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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) 2023. 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 gaming.az.gov.



Arizona Department
of Gaming

Fiscal Year 2023 Annual Report



Arizona Department of Gaming



Vision

World-Class Gaming Regulation for a Stronger Arizona



Mission

To ethically and effectively regulate gaming, event wagering & fantasy sports contests, 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 CEO

I am pleased to present the Annual Report of the Arizona Department of Gaming (ADG) for FY2023. In February of 2023, I was tasked to lead ADG and am excited to build on the Department's past successes. As we reflect on the previous year's achievements and challenges, it is with great pride that we share the progress we have made in promoting responsible gaming, fostering economic growth, and ensuring the integrity of gaming operations within our great state.

FY2023 has been marked by exceptional milestones, strategic advancements, and collaborative efforts that have further solidified our commitment to supporting gaming regulation in the state. Our dynamic team, alongside our valued partners and stakeholders, has worked diligently to uphold the highest standards of integrity, respect, transparency, and accountability in all our endeavors.

This report provides a comprehensive overview of the Department's activities, initiatives, and accomplishments over the past year. From regulating gaming establishments and supporting tribal gaming operations, to driving innovation in the gaming industry, our world-class approach continues to yield positive outcomes for Arizona's residents, visitors, and economy.

In FY2023, Arizona saw another record breaking year of tribal contributions, surpassing \$172 million in contributions to the state and its cities, towns and counties. This historic level of contributions has resulted in over \$2 billion in contributions since 2004, further highlighting the importance of tribal gaming in the state.

These increases are directly influenced by the amended Tribal-State Gaming Compacts signed in 2021, which legalized new games such as craps, baccarat, roulette, and more. Expanded gambling has increased the attractiveness of tribal casinos for both in-state and out-of-state visitors. In addition, we have seen new gaming facilities begin operations in recent years, such as Santan Mountain and Desert Diamond West Valley, all of which contributing to a substantial 24.6% increase in tribal contributions when compared to FY2022.



In Spring of 2023, we also saw our Division of Problem Gambling revive its Annual Symposium on Problem Gambling. It is great to see the return of this vital event, which was restricted in recent years due to the COVID-19 pandemic.

In closing, I thank you for your continued partnership and commitment to responsible gaming and the advancement of our vibrant gaming community. As CEO of the Arizona Department of Gaming, I am committed to promoting fair and transparent gaming practices in the state of Arizona, and pledge to work tirelessly to ensure that the Department remains a vigilant and effective watchdog of the gaming industry. By upholding the highest standards of ethics and effectiveness, we will continue to lead the Department in its vision to provide world-class gaming regulation for a stronger Arizona.

Jackie Johnson,
Cabinet Executive Officer
Executive Deputy 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 measured 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 (EWFS), 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 in each ADG Unit

86		Arizona Department of Gaming Tribal Gaming
4		Arizona Department of Gaming Problem Gambling
5		Arizona Department of Gaming Event Wagering & Fantasy Sports
14		Arizona Department of Gaming Racing
2		Arizona Department of Gaming Boxing & MMA

FY2023 Strategic Plan

In FY2023, ADG continued to provide world-class regulation for the communities we regulate. Through the AMS and the [FY2023 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.

ADG | Arizona Department of Gaming 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 25 Class III casinos in the State. Another six Tribes do not have casinos and five of those Tribes 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
- 
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 & Santan Mountain
- 
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, Sahuarita, West Valley)
- 
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

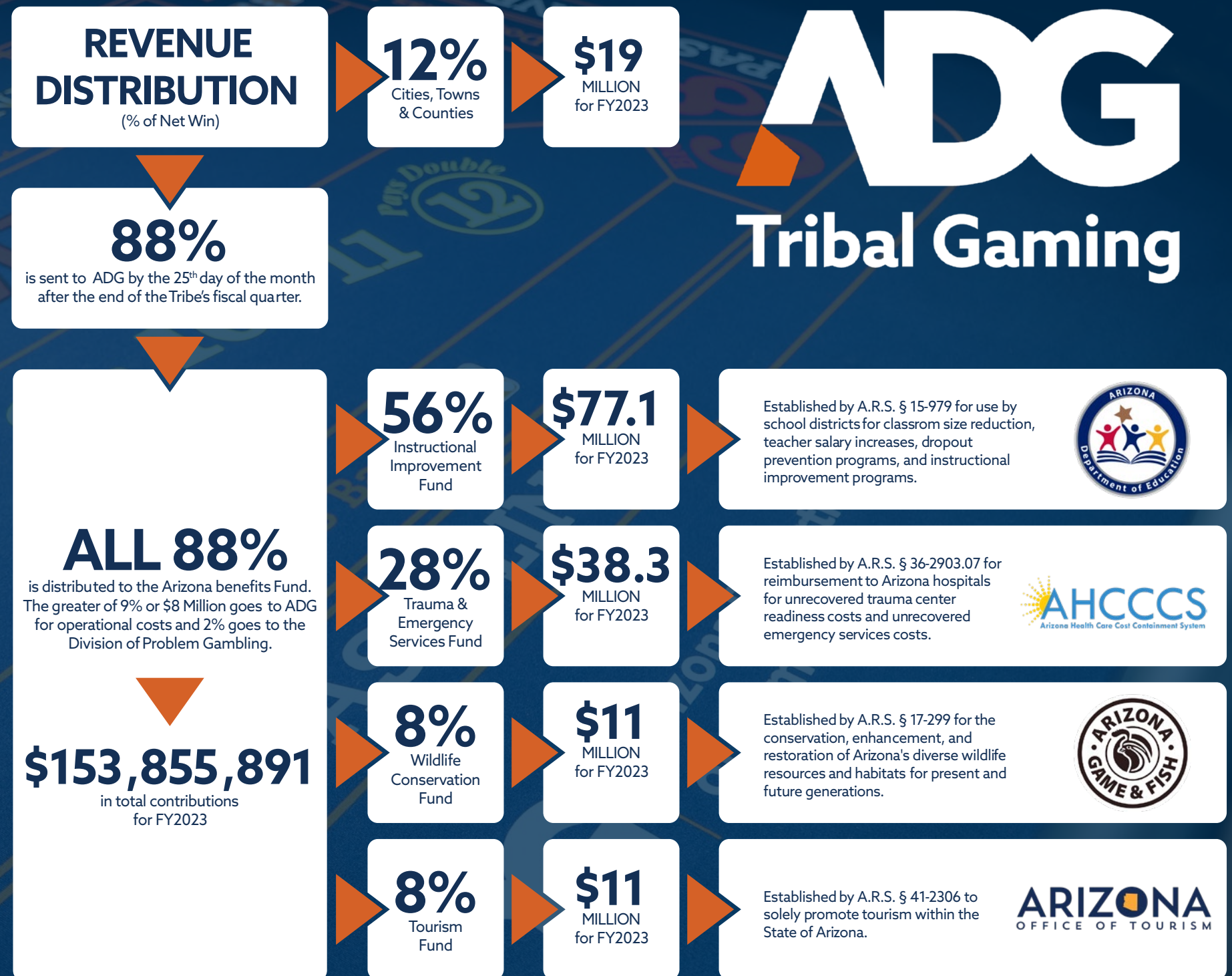
- 
Havasupai Indian Tribe
- 
Hopi Tribe
- 
Hualapai Indian Tribe
- 
Kaibab Band of Paiute Indians
- 
San Juan Southern Paiute Indian Tribe
- 
Zuni Tribe

Tribal Contributions

With the passage of Proposition 202, in November 2002, and the subsequent signing of the 2021 amended Tribal-State Gaming Compacts by the state 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.

7,068

Machines Certified
in FY2023



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.

1,214

Tribal Site Visits Conducted
in FY2023



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.

177

Operations Conducted
in FY2023



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.

1,238

Students Trained
in FY2023



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.

775

Total Vendor Applications Processed
in FY2023

5,999

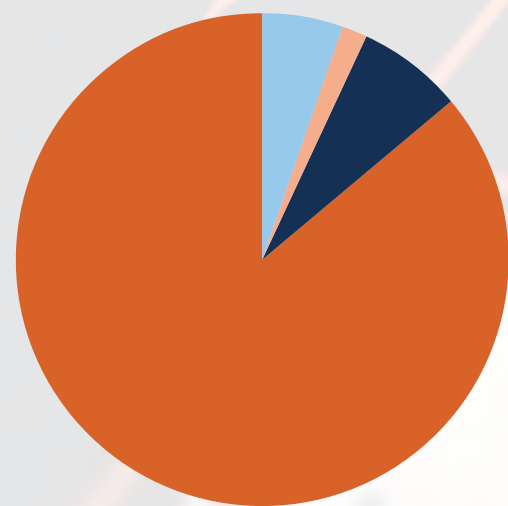
Total Employee Applications Processed
in FY2023



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](#).

1,342
 Types of Games Approved
 in FY2023



1,154 ▶ Promotions/Lotteries
92 ▶ Poker Tournaments
22 ▶ New/Revised Games
74 ▶ Other Approved Games

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 2023 Revenue	Regulation	Certification
Total Revenue	\$14,133,360	\$1,112,190

Fiscal Year 2023 Expenditures	Regulation	Certification
Personal Services	\$4,509,014	\$657,619
Employee-Related Expenditures	\$1,803,399	\$275,333
Professional & Outside Services	\$389,606	\$75,454
In-State Travel	\$275,708	\$4,908
Out-of-State Travel	\$49,322	\$3,480
Other Operating Expenses	\$2,531,117	\$312,687
Equipment	\$146,185	\$0
Transfers	\$42,545	\$0
Total Expenditures	\$9,746,896	\$1,329,481

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 Self-Exclusion program, whereby patrons can choose to exclude themselves from Arizona Class III gaming casinos and/or EWFS for a period of one, five, or ten years.

Over \$1.2 million spent in problem gambling treatment during FY2023.



Prevention, Education & Outreach

Arizona Governor Katie Hobbs again recognized March as Arizona Problem Gambling Awareness Month.

DPG hosted three provider trainings, which provide continuing education credits to treatment providers. This includes reviving the Annual Symposium on Problem Gambling, which covered *Sports Wagering — Arizona & Beyond*. The 15th annual symposium had 115 attendees and took a closer look at problem gambling in the world of event wagering & fantasy sports.

These actions helped provide necessary training for treatment providers to ensure they remain 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 FY2023 DPG provided:

3
clinical provider trainings

948
people treated

\$1,247,419
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 and EWFS operators on a daily basis to update the patron self-exclusion list.

58
EWFS exclusions in FY2023

2,095
casino exclusions in FY2023

463
exclusions enrolled in FY2023

2,153
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.

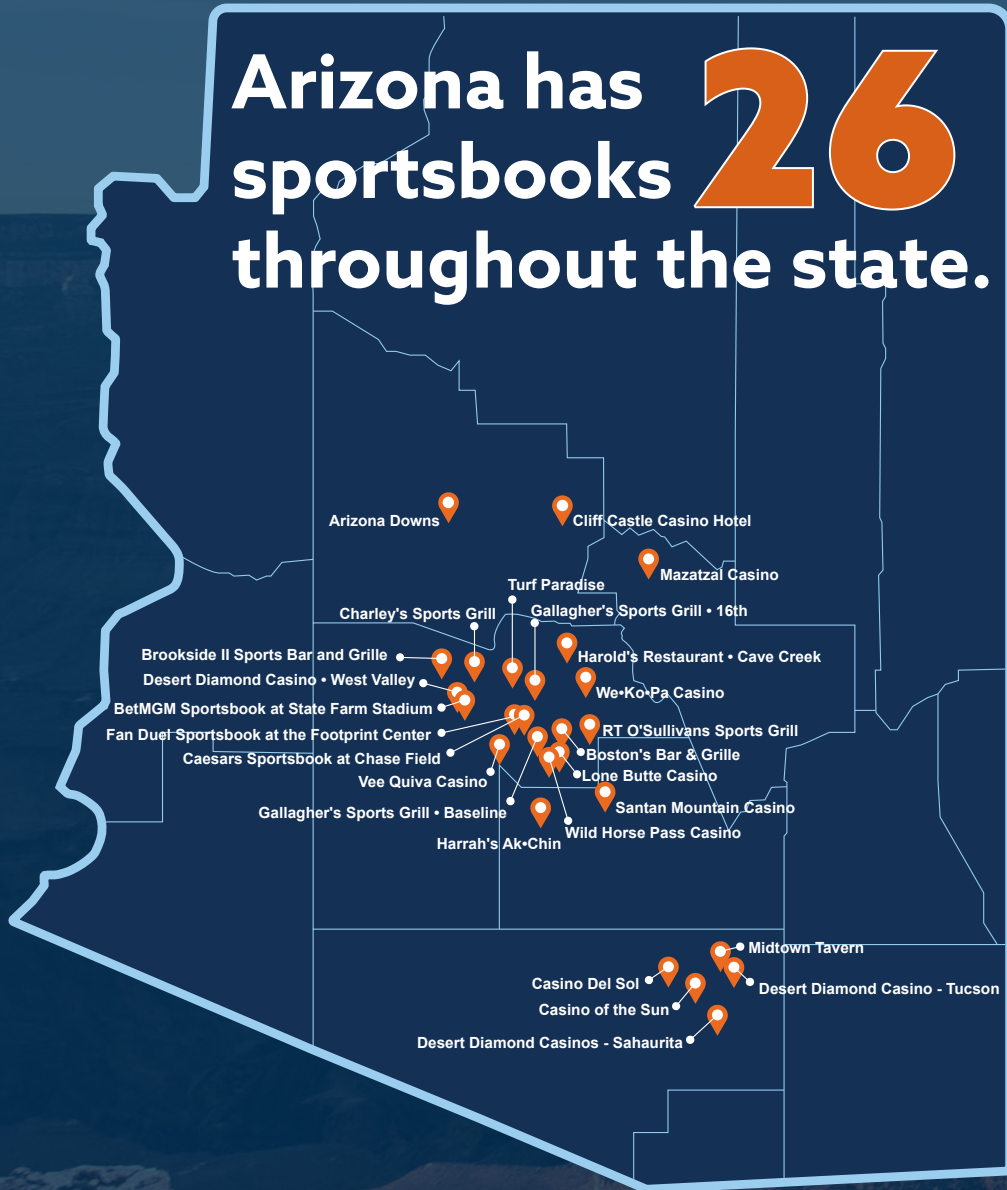
Fiscal Year 2023 Revenue	
Arizona Benefits Fund	\$3,020,000
Lottery Contribution	\$300,000
Total Revenue	\$3,320,000

Fiscal Year 2023 Expenditures	
Personal Services	\$198,352
Employee-Related Expenditures	\$76,116
Professional & Outside Services	\$411,767
In-State Travel	\$23
Out-of-State Travel	\$10,979
Treatment Providers	\$1,190,714
Other Operating Expenses	\$430,403
Equipment	\$0
Transfers	\$0
Total Expenditures	\$2,318,354



ADG was charged with regulating and enforcing EWFS contests for the first time in FY2022, due to legislation passed in April of 2021.

Arizona has **26** 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 FY2023

\$516,158,558

aggregate gross revenue

\$337,464,009

aggregate net revenue

EWFS Investigations

in FY2023

9

investigations conducted

17

wager incident reports received

366

suspicious activity reports

Active Licenses by Type

in FY2023

- 567** Employee
- 147** Ancillary Supplier
- 105** Supplier
- 13** Designee
- 9** Management Services Provider
- 10** Limited Event Wagering Operator
- 4** Tribal Event Wagering Operator
- 1** Commercial Event Wagering Operator

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

Funding & Budget

In FY2023, EWFS contributed \$37,131,439 in privilege and licensing fees to the state of Arizona.

Fiscal Year 2023 Revenue

Event Wagering (EW)

Total Gross EW Receipts (Wagers)	\$6,148,868,887
Adjusted Gross EW Receipts Subject to Privilege Fees	\$337,464,009

Fantasy Sports (FS)

In-State Entry Fees	\$68,721,709
FS Contest Adjusted Revenues	\$10,443,288

Financial Impact in the State

Privilege Fees - EW	\$33,660,261
Privilege Fees - FS	\$522,168
Licensing Fees - EW	\$2,929,510
Licensing Fees - FS	\$19,500

Fiscal Year 2023 Expenditures

Personal Services	\$1,322,002
Employee Related	\$534,813
Professional & Outside Services	\$189,720
In-State Travel	\$7,958
Out-of-State Travel	\$19,239
Other Operating Expenses	\$95,075
Equipment	\$33,240
Transfers	\$1,240
Total Expenditures	\$2,203,287



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



124 Race Days
Nov. 4, 2022 - May 6, 2023



18 Race Days
Feb. 4, 2023 - Apr. 2, 2023



23 Race Days
July 2, 2022 - Sep. 19, 2022

Cochise County Fair

2 Race Days
Apr. 15, 2023 - Apr. 16, 2023

Santa Cruz County Fair

2 Race Days
May 6, 2023 - May 7, 2023

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 RoettaNet, 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.

1
Commercial Permits
*American Greyhound Racing
 Simulcast only*



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. FY2023 figures reflect the total number of investigations conducted for incident and background investigations, which include processing of fingerprints and any resulting false applications.

900
Background Investigations
 in FY2023

41
Incident Investigations
 in FY2023



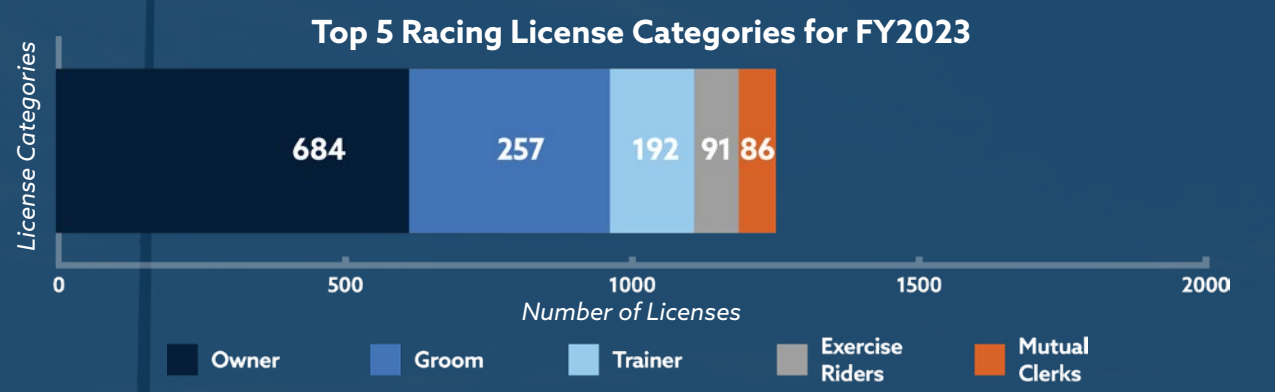
Licensing

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.

1,876
Licenses Issued
 in FY2023

6
Licenses Denied
 in FY2023

\$201,155
Total Revenue
 in FY2023



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.

102
Rulings
 in FY2023

\$32,980
In Fines
 in FY2023



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.

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 FY2023 to monitor and strategize the collaborative efforts to combat the growing trend of catastrophic injuries at Arizona racetracks. In recent years, 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:

1,900

Post-Race blood tests administered in FY2023

▲ **14% increase from FY2022**

1,615

Post-Race urine tests administered in FY2023

▲ **23% increase from FY2022**





Pari-Mutuel Handle

Arizona Pari-Mutuel Handle	Advanced Deposit Wagering	Commercial Horse	Commercial Dog	County Fair	Fiscal Year 2023	Fiscal Year 2022
Handle By Source						
Live Races	\$2,050,607	\$7,709,117	\$0	\$243,818	\$10,003,542	\$9,497,821
Simulcast Races	\$59,991,747	\$80,669,795	\$9,877,686	\$40,652	\$150,579,880	\$142,055,406
Teletesting	\$0	\$692,927	\$0	\$9,622	\$702,549	\$775,569
Total Pari-Mutuel Handle	\$62,042,354	\$89,071,839	\$9,877,686	\$294,092	\$161,285,971	\$152,328,796
Handle By Location						
On-Track	\$0	\$19,584,667	\$1,554,114	\$285,529	\$21,424,309	\$21,925,422
Off-Track	\$62,042,354	\$69,487,173	\$8,323,572	\$8,563	\$139,861,662	\$130,403,374
Total Pari-Mutuel Handle	\$62,042,354	\$89,071,839	\$9,877,686	\$294,092	\$161,285,971	\$152,328,796

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](#).

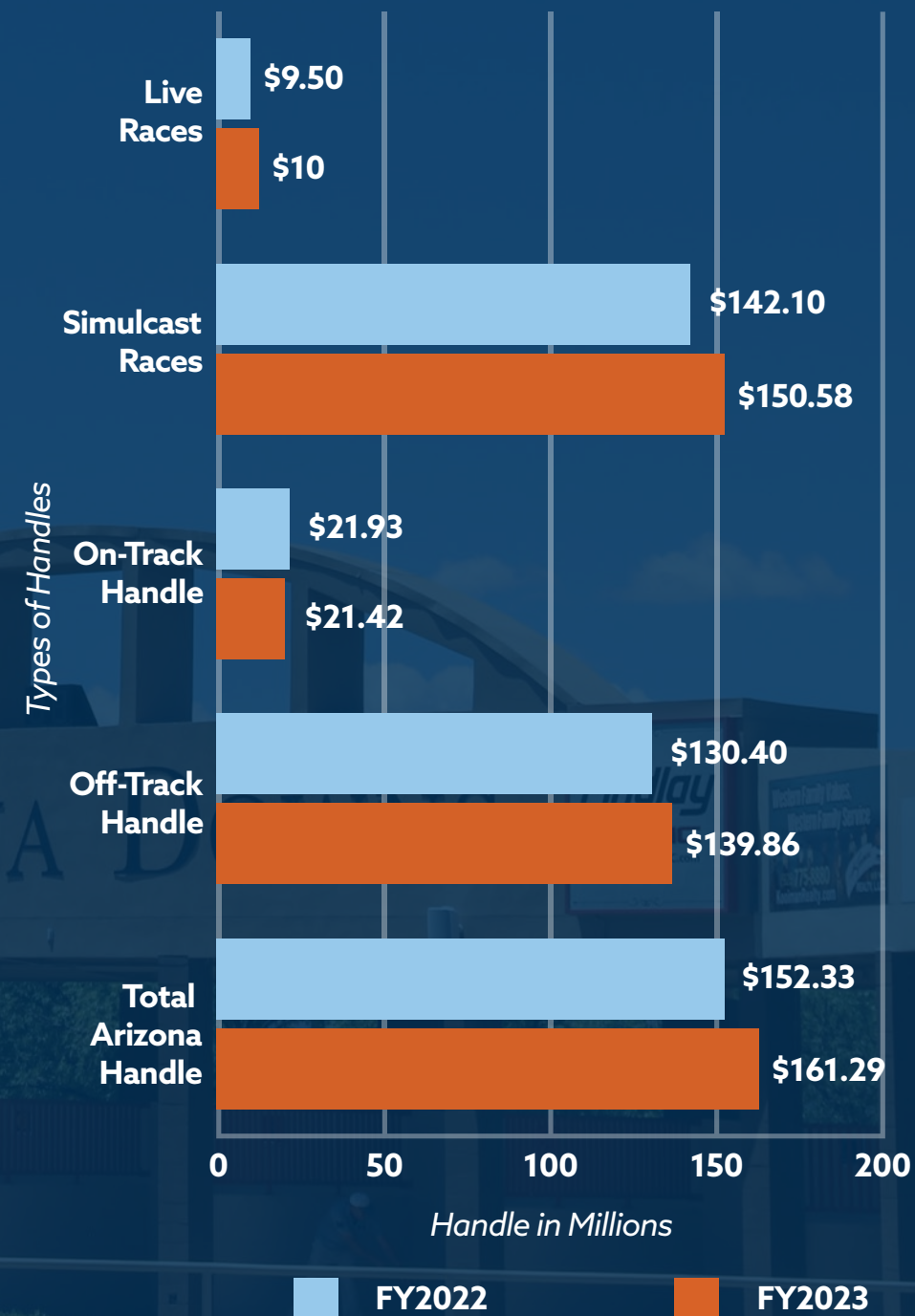
Pari-Mutuel Handle

\$161,285,971

Live Races

▲ 6% increase from FY2022

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 7/1/2022)	Fiscal Year 2023 Hardship Used or Transferred	Balance of Hardship Tax Credit (as of 6/30/2023)
Turf Paradise	\$14,564	\$0	\$14,564
Rillito Racetrack	\$246,899	\$19,703	\$227,196

Capital Improvement Funds

In FY2023, 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 2023	Fiscal Year 2022
Total Handle for RWA	\$62,042,354	\$259,895,140	\$9,877,686	\$819,979	\$332,635,158	\$355,407,526
RWA	\$310,212	\$1,298,464	\$49,388	\$4,022	\$1,662,086	\$1,766,497
Total Handle for State Taxes	\$2,050,607	\$8,345,939	\$0	\$253,439	\$10,649,985	\$10,160,037
Net 2% Pari-Mutuel Live State Tax	\$38,919	\$123,040	\$0	\$0	\$161,959	\$154,271



Funding & Budget

The following table presents projected expenditures for FY2024, and actual expenditures for the three preceding fiscal years.

Operating Budget	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Expend. Plan Fiscal Year 2024
Personal Services	\$799,242	\$671,538	\$1,003,927	\$1,126,100
Employee-Related Expenses	\$284,364	\$241,806	\$340,661	\$381,900
Professional & Outside Services	\$198,903	\$256,115	\$220,924	\$494,200
Travel - In-State	\$18,830	\$47,457	\$47,049	\$52,700
Travel - Out-of-State	\$0	\$265	\$6,301	\$11,500
Other Operating Expenditures	\$871,021	\$2,152,884	\$1,928,304	\$1,956,000
Equipment	\$556	\$53,229	\$9,617	\$11,000
Transfer Out	\$1,762	\$14,146	\$200	\$0
Operating Budget Subtotal	\$2,174,678	\$3,437,440	\$3,556,983	\$4,033,400
Special Line Items	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Expend. Plan Fiscal Year 2024
Arizona Breeder's Award	250,000	\$250,000	\$250,000	\$250,000
County Fairs Livestock and Agriculture Promotion	2,509,500	\$5,759,500	\$6,029,500	\$6,029,500
Racing Purse Enhancement	\$0	\$5,000,000	\$4,850,000	\$5,000,000
Racetrack Purse, Maintenance and Operations Funding	\$0	\$5,396,900	\$5,396,900	\$1,000,000
Horse Racing Integrity & Safety Authority	-	-	\$355,100	\$355,100
Contracted Veterinarian	-	-	\$25,270	\$175,000
Special Line Item Subtotal	\$2,759,500	\$16,406,400	\$16,906,770	\$12,809,600
Agency Total	\$4,934,178	\$19,843,840	\$20,463,753	\$16,843,000
Fund Sources	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Expend. Plan Fiscal Year 2024
General Fund	\$2,509,500	\$16,156,400	\$16,656,770	\$12,559,600
Racing Regulation Fund	\$1,632,048	\$1,800,640	\$1,991,494	\$2,583,400
Breeders Award Fund	\$792,630	\$1,886,800	\$1,815,489	\$1,700,000
Agency Total	\$4,934,178	\$19,843,840	\$20,463,753	\$16,843,000

Employee Statistics

12

Full-Time Equivalent in FY2023

Employee Statistics	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Expend. Plan Fiscal Year 2024
Full-Time Equivalent (FTE) - Avg.	9	9	12	12
Part-Time - Avg.		0	2	2
Temporary/Seasonal- Avg.		11	0	0
Contracted		4	0	0

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.

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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 FY23, **Arizona** continued to see increases in **Boxing & MMA** activity throughout the state.

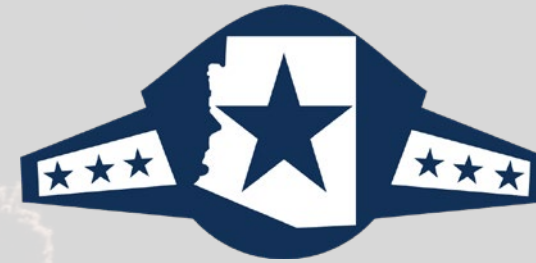
Funding & Budget

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.

2,016
Total Licenses Issued

1

New Sanctioning Body



3

New Promoters



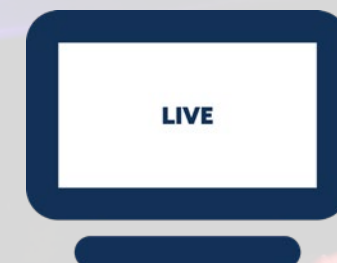
6

US/Regional Title Fights



9

Arizona Events Televised Worldwide



4

World Title Fights



37

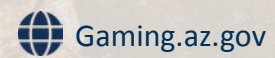
Events held





Arizona Department of Gaming

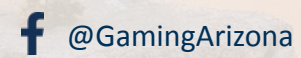
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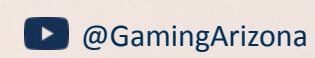
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