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Statutory Requirements

In accordance with Arizona Revised Statutes (A.R.S.) § 5-601(G), 5-104(P) and 5-1312, the Arizona Department of Gaming (ADG) submits this consolidated annual report for Fiscal Year (FY) 2022. Pursuant to these statutes, ADG shall distribute the report to the Governor, the President of the Senate, Speaker of the House of Representatives, the Secretary of State, and each Tribe that has executed a compact with the state. ADG also will make this report available to the public online at azgaming.gov.



Arizona Department of Gaming

Fiscal Year 2022 Annual Report



Arizona Department of Gaming

VISION

World-Class
Gaming Regulation
for a Stronger Arizona

MISSION

To ethically and effectively regulate gaming, horse racing, and unarmed combat sports, while ensuring that they are conducted in a socially responsible manner.

VALUES

We act with **integrity**;
Respect one another and those we serve;
Strive for **excellence**;
Succeed through **diversity** and **teamwork**.

Message from the Director

It is my privilege to submit the Arizona Department of Gaming (ADG) Annual Report for FY2022. This report summarizes our work to serve and protect the public, including visitors to Arizona, as well as our permittees and licensees.

I am proud of ADG staff for their commitment to world-class gaming regulation. In FY2022, ADG helped implement one of the largest gambling expansions in Arizona history. Legislation passed in April of 2021, as well as the amended Tribal-State Gaming Compacts signed by Governor Doug Ducey and Arizona Tribes, legalized event wagering and fantasy sports (EWFS) in the state, as well as a whole new host of games for Tribal casinos.

ADG staff diligently worked with stakeholders throughout Arizona to efficiently and responsibly set up these new gaming industries. The results were phenomenal – the state saw a record \$123 million in Tribal gaming contributions, as well as over \$30 million in licensing and privilege fees from event wagering.

Our Division of Problem Gambling (DPG) was hard at work implementing a new form of self exclusion in FY2022. Working with EWFS stakeholders, DPG set up a new self-exclusion process, allowing those who struggle with problem gambling to exclude themselves from EWFS state wide.

FY2022 was also a successful year for the other industries we regulate. It was the first time since the COVID-19 pandemic that Arizona saw all three commercial horse tracks run live racing. Rillito Racetrack in Tucson, Turf Paradise in Phoenix, and Arizona Downs in Prescott Valley all ran successful meets this year, giving Arizona horsemen the ability to participate in year-round racing across the state.



Arizona’s boxing & mixed martial arts industry also had a strong rebound in FY2022 after the COVID-19 pandemic. Arizona hosted 32 events in the state, 23 more than the previous fiscal year.

In closing, I am proud of our dedicated ADG staff, whose actions helped implement the largest gambling expansion Arizona has seen in over 20 years. Thank you all for your hard work to meet our vision of world-class gaming regulation for a stronger Arizona.



Ted Vogt, Director
Arizona Department of Gaming

Agency Overview

Established by the Arizona State Legislature in 1995, ADG is the state agency charged with regulating Tribal gaming, event wagering and fantasy sports, pari-mutuel/simulcast wagering and unarmed combat sports in the state. ADG also provides and supports prevention, education, and treatment programs for people and families affected by problem gambling through its Division of Problem Gambling and 24-hour confidential helpline, 1-800-NEXT-STEP.

ADG has deployed the Arizona Management System (AMS) to identify process improvement opportunities, develop goals, and solve problems of every size. ADG reviewed, monitored, and tracked its progress using the AMS Scorecard and teams measure their specific results on huddle boards. The scorecard is used to track metrics in line with the strategic plan and other operations.

ADG's administration supports five sections: Tribal Gaming, Problem Gambling, Event Wagering & Fantasy Sports, Racing, and Boxing & Mixed Martial Arts. Each area has a unique set of responsibilities, funding sources/mechanisms, and budget in support of the agency's mission.

Number of Employees

83	ADG	Arizona Department of Gaming Tribal Gaming
3	ADG	Arizona Department of Gaming Problem Gambling
6	ADG	Arizona Department of Gaming Event Wagering & Fantasy Sports
9	ADG	Arizona Department of Gaming Racing
1	ADG	Arizona Department of Gaming Boxing & MMA

FY2022 Strategic Plan

While FY2022 was an exciting year with the state's new gaming opportunities, ADG continued to provide world-class regulation for the communities we regulate. Through the AMS and the FY2022 strategic plan, ADG continued to prioritize our five multi-year strategies to:



Promote Fair and Effective Regulation While Fostering Social Responsibility;



Strengthen Resource Networks;



Provide a World-Class Customer Experience;



Increase Operational Effectiveness, Compliance, and Efficiency; and



Develop a World Class Team.



Tribal Gaming

Gaming in Arizona is governed by the Arizona Tribal-State Gaming Compacts (Compact) between the State and all 22 federally recognized Arizona Tribes. 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 two-year term. The Compact is part of Arizona law.

Currently, 16 Arizona Tribes operate 24 Class III casinos in the State. Another six Tribes do not have casinos but have slot machine rights that they may lease to other Tribes with casinos (transfer agreements).

The amended Tribal-State Gaming Compacts signed in 2021 also created the Compact Trust Fund, which was established for the exclusive purposes of mitigating impacts to Indian tribes from gaming authorized by the 2021 amended Tribal-State Gaming Compacts. The Compact Trust Fund provides economic benefits to beneficiary tribes, including those with an effective gaming compact that includes the 2021 amendments and do not engage in gaming.

See the [Annual Compact Trust Fund Report](#) for more information.



*Locations in orange denote a compacted Tribe without a casino.

Compacted Tribes with Casinos



Ak-Chin Indian Community
Harrah's Ak-Chin Casino



Quechan Indian Tribe
Paradise Casino



Cocopah Indian Tribe
Cocopah Casino



Salt River Pima-Maricopa Indian Community
Casino Arizona
Talking Stick Resort



Colorado River Indian Tribes
Blue Water Casino



San Carlos Apache Tribe
Apache Gold Casino
Apache Sky Casino



Fort McDowell Yavapai Nation
Fort McDowell Gaming Center



Tohono O'odham Nation
Desert Diamond Casinos (Tucson, Sahaurita, West Valley)



Fort Mojave Indian Tribe
Spirit Mountain Casino



Tonto Apache Tribe
Mazatzal Casino



Gila River Indian Community
Wild Horse Pass, Vee Quiva & Lone Butte



White Mountain Apache Tribe
Hon Dah Casino



Navajo Nation
Twin Arrows Casino



Yavapai-Apache Nation
Cliff Castle Casino



Pascua Yaqui Tribe of Arizona
Casino of the Sun
Casino Del Sol



Yavapai-Prescott Indian Tribe
Yavapai Gaming Center
Bucky's Casino

Compacted Tribes without Casinos



Havasupai Indian Tribe



Kaibab Band of Paiute Indians



Hopi Tribe



San Juan Southern Paiute Indian Tribe



Hualapai Indian Tribe



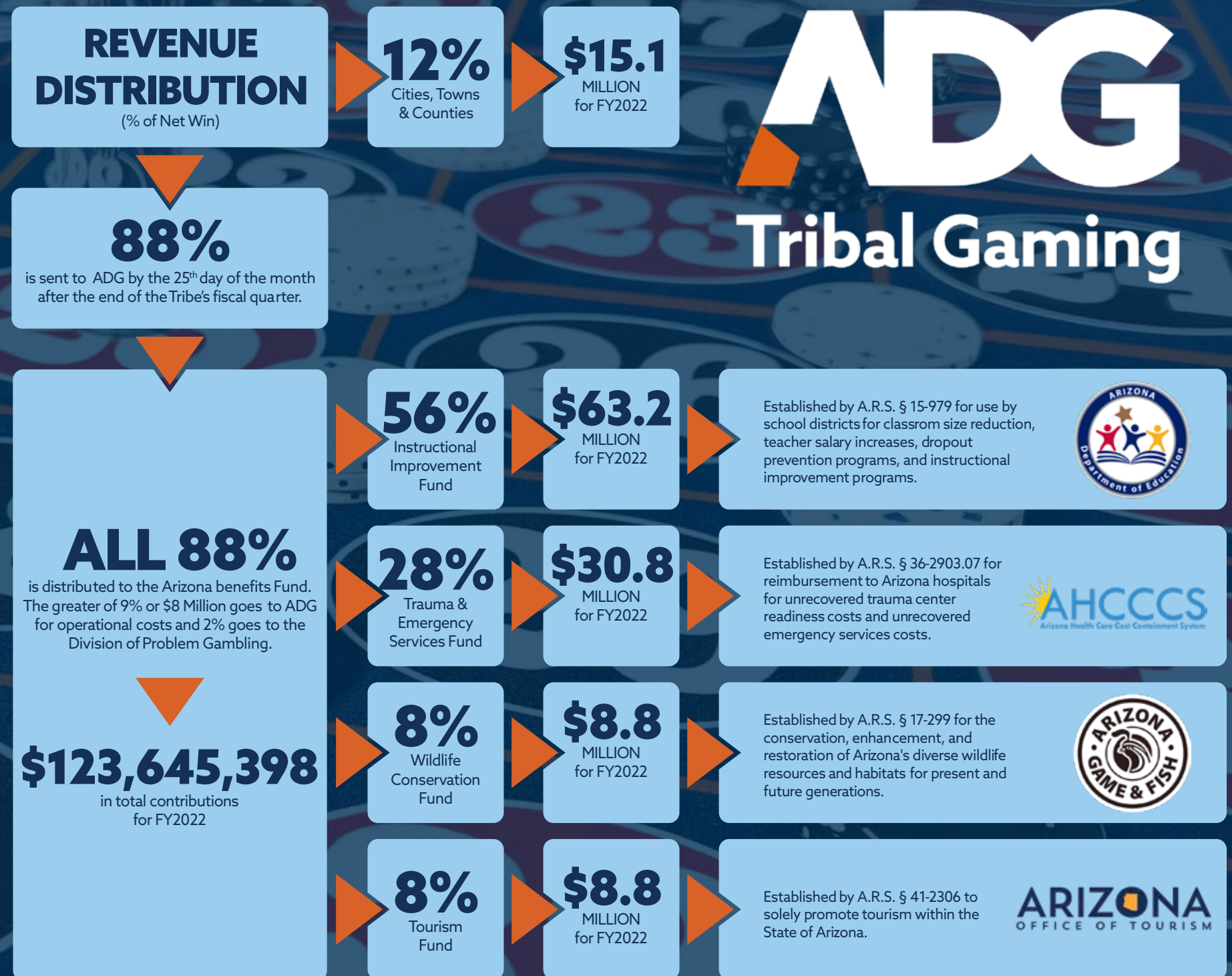
Zuni Tribe

Tribal Contributions

With the passage of Proposition 202, in November 2002, and the subsequent signing of the 2021 amended Tribal-State Gaming Compacts by Governor Doug Ducey and twenty-one (21) Arizona Tribes, the gaming tribes in Arizona are to make quarterly tribal contributions to the State. Contributions are based on each gaming tribe's Class III Net Win¹. Eighty-eight percent (88%) of a gaming tribe's total annual contribution is paid to the Arizona Benefits Fund, which is administered by ADG. See the [Annual Report on Tribal Contributions](#).



-  **Education**
-  **Emergency Services**
-  **Wildlife**
-  **Tourism**



¹ According to A.R.S. § 5-601.02(1)(6)(b)(ii)(qq), the term "Class III Net Win" means "gross gaming revenue, which is the difference between gaming wins and losses, before deducting costs and expenses."



Arizona Department of Gaming

Tribal Gaming



Audit

ADG conducts biennial on-site audits of each casino to review compliance with the Arizona Tribal-State Gaming Compact and its appendices. ADG Compact compliance review team checks thousands of items ranging from validating gaming revenues and cash handling procedures, to video surveillance and casino promotions. The ADG Audit team reviews:

- Tribal Contributions
- Compact Compliance
- Internal Controls
- External Auditor Workpapers
- Transfer Agreements



Machine Compliance

The Machine Compliance technicians are committed to ensuring the integrity of gaming devices and accurate payouts for casino patrons. The Machine Compliance technicians strive to be experts in their field, and regularly provide training, insight, and expertise to Tribal Gaming regulators, operators, manufacturers, independent testing labs, and consumers. Under the amended Compacts, a maximum of 1,450 gaming machines are authorized at each gaming facility in the state. As of July 1, 2022, there were approximately 18,100 machines in operation.

4,742
Machines Certified
in FY2022



Inspections & Investigations

The Investigations & Inspections (I & I) team monitors Compact compliance and helps ensure issues are addressed in a timely fashion by conducting regular on-site inspections of casino operations and investigating suspected Compact violations and non-compliance issues. The I & I team also provides ongoing assistance to the Intelligence team by serving search warrants, gathering evidence, conducting investigative interviews, and acting as a liaison between Arizona casinos and law enforcement agencies in conducting criminal investigations.

1,059

Tribal Site Visits Conducted
in FY2022



Intelligence

ADG Intelligence (Intel) Special Agents enforce the State's gambling laws by investigating reports of illegal gambling and ensuring involved individuals are prosecuted. In many cases, illegal gambling establishments attract additional crime and increased calls for service by local police departments.

ADG Intel helps reduce crime in our neighborhoods by working in partnership with local law enforcement officers and attorneys to shut down and prosecute illegal gambling operations off-reservation, as well as assists Tribal authorities with investigations, training, and intelligence on suspected criminal activities in their jurisdictions, when requested. ADG Intel also tracks suspicious currency, suspected gambling cheats, and persons excluded from casinos for criminal conduct.

111

Operations Conducted
in FY2022



Training

The I & I team coordinates free training sessions to Tribal partners on more than 20 topics taught by subject matter experts from ADG, the gaming industry, and law enforcement. Topics like auditing, security, surveillance, and general casino operations, give participants knowledge and information to perform efficiently and create a safe and friendly work environment.

The I & I team also coordinates training sessions in conjunction with the Arizona Tribal Gaming Regulators Alliance, including the annual New Agent Training Academy. Several ADG courses are certified as continuing education training credits for Arizona Law Enforcement Peace Officers, which assists individuals with meeting AZPOST annual training requirements. Based on positive feedback received from Tribes and participants, ADG continues to expand its training offerings and provides more training sessions on more topics each year.

474

Students Trained
in FY2022



State Certifications

Companies and individuals desiring to do business with or work at Tribal casinos in Arizona must obtain a state certification from ADG. A cash intensive industry that often is associated with crime, casino gaming is one of the most highly regulated industries in the country – involved companies and individuals are carefully scrutinized and held to extremely high standards.

539

Total Vendor Applications Processed
in FY2022

8,076

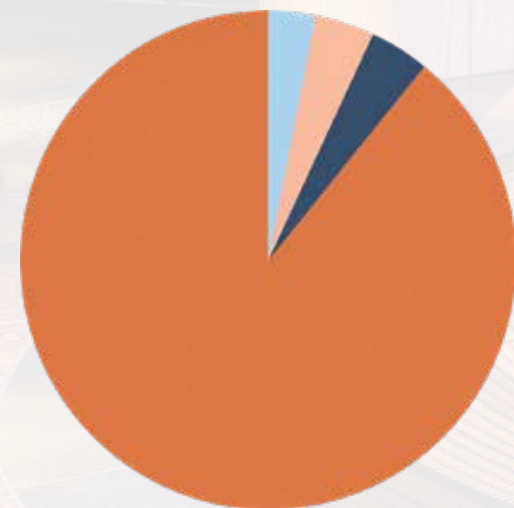
Total Employee Applications Processed
in FY2022



Games & Systems

To ensure that table games operate with high integrity and that lotteries, promotions, and tournaments are conducted fairly and honestly, the ADG Games & Systems team works diligently with Tribal regulatory counterparts. See the [Status of Tribal Gaming in Arizona](#).

1,474
 Types of Games Approved
 in FY2022



More information and statistics on Tribal Gaming can be found [here](#).

Funding & Budget

Regulation of Tribal Gaming is funded by Arizona's gaming Tribes as set forth in the Compact, which includes a percentage of Class III Net Win and State Certification fees. Tribal Gaming does not receive any tax revenue or general fund monies to support its regulatory responsibilities.

Fiscal Year 2022 Revenue	Regulation	Certification
Total Revenue	\$9,866,856	\$1,932,951

Fiscal Year 2022 Expenditures	Regulation	Certification
Personal Services	3,686,057	1,019,662
Employee-Related Expenditures	1,375,827	401,570
Professional & Outside Services	784,927	72,514
In-State Travel	206,100	2,179
Out-of-State Travel	21,568	7,573
Other Operating Expenses	1,546,014	431,589
Equipment	401,948	0
Transfers	127,620	0
Total Expenditures	\$8,150,061	\$1,935,087

The ADG Division of Problem Gambling (DPG) provides and supports education, prevention, and treatment for people and families affected by problem gambling. To support socially responsible gaming in Arizona, 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 casino Self-Exclusion program, whereby patrons can choose to exclude themselves from Arizona Class III gaming casinos for a period of one, five, or ten years.

Over **\$1.1 million** spent in problem gambling treatment during FY2022.



Prevention, Education & Outreach

Arizona Governor Doug Ducey again recognized March as Arizona Problem Gambling Awareness Month.

DPG was able to offer 32 hours of continuing education units to treatment providers, as well as two virtual training sessions. These actions, as well as a sponsorship of the National Council on Problem Gambling Conference, helps provide necessary training for treatment providers and ensure they remain the experts in their field.



Treatment

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

In FY2022 DPG provided:

3
clinical provider trainings

816
people treated

\$1,136,096
directly towards treatment



Self-Exclusions

DPG worked with new Arizona stakeholders to implement a new self-exclusion program for event wagering & fantasy sports, allowing those who may struggle with gambling to exclude themselves from these games statewide. DPG Self-Exclusion staff work with gaming facilities on a daily basis to update the patron self-exclusion list.

363
exclusions enrolled in FY2022

2,152
active self-exclusions

Funding & Budget

Per the 2002 General Election Ballot Proposition 202 (Indian Gaming Preservation and Self-Reliance Act), ADG shall use 2 percent of the Tribal contributions made to the Arizona Benefits Fund to fund state and local programs for the prevention and treatment of, and education concerning, problem gambling.

Fiscal Year 2022 Revenue	
Arizona Benefits Fund	2,264,614
Lottery Contribution	300,000
Total Revenue	\$2,564,614
Fiscal Year 2022 Expenditures	
Personal Services	160,622
Employee-Related Expenditures	59,032
Professional & Outside Services	77,283
In-State Travel	0
Out-of-State Travel	737
Treatment Providers	1,136,096
Other Operating Expenses	329,587
Equipment	0
Transfers	0
Total Expenditures	\$1,763,357



ADG was charged with regulating and enforcing EWFS contests for the first time in FY2022, due to legislation passed in April of 2021. Throughout FY2022, ADG worked diligently with the public & stakeholders to complete the necessary regulations to efficiently and responsibly set up these new industries in just 147 days since the signing of the enabling legislation.

Arizona now has **25** sportsbooks throughout the state.



View the interactive map [here](#).



Licensing

Arizona's EWFS rules require a variety of different licenses for interested parties to conduct business in the state.

Licensee Revenue in FY2022

\$343,415,433
aggregate gross revenue

\$158,721,473
aggregate net revenue

EWFS Investigations in FY2022

2 investigations conducted
21 wager incident reports received
30 suspicious activity reports

Active Licenses by Type in FY2022

- 381 Employee
- 110 Ancillary Supplier
- 77 Supplier
- 13 Designee
- 10 Limited Event Wagering Operator
- 9 Management Services Provider
- 4 Tribal Event Wagering Operator
- 1 Event Wagering Operator

More information on Event Wagering & Fantasy Sports can be found [here](#).

Funding & Budget

Newly legalized EWFS games have produced significant revenue for the state of Arizona. In FY2022, \$30,912,896 was contributed to the state in privilege and licensing fees from these new games.

Fiscal Year 2022 Revenue

Event Wagering (EW)	
Total Gross EW Receipts (Wagers)	4,463,917,616
Adjusted Gross EW Receipts Subject to Privilege Fees	158,721,473

Fantasy Sports (FS)	
In-State Entry Fees	30,589,161
FS Contest Adjusted Revenues	2,943,209

Financial Impact in the State	
Privilege Fees - EW	15,789,141
Privilege Fees - FS	170,390
Licensing Fees - EW	14,919,115
Licensing Fees - FS	34,250

Fiscal Year 2022 Expenditures

	Regulation	Certification
Personal Services	615,166	52,873
Employee Related	217,773	99,708
Professional & Outside Services	131,071	17,237
In-State Travel	5,017	363
Out-of-State Travel	2,175	506
Other Operating Expenses	168,808	0
Equipment	63,253	0
Transfers	30,649	0
Total Expenditures	\$1,233,912	\$370,687



Arizona Department of Gaming

Racing

The ADG Racing Division is responsible for the regulation and oversight of all live and simulcast horse racing along with all pari-mutuel horse and dog wagering conducted in the State of Arizona. As one of the handful of states that offers a year-round racing circuit, ADG enforces Arizona laws and regulations to protect racing participants and the wagering public and serves the horse and dog racing industries.

ADG works in collaboration with the Arizona Racing Commission, which issues permits and racing licenses, and approves off-track betting site locations and live horse race meet dates.

Staffed with experienced professionals dedicated to the integrity of the sport, the ADG Racing team includes a veterinarian, experienced investigators, a pari-mutuel auditor, and nationally accredited stewards.

Live Commercial Horse Race Meets



Nov. 5, 2021
to
May 8, 2022



Feb. 26, 2021
to
Apr. 3, 2022



July 6, 2021
to
Sept. 15, 2021
+
June 25 & 27 2022



Arizona Racing Commissioners



Chuck Coolidge • Chairman

Vice President for Corporate Affairs for VieMed Healthcare, he has 16 years of corporate and political experience, both internationally and in almost every U.S. state. He leads across the organization by working with product teams and business disciplines (sales, marketing, mergers and acquisitions, operations and PR) to develop, implement, and evaluate VieMed's products and offerings.



Tracy Olson • Vice Chairwoman

A graduate from Arizona State University – Sandra Day O'Connor College of Law, she is an associate at the law offices of Snell & Wilmer, where she focuses her practice in special litigation and compliance. She represents both businesses and individuals in constitutional, government relations and regulatory matters. Prior to her current position, she served as a Judicial Law Clerk for the Hon. Clint Bolick from 2017 to 2018.



Kandace French Contreras • Commissioner

An Arizona native with over 30 years of experience in the legal profession, she has been the Town Clerk, Treasurer, and Elections Official for the Town of Carefree, Arizona since her appointment in 2013. Prior to that time, she was with the Arizona Supreme Court, Certification and Licensing Division for ten years where she specialized in the certification, licensing, auditing and training of professionals under the jurisdiction of the Administrative Offices of the Court products and offerings.



Linda York • Commissioner

Accomplished business professional with 36 years of experience spanning marketing, management, and operations, her career highlights include co-founder of RoestaNet, a global IT supply chain standards organization, founding member of Viacore, a supply chain integration service provider, and founding member of Vocado, a provider of cloud-based financial aid processing software for the higher education industry.



Permitting

The Arizona Racing Commission awards permits for commercial and county fair horse racing, dog racing simulcast, and advanced deposit wagering. A.R.S. § 5-107 allows for permits to be issued for horse or harness racing and dog racing for no more than three-year terms. Once the initial permit is approved, an entity must renew its permit before it expires in order to continue operations.

2	2
Commercial Permits <i>Arizona Downs, Rillito Park</i>	County Permits <i>Cochise, Santa Cruz</i>



Investigations

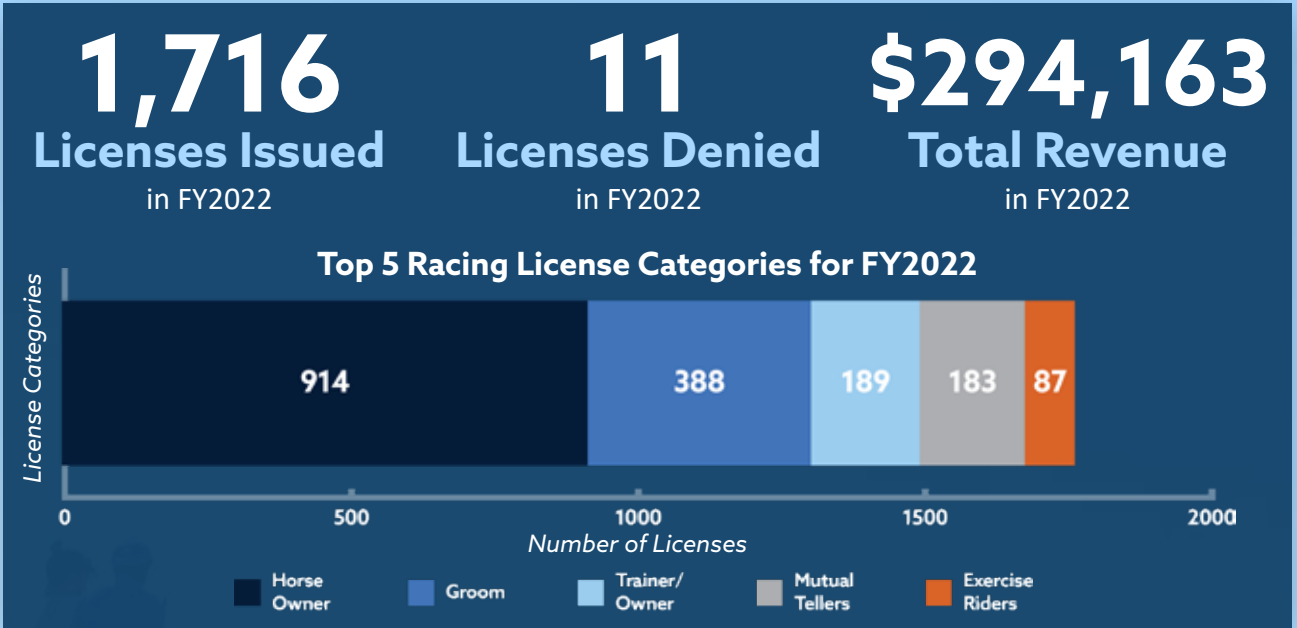
ADG investigates possible violations of racing laws and rules and conducts a background investigation for each license applicant who submits fingerprints, as required by A.R.S. § 5-108. FY2022 figures reflect the total number of investigations conducted for incident and background investigations, which include processing of fingerprints and any resulting false applications.

12	30
Background Investigations <i>in FY2022</i>	Incident Investigations <i>in FY2022</i>



Licensing

ADG processes and investigates all license applications in a timely manner while ensuring only eligible applicants receive licenses in accordance with A.R.S. § 5-108.



Stewards' Rulings

Arizona Administrative Code R19-2-121(E) requires the State to appoint two stewards and the permittee to appoint an additional steward. Known as the "Board of Stewards," these three are charged with regulating the conduct of officials and other licensees participating in a race meet.

67	\$36,230
Rulings	In Fines
<i>in FY2022</i>	<i>in FY2022</i>



Equine Wellness & Injury Prevention

The safety of human and equine athletes is a top priority for ADG. In response to a sharp increase in equine fatalities in recent years, ADG initiated an ongoing collaborative effort with Arizona's horse racing permittees and industry stakeholders to proactively address this issue. This collaboration is above and beyond the required equine pre- and post-race testing.

An Equine Wellness Committee consisting of ADG personnel, the general managers of Arizona's race tracks, and members of the Arizona Horsemen's Benevolent & Protective Association met periodically in FY2022 to monitor and strategize the collaborative efforts to combat the growing trend of catastrophic injuries at Arizona racetracks. Moving forward, this Committee has developed the following recommended protocols:

- ▶ **Be proactive in identifying horses at risk of injury following entries;**
- ▶ **Improve pre-race exam process through oversight by Division personnel;**
- ▶ **Perform drug testing on all gate-scratched and vanned-off horses;**
- ▶ **Regulate the use of corticosteroids and mandatory reporting of all intra-articular joint injections;**
- ▶ **Change Veterinarian's List procedures to include zero tolerance for any analgesic substances in horses needed to work off a Vet list; and**
- ▶ **Require the submission of equine medical records for every horse entered on race day.**

Resulting in:

71

Pre-Race TC02 administered in FY2022

↓ **27% decrease from FY2021**

1,664

Post-Race blood tests administered in FY2022

↑ **28% increase from FY2021**

1,308

Post-Race urine tests administered in FY2022

↑ **43% increase from FY2021**



Pari-Mutuel Handle

Arizona Pari-Mutuel Handle	Advanced Deposit Wagering	Commercial Horse	Commercial Dog	County Fair	Fiscal Year 2022	Fiscal Year 2021
Handle By Source						
Live Races	1,982,132	7,256,396	0	259,294	9,497,821	5,866,522
Simulcast Races	41,958,410	85,891,709	14,171,645	33,642	142,055,406	136,286,303
Teletracking	0	775,569	0	0	775,569	231,765
Total Pari-Mutuel Handle	\$43,940,542	\$93,923,673	\$14,171,645	\$292,936	\$152,328,796	\$142,384,590
Handle By Location						
On-Track	0	17,758,848	3,890,785	275,790	21,925,422	20,631,676
Off-Track	43,940,542	76,164,826	10,280,860	17,147	130,403,374	121,752,914
Total Pari-Mutuel Handle	\$43,940,542	\$93,923,673	\$14,171,645	\$292,936	\$152,328,796	\$142,384,590

More pari-mutuel information for commercial horse tracks, commercial greyhound, county fair races, and advanced deposit wagering providers can be found by viewing ADG's pari-mutuel source data [here](#).

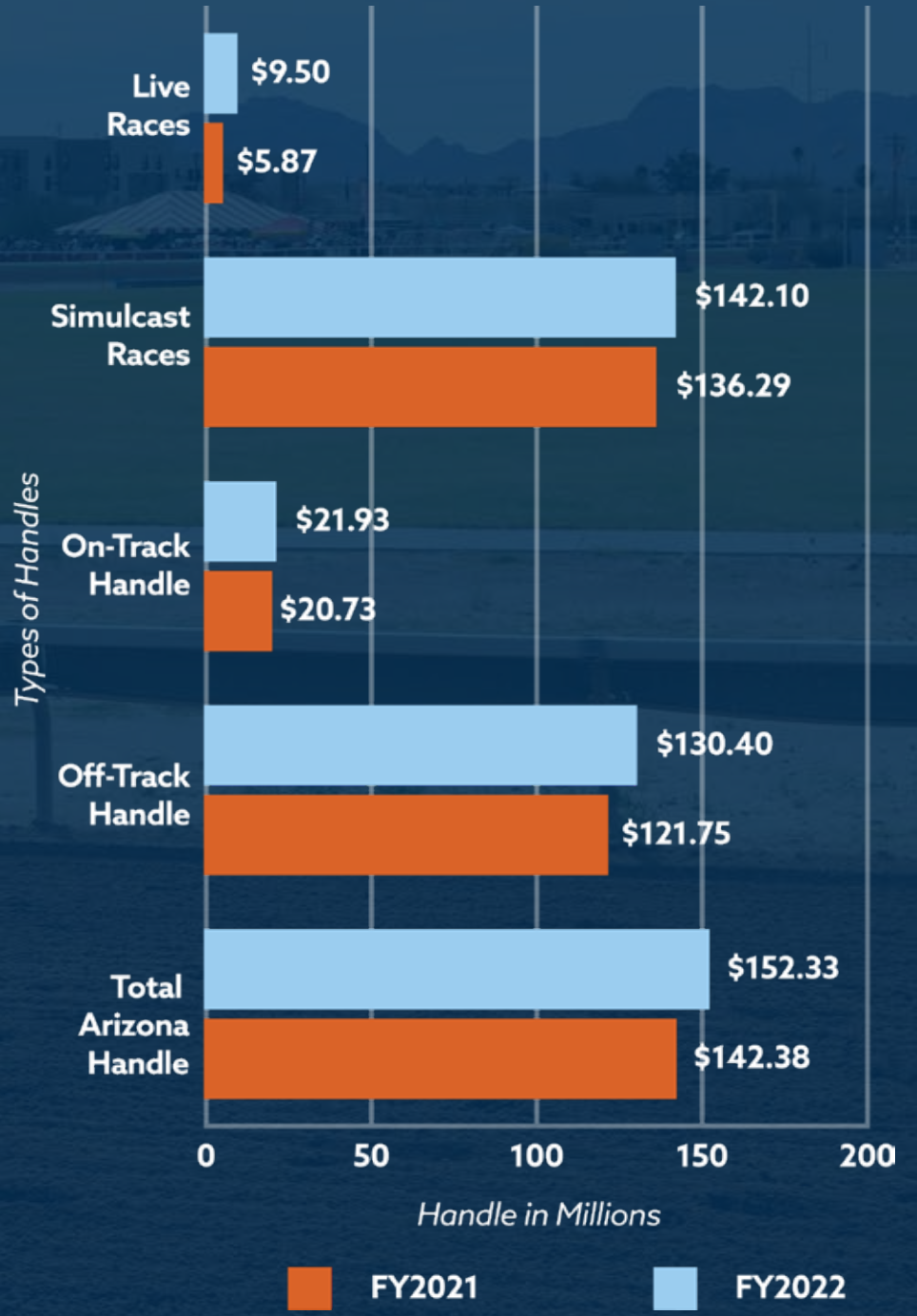
Pari-Mutuel Handle

\$152,328,796

Live Races

▲ 7% increase from FY2021

Total Handle Comparison





State Revenues

The primary funding source for the ADG Racing Division is the Racing Regulatory Fund. Revenues into this fund include the Regulatory Wagering Assessment (RWA), licensing fees, pari-mutuel taxes, and racing assessments.

Hardship Tax Credit

Laws 2016, Chapter 247 eliminated the hardship tax credit, which is used to offset the amount of pari-mutuel tax owed by horse racing tracks. To offset the pari-mutuel tax in future years, horse tracks may use credits awarded prior to Chapter 247.

Commercial Horse Track	Allowable Hardship Tax Credit (as of 7/1/2021)	Fiscal Year 2022 Hardship Used or Transferred	Balance of Hardship Tax Credit (as of 6/30/2022)
Turf Paradise	14,564	0	14,564
Rillito Racetrack	262,776	15,877	246,899

Capital Improvement Funds

In FY2022, no capital improvement funds were used pursuant to A.R.S. § 5-111.02 that would otherwise be State revenues. A.R.S. § 5-111.02 allows a permittee to retain a percentage typically paid to the State as a means of encouraging improvements of racing facilities for the benefit of the public, breeders, and horse owners, and to increase revenue to the State from the increase in pari-mutuel wagering resulting from capital improvements.

State Revenues	ADW	Commercial Horse	Commercial Dog	County Fair	Fiscal Year 2022	Fiscal Year 2021
Total Handle for RWA	43,940,542	296,640,301	14,171,645	655,038	355,407,526	288,399,874
RWA	\$219,703	\$1,472,727	\$70,858	\$3,209	\$1,766,497	\$1,442,000
Total Handle for State Taxes	1,982,132	7,918,612	0	259,294	10,160,037	6,098,287
Net 2% Pari-Mutuel Live State Tax	\$38,230	\$122,910	\$0	-\$6,868	\$154,271	\$120,646

State Revenues

\$355.4

million in Total RWA Handle
in FY2022

↑ 23.2% increase from FY2021

\$1.8

million in RWA
in FY2022

↑ 22.5% increase from FY2021

Funding & Budget

The following table presents projected expenditures for FY2023, and actual expenditures for the three preceding fiscal years.

Operating Budget	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Expend. Plan Fiscal Year 2023
Personal Services	893,232	799,242	671,538	981,800
Employee-Related Expenses	327,236	284,364	241,806	405,100
Professional & Outside Services	253,737	198,903	256,115	260,000
Travel - In-State	38,908	18,830	47,457	55,000
Travel - Out-of-State	6,528	0	265	1,000
Other Operating Expenditures	69,249	871,021	2,152,884	2,175,000
Equipment	2,903	556	53,229	55,000
Transfer Out	250,000	1,762	14,146	15,000
Operating Budget Subtotal	\$1,841,793	\$2,174,678	\$3,437,440	\$3,947,900
Special Line Items	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Expend. Plan Fiscal Year 2023
Arizona Breeder's Award	250,000	250,000	250,000	250,000
County Fairs Livestock and Agriculture Promotion	2,509,500	2,509,500	5,759,500	6,029,500
Racing Purse Enhancement	0	0	5,000,000	5,000,000
Racetrack Purse, Maintenance and Operations Funding	0	0	5,396,900	5,396,900
Horse Racing Integrity & Safety Authority	-	-	-	355,100
Contracted Veterinarian	-	-	-	175,000
Special Line Item Subtotal	2,759,500	2,759,500	16,406,400	17,206,500
Agency Total	\$4,601,293	\$4,934,178	\$19,843,840	\$21,154,400
Fund Sources	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Expend. Plan Fiscal Year 2023
General Fund	2,509,500	2,509,500	16,156,400	16,956,500
Racing Regulation Fund	1,841,793	1,632,048	1,800,640	2,297,900
Breeders Award Fund	250,000	792,630	1,886,800	1,900,000
Agency Total	\$4,601,293	\$4,934,178	\$19,843,840	\$21,154,400

Employee Statistics

9

Full-Time Equivalent in FY2022

Employee Statistics	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Expend. Plan Fiscal Year 2023
Full-Time Equivalent (FTE) - Avg.	10	9	9	15
Part-Time - Avg.	0	0	0	0
Temporary/Seasonal- Avg.	0	0	11	5
Contracted	7	7	4	3

Special Line Items

The Arizona Breeder's Award is funded through special line item allocations and a 5 percent source market fee paid by Advanced Deposit Wagering permittees. ADG distributes these monies on a quarterly basis to breeders whose Arizona-bred horses place first in Arizona races.

The County Fairs Livestock and Agricultural Promotion special line item is fully distributed by ADG to the Arizona Department of Agriculture.

Staffing

A.R.S. § 5-106 requires ADG to appoint:

1. A supervisor of Mutuels;
2. A.R.S. § 5-106 also requires the Division of Racing to employ two (2) persons qualified as stewards for all races, and three (3) persons qualified as stewards for races conducted by a county fair racing association;
3. Security Personnel (establish a Security Section); and
4. As many other employees as may be necessary for the enforcement of Arizona laws and rules relating to racing.

ADG | Arizona Department of Gaming

Boxing & MMA

ADG Boxing & Mixed Martial Arts (Boxing & MMA) regulates and supervises unarmed combat sporting events conducted in the State of Arizona to ensure the health and safety of participants and maintain public confidence. In addition to enforcing applicable laws and rules, ADG works with the Arizona Boxing & MMA Commission to license fighters, promoters, and event officials and supports open public meetings of the Commission.

In FY22, **Arizona** saw significant increases in **Boxing & MMA** activity throughout the state.

Funding & Budget

Funded by the Racing Regulation Fund, ADG Boxing & MMA contributes monies generated from event fees, tax levies, intergovernmental agreements, and associated licensing fees. Additionally, Laws 2018, Chapter 318 established the Unarmed Combat Subaccount within the Racing Regulation Fund.

23 More Events than FY2021

1

Arizona Title Fight



4

New Promoters



6

US/Regional Title Fights



8

Arizona Events Televised Worldwide



6

World Title Fights



32

Events held

