, community, individuals, businesses, and the Tribes. Our Intelligence Special Agents remained vigilant and steadfast in their work with local law enforcement authorities to stop illegal gambling operations and protect our neighbors from other crimes they can attract. Our Division of Problem Gambling team continued to educate and support people and families in need through outpatient treatment and casino self-exclusion programs and services. And, for the thousands of active and prospective tribal casino employees and vendors, ADG continued to issue required state certifications faster and with less regulatory burden and cost.

Fiscal Year 2018 re-energized our Divisions of Racing and Boxing & MMA. With the return of live horse racing to Yavapai County, Arizona, the Division of Racing will step up to support the industry's growth and year-round racing. ADG also successfully overhauled our state boxing and MMA rules, demonstrating Arizona's commitment to supporting the growth of unarmed combat sporting events, while ensuring fighter safety.

Thank you for your support and assistance during Fiscal Year 2018. Driven by our dedication to professional service, our core values, and our commitment to the citizens and customers we serve, ADG will continue to strive to be a national model in all of our mission's work.

Dan Bergin
Director

Regulated Tribal Casinos & Locations

Compacted Tribes with Casinos

Ak-Chin Indian Community

Harrah's Ak-Chin Casino

Cocopah Indian Tribe

Cocopah Casino

Colorado River Indian Tribes

Blue Water Casino

Fort McDowell Yavapai Nation

Fort McDowell Gaming Center

Fort Mojave Indian Tribe

Spirit Mountain Casino

Gila River Indian Community

Wild Horse Pass, Vee Quiva &
Lone Butte Casinos

Navajo Nation

Twin Arrows Casino

Pascua Yaqui Tribe of Arizona

Casino of the Sun & Casino Del Sol

Quechan Indian Tribe

Paradise Casino

Salt River Pima-Maricopa Indian Community

Casino Arizona & Talking Stick Resort

San Carlos Apache Tribe

Apache Gold Casino & Apache Sky Casino

Tohono O'odham Nation

Desert Diamond Casinos (Tucson,
Sahaurita & Why)

Tonto Apache Tribe

Mazatzal Casino

White Mountain Apache Tribe

Hon Dah Casino

Yavapai-Apache Nation

Cliff Castle Casino

Yavapai-Prescott Indian Tribe

Yavapai Gaming Center & Bucky's Casino



Compacted Tribes without Casinos

Havasupai Indian Tribe

Hopi Tribe

Hualapai Indian Tribe

Kaibab Band of Paiute Indians

San Juan Southern Paiute Indian Tribe

Zuni Tribe

ADG FY 2018 Revenue & Expenditures

FY 2018 Revenue	Enforcement/ Problem Gambling	Certification
Total Revenue	\$10,746,400¹	\$1,709,100
FY 2018 Expenditures	Enforcement/ Problem Gambling	Certification
Personal Services	\$4,910,100	\$905,000
Employee Related Expenditures	\$1,948,700	\$391,100
Professional & Outside Services	\$642,100	\$13,300
In-State Travel	\$276,400	\$8,900
Out-of-State Travel	\$73,300	\$12,900
Aid to Organizations & Individuals	\$1,845,000	\$0
Other Operating Expenses	\$2,376,700	\$263,500
Equipment	\$155,400	\$0
Transfers ²	\$54,600	\$0
Total Expenditures	\$12,282,300	\$1,594,700

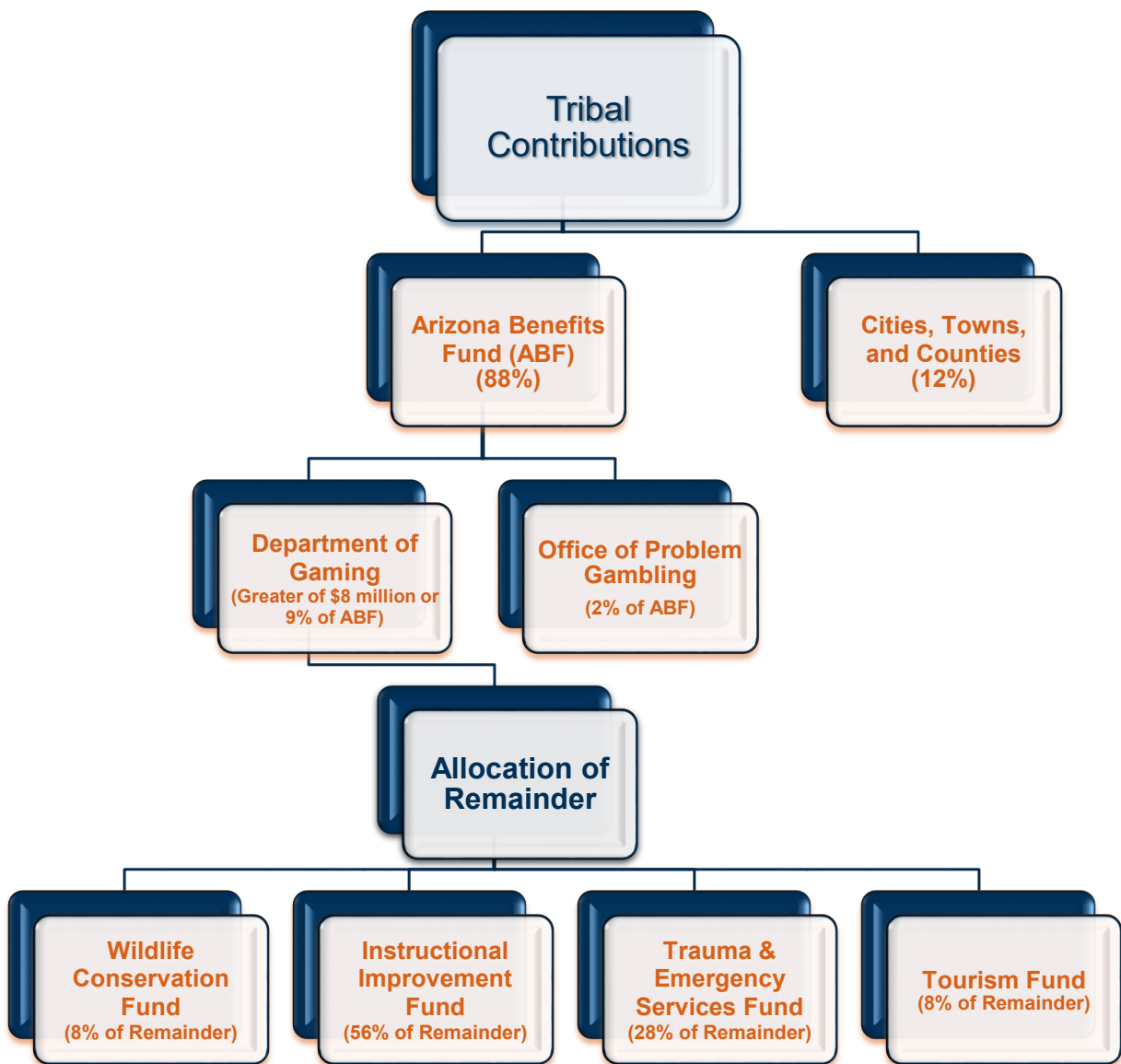
¹ Includes \$300,000 from the Lottery Fund

² To the Office of Administrative Hearings

Tribal Contributions

With the passage of Proposition 202 in November 2002, and subsequent new Tribal-State Gaming Compact (Gaming Compact), participating Arizona Tribes make contributions to the state on a quarterly basis. In FY18, these Tribes filed all Class III Net Win reports and quarterly tribal contribution payments as required.

Administered by ADG, 88 percent of a Tribe’s total annual gaming contribution is paid to the Arizona Benefits Fund, with the remaining 12 percent distributed by the Tribes directly to cities, towns and counties. Aggregate tribal contributions for FY18 totaled approximately \$107 million.



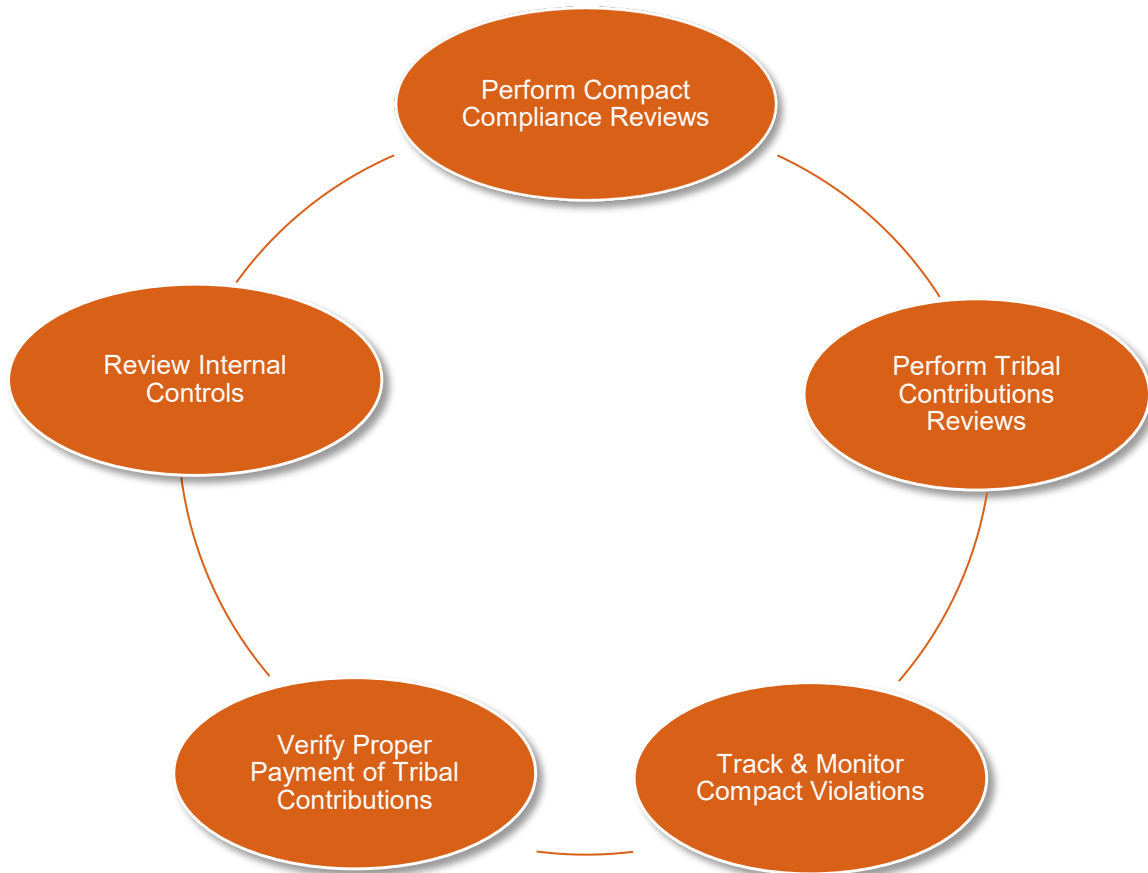
ADG Sections & Achievements

Audit

Compliance Auditors conduct annual, on-site financial and procedural reviews of 24 regulated tribal casinos in Arizona. Auditors test hundreds of regulatory standards, including validating gaming revenues and ensuring fairness of authorized gaming activities.

These detailed reviews verify compliance with the Gaming Compact and applicable Appendices, and allow ADG to fulfill its mission of regulating Arizona's gaming industry.

ADG compliance auditors are a highly motivated, knowledgeable team of problem solvers dedicated to being a respected resource in the field of gaming regulatory compliance.



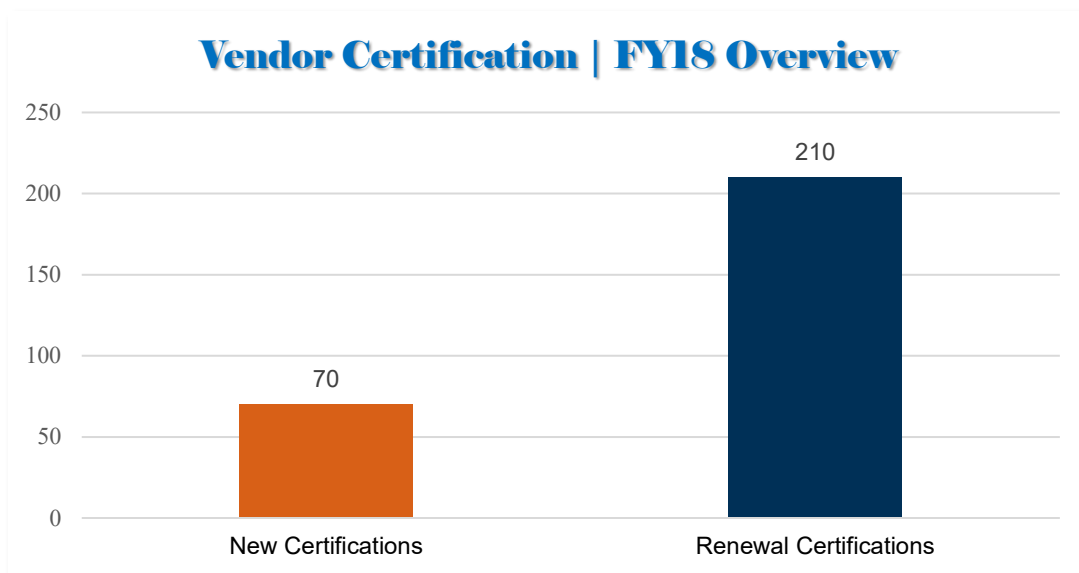
Vendor Certification

Vendor Certification is comprised of special agents/financial investigators, compliance auditors, and intake officers who determine the suitability of companies and principals desiring to do business with Arizona's casinos. Activities include certifying gaming facility financiers, contractors involved in casino management and operations, manufacturers and distributors of gaming devices, and companies offering services to casinos in excess of \$10,000 in any single month. Applicant companies, principals, and key personnel all undergo in-depth background investigations prior to the issuance of state certification. ADG also provides vendor certification training for Tribal Gaming Offices (TGOs).

In FY18, ADG continued to issue required state certifications faster and with less regulatory burden and cost to vendors, which benefits current and prospective vendors and the Tribes. ADG issued new vendor certifications within an average of 40 days for Class A/B, and within an average of 19 days for Class D. For renewal certifications, ADG issued Class A/B within an average of 16 days, and Class D within an average of 15 days. Class D renewal certifications, issued 45 percent faster over last fiscal year, showed the most improvement.

To increase transparency for Tribes, lessen redundancy, and expedite the certification process overall, ADG:

- Streamlined the vendor application process by developing a single, combined tribal/state application, which eliminates the need to complete both a state application, and separate tribal applications, for each Tribe with which the vendor conducts business.
- Initiated development of a secure portal to share applications with the Tribes, which will allow them to retrieve vendor applications and investigative reports electronically.
- Entered the planning stage to offer vendors online applications to increase overall efficiency, prevent incomplete applications, and eliminate paper and postage. Incomplete applications currently account for 76 percent of all applications received.



Employee Certification

To ensure suitable individuals are employed at regulated casinos, ADG conducts extensive background checks on current and prospective employees. This process includes criminal background checks, fingerprinting, credit history verifications, financial background screenings, and reviews of work histories, criminal/civil litigation, education, tax records, as well as personal and professional references.

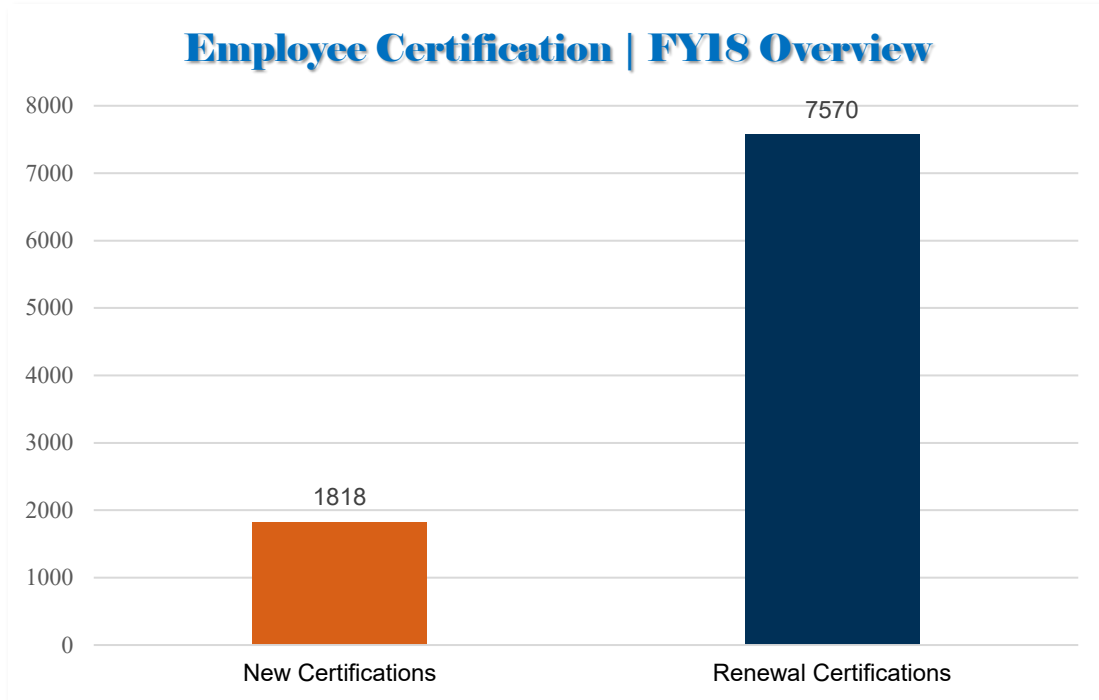
In FY18, ADG processed 9,388 employee applications (see chart for breakout), performed 1,091 criminal history checks (for 4b applicants), and handled 257 requests for transfers, rehires, or name changes for certified applicants. ADG also created and now includes an Optional Fee Waiver Form (SGA 908), in its employee application packet to comply with new licensing requirements per House Bill 2372 and A.R.S. § 41-1080.01. The statutes allow eligible applicants demonstrating financial hardship to request a fee waiver for their initial licensing. ADG issued 30 such fee waivers in FY18.

9,388

- FY18 EMPLOYEE CERTIFICATIONS ISSUED -

ADG instituted an electronic database workflow system for applications and reports, which has resulted in quicker, more efficient processing of new applications and reviews of completed reports for ADG employees and investigators. In FY18, the average number of days to issue certifications for new applications was 12 days – 31 percent faster than the prior fiscal year. Renewal applications demonstrated a marked improvement of 40 percent, taking an average of 15 days.

With two additional Tribes making the transition from paper applications to electronic in FY18, now 81 percent of Tribes are using electronic applications and supporting ADG's ongoing effort to go paperless.



Machine Compliance

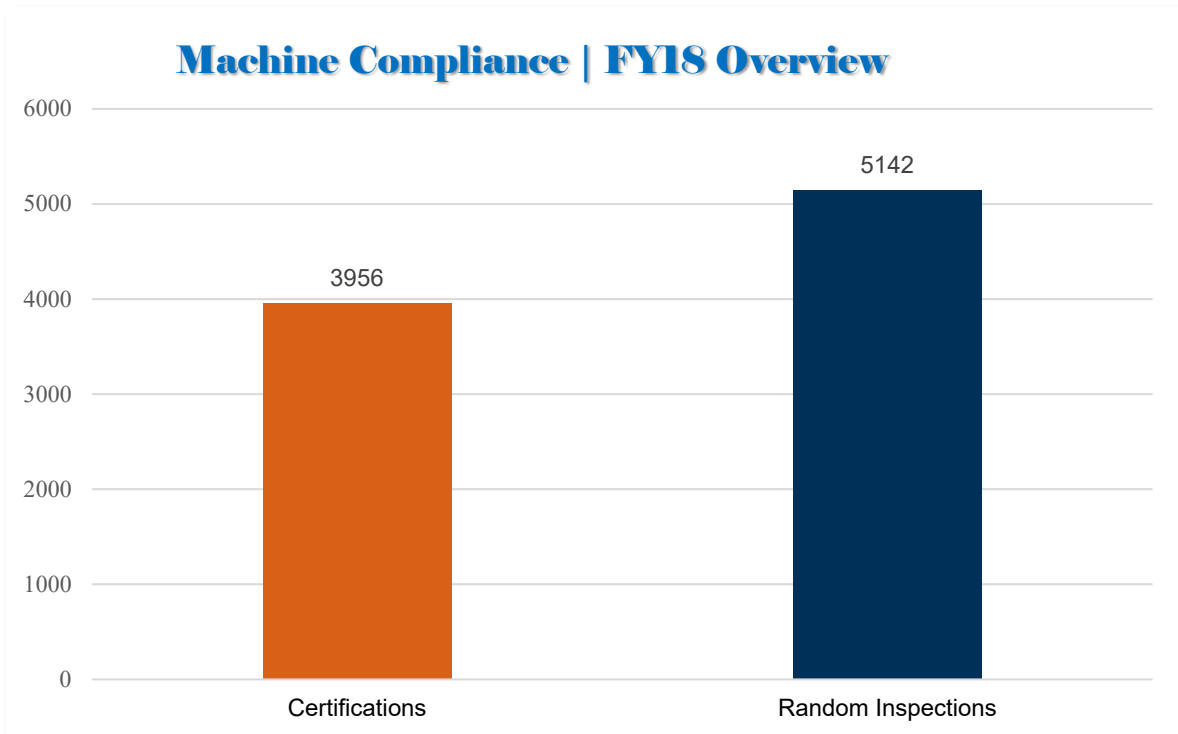
Machine Compliance is committed to ensuring the integrity of gaming devices and accurate payouts for casino patrons. Prior to a gaming device being placed into service, ADG’s technicians certify the device is performing according to manufacturer’s specifications and in compliance with strict regulatory standards set forth in the Gaming Compact. ADG also certifies gaming device modifications, conducts random inspections of existing gaming devices, and verifies kiosks, and electronic monitoring systems for compliance.

As recognized experts in their field, Machine Compliance staff collaborate with regulators from other jurisdictions on best practices. Technicians also provide regular guidance and training to ADG staff, tribal regulators, and gaming facility operators and investigate complaints about Class III gaming devices.

During 672 visits to casinos in FY18, staff certified and inspected 9,098 gaming devices. This work included proposing and implementing an efficient certification and inspection plan for gaming devices affected by a significant remodel at Harrah’s Ak-Chin Casino.



SLOT MACHINE INSPECTION AT CASINO ARIZONA

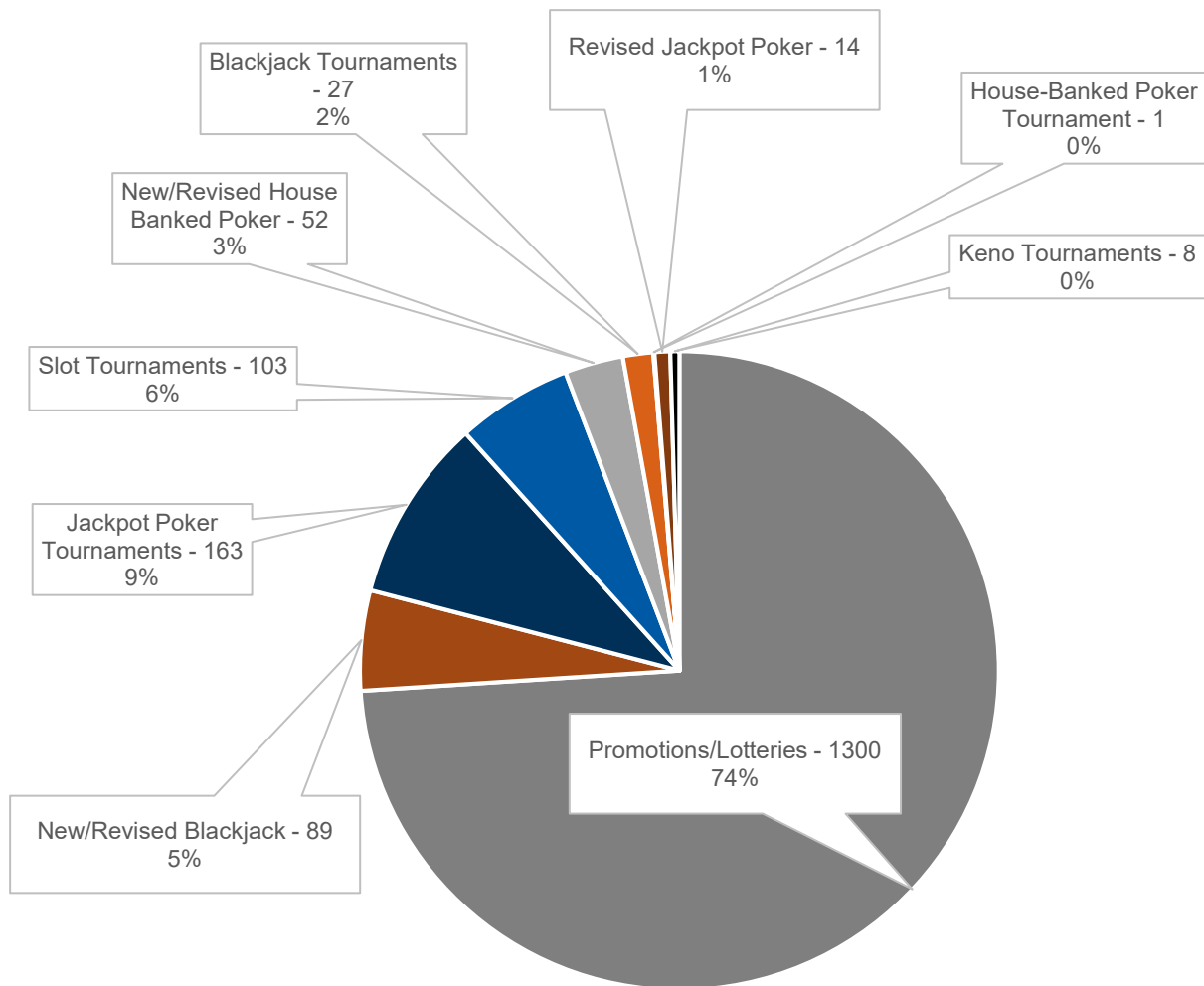


Games & Systems Compliance

Games & Systems Compliance reviews and approves all new poker and table games, existing game revisions, lotteries, promotions, tournaments, and new gaming technologies. ADG’s approvals allow Tribes to offer more player incentives, which helps keep them competitive in the market. Staff work closely with TGOs to ensure the integrity of gaming, and fairness and honesty of promotions, lotteries, and tournaments.

In FY18, ADG received, reviewed and approved 1,757 TGO submissions – each within the seven days specified by the Gaming Compact.

Approved Tribal Submissions



Intelligence

Intelligence (Intel) special agents enforce the Gaming Compact by stopping illicit, unregulated, gambling activities and operations, and ensuring prosecution of involved individuals. In many cases, illegal gambling establishments brought additional crime to the area and increased calls for service to local police departments. Intel helps reduce crime in our neighborhoods by working in partnership with local law enforcement officers and attorneys to shut down illegal gambling operations off-reservation and also assists tribal authorities with investigations, training, and intelligence on suspected criminal activities in their jurisdictions, as requested.

In FY18, Intel opened 102 illegal gambling reports, closed 76, and conducted 80 various operations. About 26 cases were open for investigation at the close of the fiscal year. In addition to the criminal cases, Intel continued to track suspicious currency, suspected gambling cheats, and persons excluded from casinos for criminal conduct.

Investigations & Inspections

Investigations and Inspections (I&I) special agents monitor Gaming Compact compliance and help ensure issues are addressed in a timely fashion by conducting daily on-site inspections of casino operations and investigating suspected Gaming Compact violations and non-compliance issues. Comprised of AZPOST-certified special agents with extensive law enforcement knowledge and experience, I&I's on-site presence increases public confidence in the integrity of Arizona gaming, ensures ADG is proactive in its regulatory obligations, and supports positive relations with tribal gaming regulatory counterparts.

In FY18, I&I agents traveled 241,674 incident-free miles to conduct 1,846 tribal site visits to 24 casinos. During these visits, agents resolved 21 compliance issues. I&I agents continued to review Tribal Incident Reports (TIRs) on an ongoing basis to identify and address any issues that arise at a casino. This activity allows them to intervene to prevent issues from becoming widespread. In FY18, I&I reviewed and classified 10,465 TIRs.

I&I agents play a central role in planning, coordinating and implementing gaming-related training opportunities for tribal regulators and gaming facility operators, and in providing targeted training sessions on topics requested by Arizona Tribes. I&I enlists ADG in-house gaming experts to present with them and share their specialized knowledge for many of these training events. I&I developed and offers Arizona Tribes with training on 18 topics, including background investigations, casino math, surveillance, and reporting. New in FY18, I&I certified seven of the current training topics, qualifying them as law enforcement training credits. Law enforcement officers, both tribal and non-tribal, now are eligible to earn police officer training credits when participating in these courses.

I&I is ADG's lead in coordinating quarterly gaming training programs with the Arizona Tribal Gaming Regulators Alliance (ATGRA), including its annual conference. In FY18, I&I agents provided training for more than 120 people through ATGRA's four events. I&I also implements an annual New Agent Training Academy to introduce new employees to variations of gaming operations and proper regulation. In FY18, I&I trained 780 gaming employees at 22 sessions requested by eight Tribes. I&I agents also provide ongoing assistance to ADG Intel by serving search warrants, gathering evidence, and conducting surveillance.

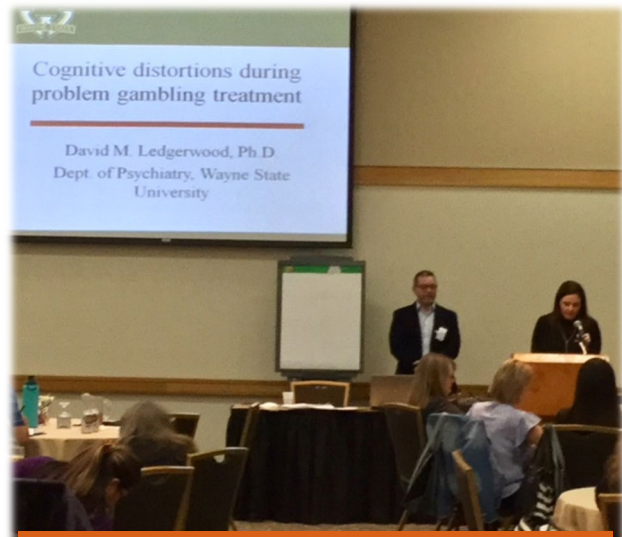
Division of Problem Gambling

The Division of Problem Gambling (DPG) provides and supports education, prevention, and treatment for people and families affected by problem gambling. DPG conducts community outreach to increase awareness about problem gambling and offers tools and resources for those in need, including:

- Exhibits and contacts at conferences and other events;
- Counseling services from contracted, specialized treatment providers and DPG's 24/7 confidential helpline, 1-800-NEXT-STEP; and
- A voluntary Self-Exclusion program, whereby patrons can choose to exclude themselves from Arizona Class III gaming casinos for a period of one, five or 10 years.

Prevention, Education & Outreach —

In FY18, Arizona Governor Doug Ducey again recognized March as Arizona Problem Gambling Awareness Month and DPG held its 12th Annual Symposium on Problem Gambling: *The POWER to Address Problem Gambling and its Implications*. The annual symposium targets behavioral health professionals, offers continuing education units, and is open to all interested stakeholders and the public. DPG achieved a 30 percent increase in symposium attendance over the prior year. Other community outreach efforts focused on reaching behavioral health professionals and tribal community members in rural areas in northern and southern Arizona.



DAVID M. LEDGERWOOD, KEYNOTE SPEAKER,
PRESENTS AT 12TH ANNUAL PROBLEM
GAMBLING SYMPOSIUM

Treatment — DPG coordinates training of licensed counselors in Arizona, who work under contract to treat individuals with gambling-related issues. In FY18 DPG:

- Facilitated outpatient treatment services for 842 distinct clients, and
- Coordinated and hosted two advanced, professional clinical training opportunities for treatment providers, which offered needed continuing education units.

In addition, to keep competitive and maintain statewide treatment coverage, DPG increased reimbursement rates for its providers for the first time since the program's inception in 2003.

Self-Exclusion — DPG Self-Exclusion staff work with gaming facilities on a daily basis to update the patron self-exclusion list. At the close of FY18, there were 2,489 active participants in the program, 559 of which signed up during the fiscal year, bringing the total number of enrolled or renewed self-excluded problem gamblers to 8,226 since program inception in 2003.

Division of Racing

The Division of Racing (ADG-Racing) is responsible for the regulation and oversight of all live horse racing and pari-mutuel simulcast horse and dog racing wagering conducted in the State of Arizona. This includes permittees from county fairs and the following racetracks: Turf Paradise in Phoenix; Rillito Park in Tucson; and Arizona Downs in Prescott Valley.

ADG-Racing enforces state laws and regulations to protect racing participants and the wagering public and serve horse and dog racing industry licensees. The ADG-Racing team includes a veterinarian, investigator, pari-mutuel auditor, and stewards, whose activities include:

- Licensing investigations,
- Human drug testing,
- Equine pre- and post-race testing,
- Related hearings and investigations, and
- Accurate revenue collection.



In FY18, ADG-Racing continued to elevate its customer service levels by dramatically reducing licensing times. These efficiencies have well-positioned ADG-Racing to support the State's growing racing industry.



The safety of both equine and human athletes is of paramount importance to ADG-Racing. In response to a sharp increase in equine fatalities over the last two race meets, ADG-Racing initiated a collaborative effort with permittees and industry stakeholders to proactively address this issue. A long-term program to prevent catastrophic injuries commenced in FY18 and is ongoing. ADG-Racing also hosted 11 open public meetings of the Arizona Racing Commission.

Per A.R.S. § 5-104(P), ADG-Racing prepares a detailed annual report, which can be viewed at azgaming.gov.

Division of Boxing & Mixed Martial Arts

The Division of Boxing & Mixed Martial Arts (ADG-Boxing & MMA) regulates and supervises boxing and MMA events conducted in the State of Arizona to protect the health and safety of participants and maintain public confidence in these unarmed combat sports. Staff work with the Arizona Boxing & MMA Commission to license fighters, promoters, and officials. ADG-Boxing & MMA also enforces applicable laws and rules and conducts open public meetings of the Commission.

28

- FY18 SANCTIONED EVENTS -

FY18 was an eventful year for ADG-Boxing & MMA. First, Governor Ducey signed House Bill 2170, which continues the Commission for eight years, through June 2026. Second, ADG updated and modernized the State's boxing and MMA rules for the first time since the 1980s. These new rules improve fighter safety, provide for more effective and efficient regulation, and deliver a solid foundation that can foster and grow these sporting events in Arizona.

In April, ADG welcomed a new Executive Director of the Commission, who will update and revise policies, processes, and forms to support the new rules.

974

- FY18 LICENSES ISSUED -

In addition to issuing 974 licenses in FY18, ADG-Boxing & MMA sanctioned one Muay Thai, 18 MMA, and 9 boxing events statewide, and supported 15 open public meetings of the Commission (regular and special).



COMMISSION OFFICIALS | IRON BOY MMA 12
SANCTIONED EVENT

General Services

The General Services Division supports many aspects of ADG through its reports as follows:

Reception is the “face” of ADG, and responsible for handling front office and administration duties, including greeting visitors and answering and routing phone calls. Reception manages hundreds of phone inquiries for requested agency information weekly.

Office of Continuous Improvement (OCI) oversees the Arizona Management System (AMS) deployment and manages all general improvement projects for ADG. With support from the ADG Chief Strategy Officer, ADG staff identify process improvement opportunities, develop goals, and create and implement action plans. ADG tracks its mission progress using the AMS scorecard, which it reviews and updates regularly. Scorecard metrics tie to ADG’s strategic plan goals and objectives.

Human Resources (HR) serves the public by recruiting and hiring the most qualified candidates and providing new employees with tools and training that promote and support professional development and overall wellness. In FY18, HR conducted 13 competitive recruitments, processed 401 resumes, interviewed 96 applicants, and successfully on-boarded (hired) 12 new staff. In addition, HR finalized employee Map Performance appraisals, and hosted two staff wellness events.

Information Technology (IT) provides and performs all of ADG’s information technology requirements, including computer and technology functions, as well as maintains the certification database system. IT also supports ADG by performing research and collecting records to fulfill public records requests of ADG. In FY18, IT took steps to improve ADG’s security posture in support of mandated Security Controls, initiated the process to move from the state data center to Iron Mountain Data Center, and established a plan to provide more online services to ADG’s stakeholders. IT’s computer systems and programs have helped ADG employees streamline their work and track performance.

Financial Services

The Financial Services Division is responsible for managing ADG’s revenues, including disbursement through the accounts payable system, and handling all payroll matters, ensuring compliance with good accounting practices and state guidelines. Financial Services provides ADG with financial leadership through budgeting, planning, and accounting processes; oversees Procurement and Fleet and Facilities; and facilitates staff travel matters. In FY18:

Procurement continued to evaluate spending practices and implemented cost-saving measures when possible and executed contracts to ensure continuity of services for the Divisions of Problem Gambling and Racing. Staff also provided critical support for every aspect of ADG’s rebranding.

Fleet and Facilities oversees the maintenance, care, configuration, and cost of maintaining the ADG’s equipment and work area. Facilities completed a multiphase space merger, devised in FY17, for Machine Compliance and Investigations & Inspections staff creating new “bullpen” shared workspaces.

Legal Affairs & Constituent Services

Legal Affairs acts as in-house counsel on all legal matters at ADG and regularly works with the assigned Attorney General’s Office attorney in the areas of: administrative law, policy and rule formulation, public records law, and gaming law. Legal Affairs also delivers in-house training to ADG staff regarding Gaming Compact compliance and public records.

Constituent Services serves as a bridge between ADG and the community at large to enhance public awareness and provide useful and timely information, while supporting ADG’s goals and fostering respect for all. In FY18, staff provided hundreds of Arizona residents and visitors with answers and resources relating to tribal gaming, unarmed combat sports, racing, and pari-mutuel wagering. In addition, staff fulfilled approximately 30 requests for public records.

ADG in Our Community

Making Christmas Wishes Come True – ADG continued its long-standing tradition of proudly sponsoring a classroom at Wilson Elementary School as part of their “adopt-a-classroom” Holiday Program. Located in one of the most poverty-stricken neighborhoods in Phoenix, the program provides what, for many of the children, may be the only gifts they receive and gives them a joyful holiday experience from writing Santa with their wish lists, to having ADG’s Santa visit their classroom for a holiday party ADG volunteer elves bring gifts, food and refreshments.



ADG volunteer elves bring gifts, food and refreshments.



This year, ADG volunteers had a first grade class. ADG’s care, service and donations ensured that each student received the gift they wrote to Santa about, along with many other items, like clothing, a stocking full of toys and even some necessities.

Even the teacher was included, with a portion of the funds going towards purchasing her classroom supplies and a generous gift.

State Employees Charitable Campaign



In FY18, ADG employees continued to support the State Employee Charitable Campaign, conducted under Executive Order in partnership with the state fiscal agent Valley of the Sun United Way, a 501(c)(3) charitable organization.

A Brief History of Arizona Gaming

In 1988, the U.S. Congress passed the Indian Gaming Regulatory Act (IGRA) in response to the proliferation of gambling halls on Indian reservations. IGRA recognized gaming as a way to promote tribal economic development, self-sufficiency, and strong tribal government. The Act says a State must permit Indians to run gaming on reservations if the State permits such gaming off reservation. Under IGRA, a Tribe that wants to engage in Class III casino style gaming must first sign a gaming Compact (or agreement) with the state where the casino would be located. IGRA requires a state to negotiate in good faith with the Tribe seeking a Tribal-State Gaming Compact.

In enacting IGRA, Congress was reacting to a regulatory vacuum left by a 1987 U.S. Supreme Court ruling (*California v. Cabazon Band of Mission Indians*) that States have no regulatory authority over gaming on Indian reservations. That ruling said Tribes have the right to operate gaming on reservations if states allow such gaming off-reservation. IGRA expressly granted states and Tribes the power to jointly regulate Class III Tribal gaming, which includes slot machines, blackjack, keno, and other casino style games. IGRA also created the federal National Indian Gaming Commission (NIGC) to oversee reservation bingo games and certain aspects of Class III gaming.

By the early 1990s, several Arizona Tribes had installed slot machines in their casinos without a Tribal-State Gaming Compact. Arizona's then governor, Fife Symington, said reservations should not have casinos because Arizona did not allow such gambling off-reservation. Tribes countered that Arizona did permit such gambling by allowing state lotteries, dog and horse racing, and charity bingo games off-reservation. In May 1992, NIGC issued rules clarifying that a Tribe must have a gaming Compact with a state before the Tribe can operate slot machines. Immediately following the rule announcement, Arizona's governor called on the U.S. Attorney in Phoenix to shut down casinos with the slot machines and Federal Bureau of Investigation agents raided five Indian casinos and seized their slot machines. At Fort McDowell Casino near Scottsdale, tribal members formed a blockade to prevent the removal of the machines, and a three-week standoff ensued.

Against a backdrop of legal challenges by both sides that continued for more than a decade, Governor Symington signed Arizona's first Tribal-State Gaming Compacts (Compacts) with 16 Tribes from 1992 to 1994. The governor's successor, Jane Hull, signed a compact with a 17th Tribe in 1998. The Compacts gave Tribes exclusive rights to operate slot machines and casino style gaming, limited the number of slot machines and casinos, established comprehensive rules governing gaming, and set minimum internal control standards for casino operations. The Compacts also authorized the State of Arizona to ensure compliance with the Tribal-State Gaming Compact and to work with tribal regulators to protect the integrity of Class III gaming on tribal lands. The first Compacts were in effect from 1993 to 2003.

In the November 2002 general election, Arizona voters approved Proposition 202, which authorized the continuation of Indian gaming. From December 2002 to January 2003, Governor Hull signed new Compacts with 16 Tribes. In 2003, Governor Janet Napolitano signed Compacts with an additional five Tribes. In November 2017, Governor Douglas A. Ducey signed a Compact with the Hopi Tribe, so that all federally recognized Tribes in Arizona now have a Gaming Compact with the State of Arizona. The Compact with each of the 22 Tribes is substantially identical, lasts for 10 years and can be renewed for another decade and an additional three-year term. The Compact is part of state law in Arizona Revised Statutes Section 5-601.02.

For a detailed timeline of the history of gaming in Arizona, visit azgaming.gov.