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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) 2024. 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 2024 Annual Report





Arizona Department of Gaming

VISION

World-Class
Gaming Regulation
Benefiting All Of Arizona

MISSION

To ethically and effectively regulate gaming, horse racing, and unarmed combat sports while fostering transparency and collaboration with tribal regulatory partners and industry stakeholders; mitigate the harms associated with gambling; and ensure these industries operate 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

As we close out FY2024, I am proud to reflect on the incredible progress we have made at the Arizona Department of Gaming (ADG) over the past year. Having been with the Department for a year and a half now, I continue to be inspired by the dedication, passion, and commitment demonstrated by our team of public servants and partners in fulfilling our mission to ethically and effectively regulate gaming, horse racing and unarmed combat sports in Arizona.

This past year has been one of our busiest and most productive to date. Our efforts have focused on enhancing communication, fostering collaboration, and strengthening partnerships with Arizona's Tribal Nations. These partnerships are foundational to our work, and we are grateful for the meaningful and impactful relationships we have built and continue to nurture. We are committed to maintaining an open and ongoing dialogue with Tribal leaders and Tribal Gaming Office leadership to ensure that our regulatory practices reflect their needs, perspectives, and aspirations.

On January 11, 2024, the Department held its first-ever Tribal Gaming Conference, with over 200 attendees participating from all over the state, representing 17 Arizona Tribes. The agenda included a Tribal leaders roundtable; a Q&A with Governor Katie Hobbs and Ak-Chin Indian Community Chairman Robert Miguel; a panel about Tribal contributions throughout the state; an update on illegal gambling, a presentation from the Division of Problem Gambling; and breakout sessions about training, audits and state certifications. The conference served as a pivotal moment in Tribal-state gaming collaboration, with attendees and organizers reflecting on achievements that have fostered cooperation and understanding between Tribal communities, government entities, as well as the state overall.

Working with our event wagering and fantasy sports stakeholders in the quickly evolving industry has been a priority this past year and we're proud to highlight the growth and success in these sectors. Through strategic initiatives, we have seen remarkable achievements, from an increase in responsible gaming to enhanced regulation that has strengthened public confidence.

This progress is mirrored across other areas as well, with Arizona hosting numerous high-profile Boxing and MMA title fights, further solidifying the state as a premier destination for unarmed combat



sports. Additionally, the Racing industry has achieved its lowest horse fatality rate on record, reflecting a steadfast commitment to safety and integrity. These milestones demonstrate our dedication to fostering a thriving, responsible sports and entertainment environment that benefits all stakeholders.

Looking ahead, I am optimistic about the opportunities to expand our focus on problem gambling and public protection. We will continue to build on the progress made, advancing with a spirit of responsibility, vigilance, and collaboration. Together, we will work to strengthen Arizona's commitment to safeguarding individuals and communities, ensuring our resources for problem gambling grow in reach and impact. At the same time, we remain steadfast in protecting the public and the state from illegal gaming operations, fostering a regulatory environment that is fair, secure, and supportive of both public well-being and lawful economic activity.

Thank you to our entire ADG team, our Tribal partners, and all gaming stakeholders for your unwavering support and hard work throughout this past fiscal year. It is through your commitment that we can achieve such impactful results, and I look forward to all that we will accomplish together in the coming year.

A handwritten signature in blue ink that reads 'Jackie Johnson'.

Jackie Johnson
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. View ADG's [organizational chart here](#) on our website.



| Number of Employees at the end of FY2024 | |
|---|------------|
| Tribal Gaming | 48 |
| Operations/Executive | 35 |
| Problem Gambling | 5 |
| Event Wagering & Fantasy Sports | 6 |
| Racing | 14 |
| Boxing & Mixed Martial Arts | 2 |
| Total | 110 |

FY2024 Strategic Plan

In FY2024, ADG continued to provide world-class regulation for the communities we regulate. Through the AMS and the [FY2024 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.

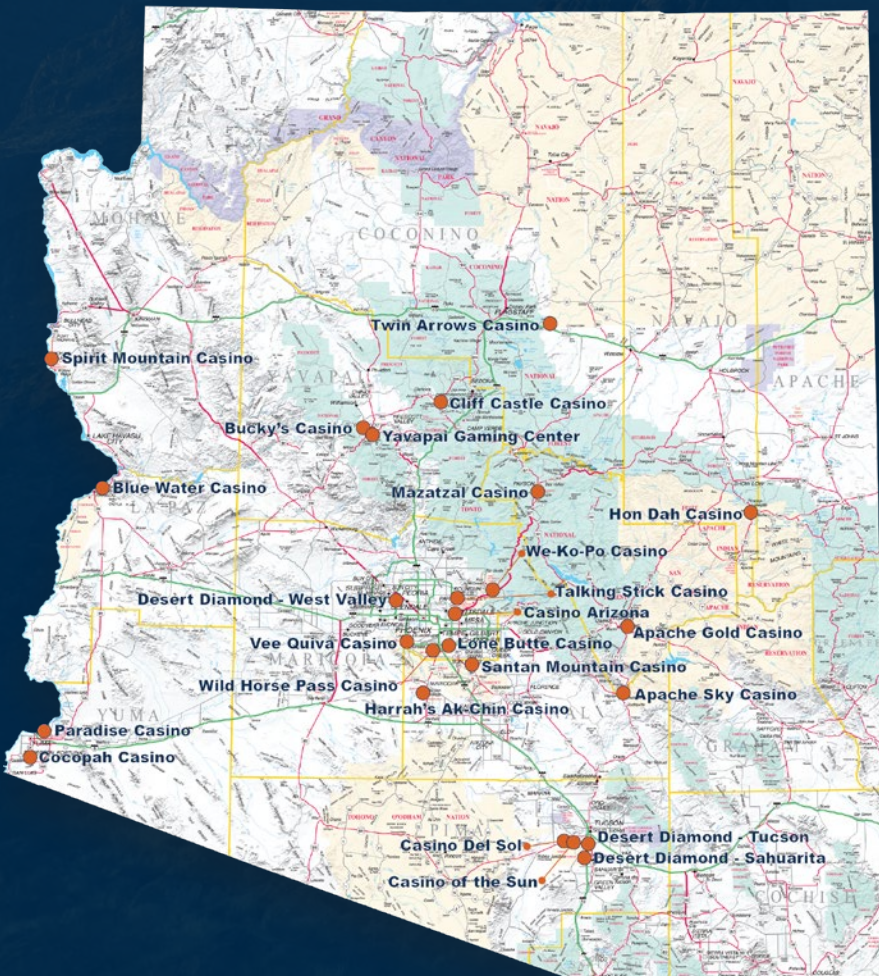
ADG | Arizona Department of Gaming Tribal Gaming

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 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.



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, Sahuarita, 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 & Santan Mountain Casinos



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

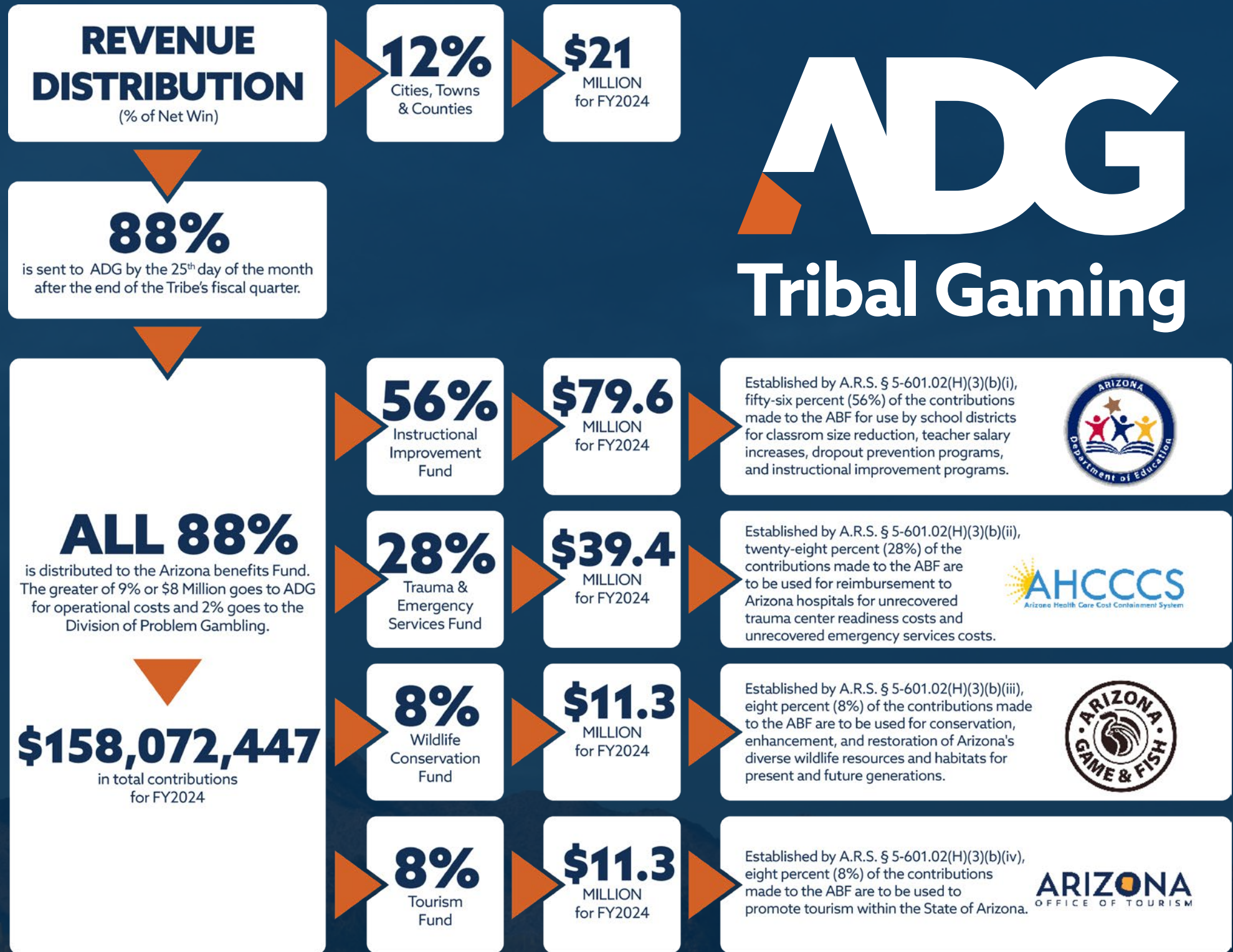


Zuni Tribe

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 (ABF), 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(I)(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.

6,454

Machines Certified in FY2024



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.

1,170

Tribal Site Visits Conducted in FY2024



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.

144

Operations Conducted in FY2024



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.

5,110

Students Trained in FY2024



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.

895

Total Vendor Applications Processed in FY2024

7,653

Total Employee Applications Processed in FY2024



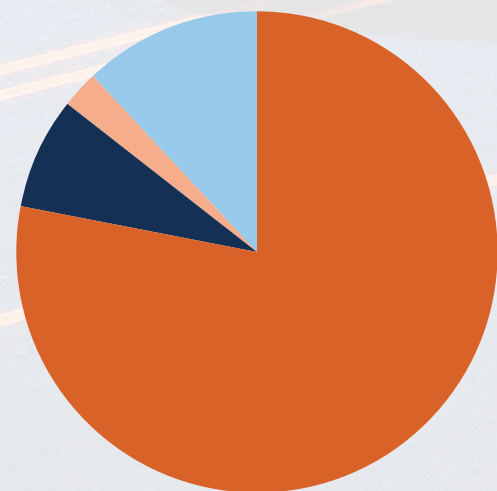
Funding & Budget



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](#).

1,600
Total Games Approved
in FY2024



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

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 2024 Revenue

Regulation

Certification

Total Revenue

\$14,018,573

\$1,321,249

Fiscal Year 2024 Expenditures

Regulation

Certification

Personal Services

\$4,634,793

\$683,089

Employee-Related Expenditures

\$1,744,561

\$267,396

Professional & Outside Services

\$486,202

\$4,682

In-State Travel

\$222,666

\$10,419

Out-of-State Travel

\$59,375

\$6,081

Other Operating Expenses

\$2,967,657

\$207,832

Equipment

\$87,142

\$0

Transfers

\$193,591

\$0

Total Expenditures

\$10,395,987

\$1,179,499

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 or Event Wagering & Fantasy Sports Contests for a period of one, five, or ten years.

Over \$1.3 million spent in problem gambling treatment during FY2024.



Prevention, Education & Outreach

In FY2024, Governor Katie Hobbs recognized March as Problem Gambling awareness month. DPG also held its 16th Annual Symposium on Problem Gambling: "Perspectives: A closer look at problem gambling in Arizona through diverse populations." The symposium brings together behavioral health professionals and stakeholders. It is open to the public and offers continuing education units.

DPG added a Tribal Liaison to their team in FY2024. She has visited 10 Tribal Gaming Offices (TGO) and has had 54 interactions, averaging 6 introductions a month. She continues to plan visits with TGOs throughout the State of Arizona and encourages open conversation about the industry's social responsibility to offer support and resources for our patrons.



Treatment

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

In FY2024 DPG provided:

3
clinical provider trainings

992
people treated

\$1,380,307
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.

2,128
Active casino self-exclusions

102
Active EWFS self-exclusions

519
Total self-exclusions enrolled in FY2024

2,230
Total 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 2024 Revenue | |
|--------------------------|--------------------|
| Arizona Benefits Fund | \$3,020,000 |
| Lottery Contribution | \$300,000 |
| Total Revenue | \$3,320,000 |

| Fiscal Year 2024 Expenditures | |
|---------------------------------|--------------------|
| Personal Services | \$405,156 |
| Employee-Related Expenditures | \$148,479 |
| Professional & Outside Services | \$236,272 |
| In-State Travel | \$1,038 |
| Out-of-State Travel | \$11,413 |
| Treatment Providers | \$1,344,195 |
| Other Operating Expenses | \$571,972 |
| Equipment | \$0 |
| Transfers | \$0 |
| Total Expenditures | \$2,718,525 |



In 2021, Chapter 234 and the Amended & Restated Tribal-State Gaming Compacts directed the Arizona Department of Gaming (ADG) to adopt rules and act as the primary regulator and enforcement body for event wagering and fantasy sports contests. Enabling legislation allowed for a max of 20 event wagering licenses in the state, with 10 reserved for Arizona Tribes and 10 reserved for Arizona professional sports teams/franchises. Additionally, there are 10 limited event wagering operator licenses available, which are reserved for racetrack enclosures or additional wagering facilities (OTBs). View our approved operators and retail locations [here on our website](#).

In FY2024, the Department held three Event Wagering Operator Allocation Periods in which it allocated an event wagering operator license to bet365 as the designee for the Ak-Chin Indian Community, an event wagering operator license to Fanatics Betting and Gaming as the designee for Tonto Apache Sports Betting - an organization of the Tonto Apache Tribe, an event wagering operator license to Plannatech as the designee for the San Carlos Apache Tribal Gaming Enterprise, as well as an event wagering operator license to Sporttrade as the designee for the Quechan Indian Tribe of the Fort Yuma Indian Reservation.

For more information on these allocation periods, visit [our website](#).



Licensing

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

Licensee Revenue

in FY2024

\$619,618,574

aggregate gross revenue

\$397,462,595

aggregate net revenue

EWFS Investigations

in FY2024

9

investigations conducted

29

wager incident reports received

300

suspicious incident reports

Active Licenses by Type

in FY2024

- 513** ▶ Employee
- 195** ▶ Ancillary Supplier
- 102** ▶ Supplier
- 14** ▶ Designee
- 10** ▶ Management Services Provider
- 10** ▶ Limited Event Wagering Operator
- 10** ▶ Tribal Event Wagering Operator
- 8** ▶ Event Wagering Operator

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

Funding & Budget

In FY2024, EWFS contributed \$44,038,144 in privilege and licensing fees to the state of Arizona.

Fiscal Year 2024 Revenue

Event Wagering (EW)

| | |
|--|-----------------|
| Total Gross EW Receipts (Wagers) | \$7,069,600,694 |
| Adjusted Gross EW Receipts Subject to Privilege Fees | \$397,462,595 |

Fantasy Sports (FS)

| | |
|------------------------------|---------------|
| In-State Entry Fees | \$119,237,065 |
| FS Contest Adjusted Revenues | \$19,975,894 |

Financial Impact in the State

| | |
|---------------------|--------------|
| Privilege Fees - EW | \$39,621,754 |
| Privilege Fees - FS | \$1,003,240 |
| Licensing Fees - EW | \$3,393,650 |
| Licensing Fees - FS | \$19,500 |

Fiscal Year 2024 Expenditures

| | |
|---------------------------------|--------------------|
| Personal Services | \$1,305,310 |
| Employee Related | \$503,678 |
| Professional & Outside Services | \$70,831 |
| In-State Travel | \$13,331 |
| Out-of-State Travel | \$11,360 |
| Other Operating Expenses | \$318,274 |
| Equipment | \$0 |
| Transfers | \$1,973 |
| Total Expenditures | \$2,224,757 |



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



Turf Paradise

54 Race Days

Jan. 29, 2024 - May 4, 2024

Arizona Racing Commissioners



Kandace French Contreras | Chairwoman

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.



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.



Chuck Coolidge | Commissioner

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.



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.

0

Commercial Permits

0

County Permits



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. FY2024 figures reflect the total number of investigations conducted for incident and background investigations, which include processing of fingerprints and any resulting false applications.

759

Background Investigations

in FY2024

41

Incident Investigations

in FY2024



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.

1,121

Licenses Issued

in FY2024

5

Licenses Denied

in FY2024

\$113,000

Total Revenue

in FY2024

Top 5 Racing License Categories for FY2024



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.

27

Rulings

in FY2024

\$8,715

In Fines

in FY2024



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 FY2024 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:

142

Pre-Race TC02 administered in FY2024

791

Post-race blood tests administered in FY2024 over 54 race days with an average of 15 horses tested per race day.

In FY23 the average was 11 horses per race day.

↑ 36% increase from FY2023

694

Post-race urine tests administered in FY2024 over 54 race days with an average of 15 horses tested per race day.

In FY23 the average was 11 horses per race day.

↑ 36% increase from FY2023



Pari-Mutuel Handle

| Arizona Pari-Mutuel Handle | Advanced Deposit Wagering | Commercial Horse | Commercial Dog | County Fair | Fiscal Year 2024 | Fiscal Year 2023 |
|---------------------------------|---------------------------|---------------------|--------------------|------------------|----------------------|----------------------|
| Handle By Source | | | | | | |
| Live Races | \$974,815 | \$2,662,718 | \$0 | \$204,268 | \$3,841,801 | \$10,003,542 |
| Simulcast Races | \$64,240,806 | \$74,993,401 | \$8,051,748 | \$489,368 | \$147,775,323 | \$150,579,880 |
| Teletracking | \$0 | \$0 | \$0 | \$0 | \$0 | \$702,549 |
| Total Pari-Mutuel Handle | \$77,656,119 | \$8,051,748 | \$8,051,748 | \$693,637 | \$151,617,125 | \$161,285,971 |
| Handle By Location | | | | | | |
| On-Track | \$0 | \$16,164,346 | \$1,404,872 | \$204,241 | \$17,773,459 | \$21,424,309 |
| Off-Track | \$65,215,621 | \$61,491,773 | \$6,646,876 | \$489,396 | \$133,843,666 | \$139,861,662 |
| Total Pari-Mutuel Handle | \$65,215,621 | \$77,656,119 | \$8,051,748 | \$693,637 | \$151,617,125 | \$161,285,971 |

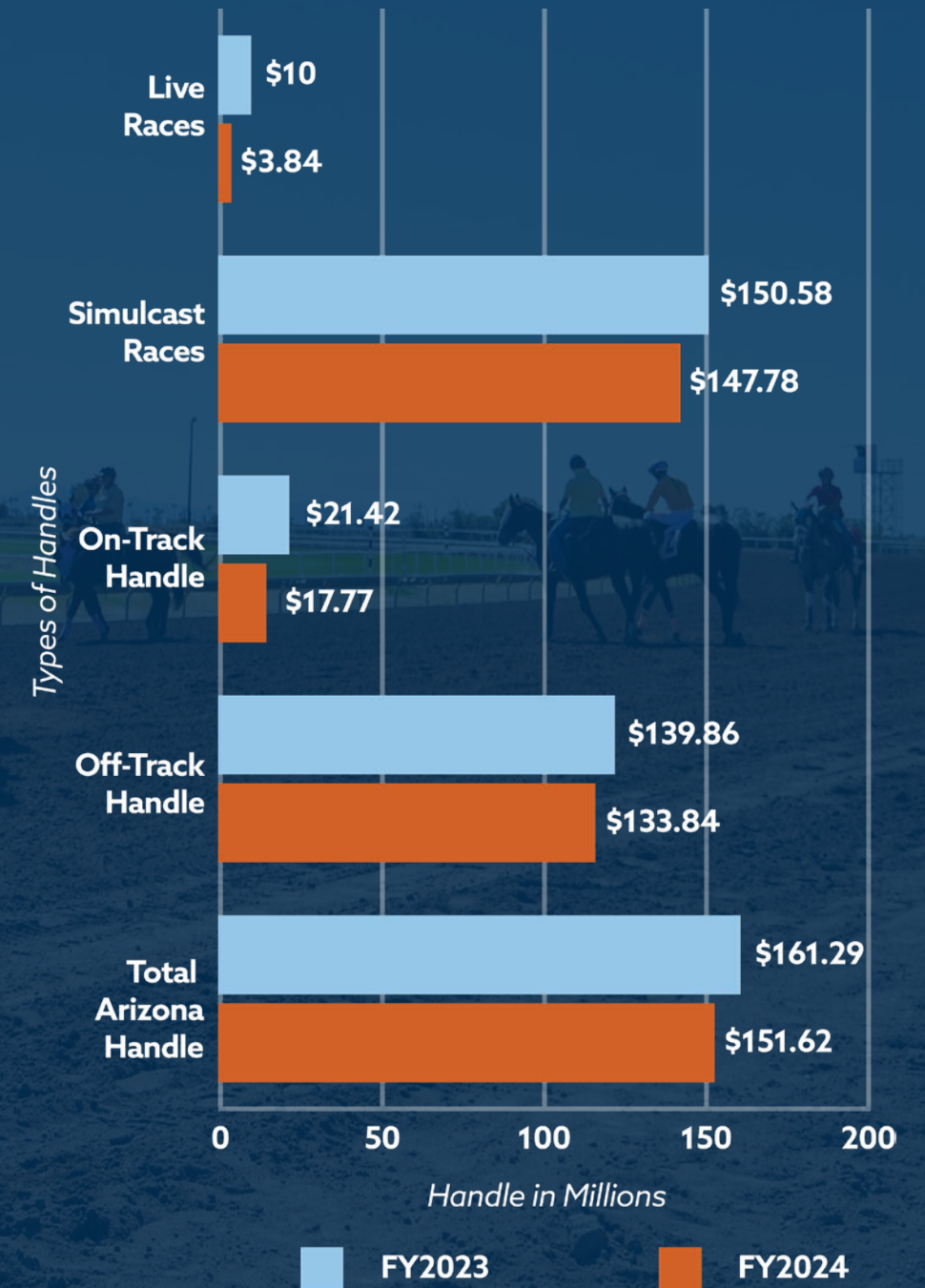
More pari-mutuel information for commercial horse tracks, commercial greyhound, county fair races, and advanced deposit wagering providers can be found by viewing ADG's pari-mutuel source data [here](#).

Pari-Mutuel Handle

\$151,617,125

↓ 6% decrease from FY2023

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 7/1/2023) | Fiscal Year 2024 Hardship Used or Transferred | Balance of Hardship Tax Credit (as of 6/30/2024) |
|------------------------|--|---|--|
| Turf Paradise | \$14,564 | \$0 | \$14,564 |
| Rillito Racetrack | \$227,196 | \$0 | \$227,196 |

Capital Improvement Funds

In FY2024, 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 2024 | Fiscal Year 2023 |
|-----------------------------------|--------------|------------------|----------------|-------------|------------------|------------------|
| Total Handle for RWA | \$65,215,622 | \$164,717,233 | \$8,051,748 | \$6,758,018 | \$244,742,620 | \$332,635,158 |
| RWA | \$326,078 | \$823,586 | \$40,259 | \$33,790 | \$1,223,713 | \$1,662,086 |
| Total Handle for State Taxes | \$974,815 | \$2,662,718 | \$0 | \$204,268 | \$3,841,801 | \$10,649,985 |
| Net 2% Pari-Mutuel Live State Tax | \$19,496 | \$42,812 | \$0 | \$0 | \$62,309 | \$161,959 |

Funding & Budget

The following table presents projected expenditures for FY2025, and actual expenditures for the three preceding fiscal years.

| Operating Budget | Fiscal Year 2022 | Fiscal Year 2023 | Fiscal Year 2024 | Expend. Plan Fiscal Year 2025 |
|---|---------------------|---------------------|---------------------|-------------------------------|
| Personal Services | \$671,538 | \$1,003,927 | \$1,128,779 | \$922,100 |
| Employee-Related Expenses | \$241,806 | \$340,661 | \$381,421 | \$390,400 |
| Professional & Outside Services | \$256,115 | 256,115 | \$232,184 | \$1,555,100 |
| Travel - In-State | \$47,457 | \$47,049 | \$16,887 | \$45,000 |
| Travel - Out-of-State | \$265 | \$6,301 | \$3,264 | \$9,500 |
| Other Operating Expenditures | \$2,152,884 | \$1,928,304 | \$1,847,193 | \$2,176,300 |
| Equipment | \$53,229 | \$9,617 | \$0 | \$0 |
| Transfer Out | \$14,146 | \$200 | \$114,530 | \$0 |
| Operating Budget Subtotal | \$3,437,440 | \$3,556,983 | \$3,724,258 | \$5,098,400 |
| Special Line Items | Fiscal Year 2022 | Fiscal Year 2023 | Fiscal Year 2024 | Expend. Plan Fiscal Year 2025 |
| Arizona Breeder's Award | \$250,000 | \$250,000 | \$250,000 | \$250,000 |
| County Fairs Livestock and Agriculture Promotion | \$5,759,500 | \$6,029,500 | \$6,029,500 | \$6,029,500 |
| Racing Purse Enhancement | \$5,000,000 | \$4,850,000 | \$5,000,000 | \$4,000,000 |
| Racetrack Purse, Maintenance and Operations Funding | \$5,396,900 | \$5,396,900 | \$1,000,000 | \$1,500,000 |
| Horse Racing Integrity & Safety Authority | - | \$355,100 | \$355,100 | \$1,355,100 |
| Contracted Veterinarian | - | \$25,270 | \$66,975 | \$175,000 |
| Special Line Item Subtotal | \$16,406,400 | \$16,906,770 | \$12,701,575 | \$13,309,600 |
| Agency Total | \$19,843,840 | \$20,463,753 | \$16,425,833 | \$17,052,900 |
| Fund Sources | Fiscal Year 2022 | Fiscal Year 2023 | Fiscal Year 2024 | Expend. Plan Fiscal Year 2025 |
| General Fund | \$16,156,400 | \$16,656,770 | \$12,451,575 | \$11,704,500 |
| Racing Regulation Fund | \$1,800,640 | \$1,991,494 | \$2,243,196 | \$3,948,400 |
| Breeders Award Fund | \$1,886,800 | \$1,815,489 | \$1,731,062 | \$1,400,000 |
| Agency Total | \$19,843,840 | \$20,463,753 | \$16,425,833 | \$17,052,900 |

Employee Statistics

13

Full-Time Equivalent in FY2024

| Employee Statistics | Fiscal Year 2022 | Fiscal Year 2023 | Fiscal Year 2024 | Expend. Plan Fiscal Year 2025 |
|-----------------------------------|------------------|------------------|------------------|-------------------------------|
| Full-Time Equivalent (FTE) - Avg. | 9 | 12 | 13 | 19 |
| Part-Time - Avg. | 0 | 2 | 1 | 2 |
| Temporary/Seasonal- Avg. | 11 | 0 | 0 | 1 |
| Contracted | 4 | 0 | 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.

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 the FY2024 legislative session, the Department's Boxing & Mixed Martial Arts team conducted research, then further drafted and introduced a Boxing/MMA omnibus bill in it's efforts to increase fighter safety in unarmed combat events, as well as to promote fair and effective regulation while fostering social responsibility. The omnibus bill focused on renaming the statute covering boxing and mixed martial arts to "Boxing and Mixed Martial Arts" and the commission governing those activities to the "Arizona State Boxing and Mixed Martial Arts Commission", defined the governing rules permissible to use in Arizona mixed martial arts contests that the Commission may use, and defined fees, required personnel at contests, licensing, physical thresholds, medical requirements, penalties, insurance mandates, required security at events, and timing constraints.

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.

1,169
Total Licenses Issued

2

Arizona Title Fights



2

New Promoters



10

US/Regional Title Fights



9

Arizona Events
Televised Worldwide



14

World Title Fights



32

Events held





Arizona Department of Gaming

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