



**Arizona Department of Gaming**

**ANNUAL  
REPORT**

**Fiscal Year 2020**

# ANNUAL REPORT

## Table Of Contents

Page 01 Vision, Mission & Values

---

Page 02 Director's Message

---

Page 03 Agency Overview

---

Page 04 COVID-19 Response

---

Page 05 Agency Legislation

---

Page 06 Office of Administration

---

Page 07 Tribal Gaming

---

Page 20 Problem Gambling

---

Page 22 Racing

---

Page 35 Boxing & MMA

---

Appendix A - Arizona Management System Scorecard

---

Appendix B - Annual Report of Tribal Contributions

---

Appendix C - Status of Tribal Gaming

---

Appendix D - Racing Supporting Data

## Statutory Requirements

In accordance with Arizona Revised Statutes (A.R.S.) § 5-601(G) and 5-104(P), the Arizona Department of Gaming (ADG) submits this consolidated annual report for Fiscal Year (FY) 2020. 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](http://azgaming.gov).



# 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**.

## Director's Message

It is my privilege to submit the Arizona Department of Gaming (ADG) Annual Report for FY2020. This report summarizes our work to serve and protect the public, including visitors to Arizona, as well as our permittees and licensees.

When COVID-19 struck Arizona in March, ADG actively found ways to support and protect our employees and stakeholders. During the *Stay Home, Stay Healthy, Stay Connected* executive order, we worked with our Tribal partners who closed all of the casinos in the state. When casinos began to reopen, we provided coronavirus safety guidance and recommendations that protect casino staff and patrons. To help further protect both casino and ADG staff, our Machine Compliance team developed a remote certification process, allowing the Department to certify gaming machines without risking the spread of coronavirus through in-person visits.

ADG leadership acted quickly at the beginning of this pandemic to protect employees by immediately requiring staff to telework from home. Our IT team worked diligently to ensure our employees had the tools and resources necessary to successfully make the transition. Additionally, we developed virtual processes which allowed ADG to continue its regulatory functions at a high level.

Though the COVID-19 pandemic has brought unprecedented challenges for all of Arizona, ADG continued to provide world-class regulation and service to our Tribal Gaming, Horse Racing, Boxing & MMA, and Problem Gambling communities. Using the Arizona Management System (AMS), In FY2020 ADG continued a five-year strategic plan that highlighted 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.



Using these strategies as a guide, ADG had a number of accomplishments in FY2020. Through the Horse Fatality project, we continued to work with horse racing industry leaders in the state to find solutions that will reduce horse breakdowns in Arizona, protecting both our human and equine athletes. Our Division of Problem Gambling (DPG) awarded the first problem gambling grant that supports programs to educate youth on the dangers of problem gambling. Additionally, DPG also created a real-time database for casino staff to instantly know when a self-excluded individual unlawfully tries to enter a casino.

None of these successes would have been possible without the diligent work of ADG's employees. As devoted professionals, our employees take great pride in the mission of our agency and are constantly striving for continuous improvement. Thank you all for your support and assistance during FY2020, and as we move forward ADG will continue its vision to provide world-class regulation for a stronger Arizona.

**Ted Vogt**  
Director

# Agency Overview

Established by the Arizona State Legislature in 1995, this year marked the 25th anniversary of the Arizona Department of Gaming. ADG is the state agency charged with regulating Tribal gaming, racing, pari-mutuel/simulcast wagering, and unarmed combat sports. 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 AMS to identify process improvement opportunities, develop goals, and solve problems of every size. By implementing this system of continuous improvement, ADG has achieved tangible results. ADG reviewed, monitored, and tracked its progress using the AMS Scorecard [See Appendix A] 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 is organized into the Office of Administration and four divisions: Tribal Gaming, Problem Gambling, 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.




**BOXING & MIXED MARTIAL ARTS**



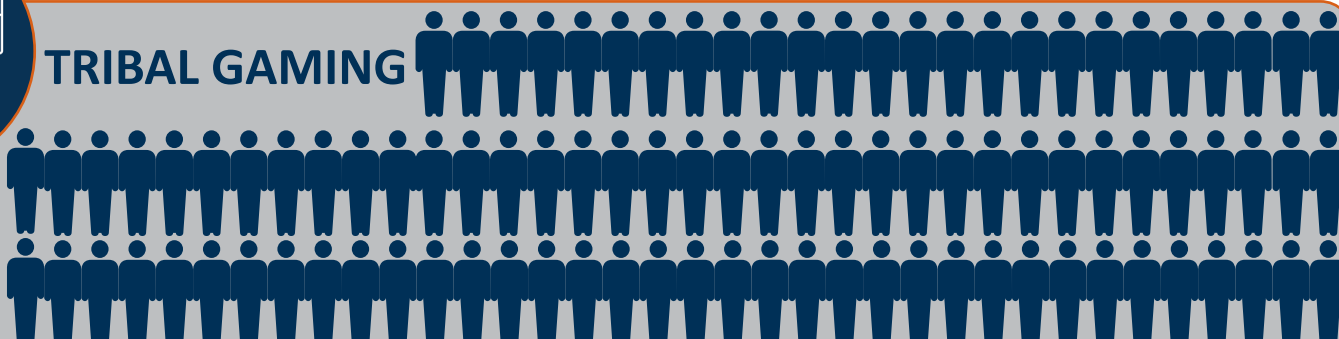

**PROBLEM GAMBLING**




**RACING**

**TRIBAL GAMING**



# COVID-19 Response



**Administration**

- In response to the COVID-19 pandemic, ADG leadership acted quickly and initiated the Arizona Continuity of Operations Plan. This plan was designed to meet the challenges presented by COVID-19 and allowed Department personnel to work safely from home while continuing to provide the same level of service to our stakeholders.



**Racing**

- On March 14, 2020, Turf Paradise cancelled the remainder of their 2019-2020 racing season due to COVID-19.
- On March 14, 2020, Rillito Race Track cancelled their 2020 racing season due to COVID-19.
- Arizona Downs cancelled their entire racing meet spanning from May - September 2020 due to COVID-19.



**Boxing & MMA**

- On March 20, 2020, The Arizona Boxing & MMA Commission cancelled all events for the remainder of FY 2020.
- Working with the Arizona Department of Health Services and other industry leaders, ADG drafted safety protocols to help protect the fighters, employees, promoters, and other participants when events resume in the state.



**Tribal Gaming**

- ADG's Tribal gaming partners did their part to slow the spread of COVID-19 by closing casinos during the *Stay Home, Stay Healthy, Stay Connected* Executive Order.
- Due to COVID-19, ADG employees were unable to physically visit casinos to conduct certifications of new gaming machines. In response, ADG's machine compliance team created a remote certification process. This process leverages current video calling technology to allow employees to certify machines without physically being on site, protecting both casino and ADG staff.
- ADG provided COVID-19 safety guidelines and recommendations to our Tribal regulatory counterparts, promoting a safe environment for visiting patrons once casinos started to reopen.



**Problem Gambling**

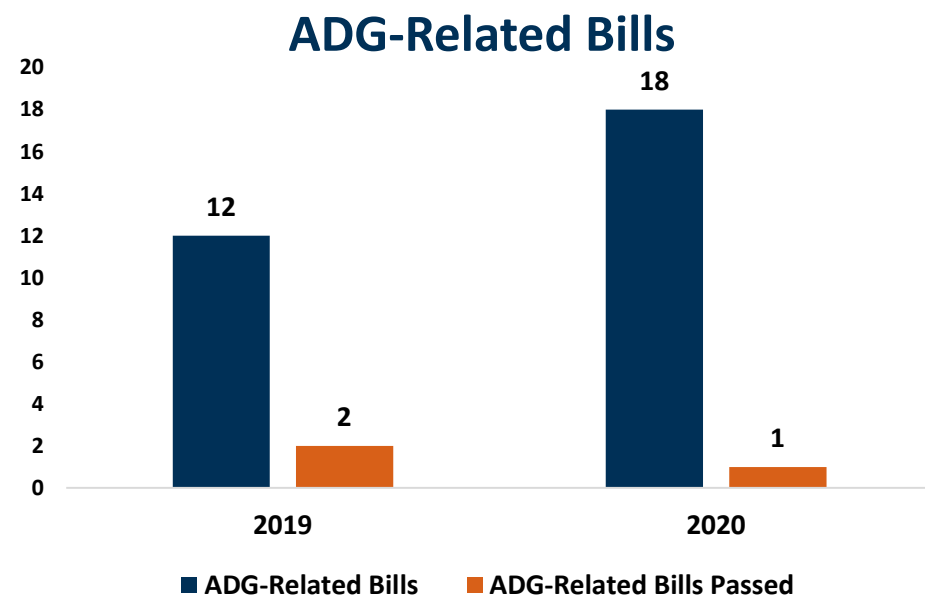
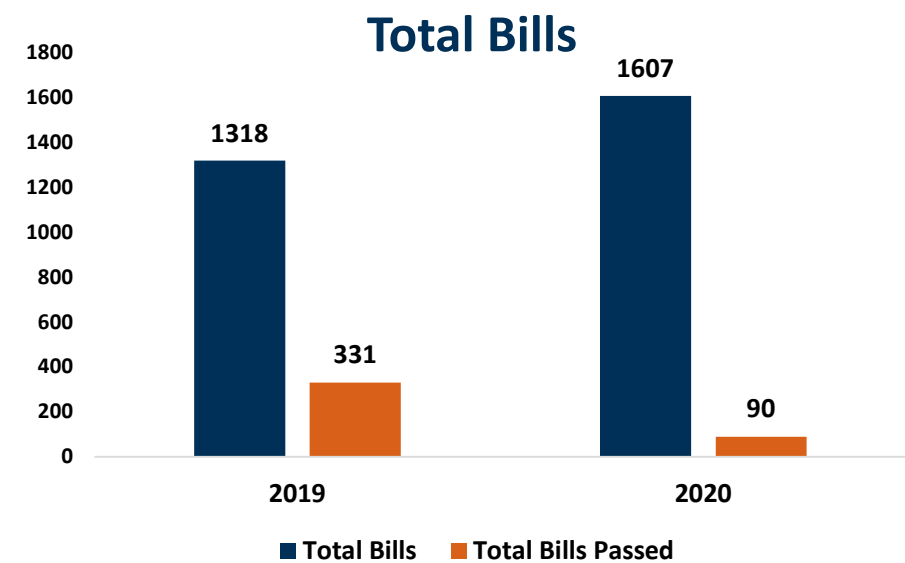
- At the start of the COVID-19 pandemic, DPG reached out to its contracted providers to ensure they had the necessary resources to successfully practice telehealth with clients.
- DPG has temporarily moved their self-exclusion program online, allowing interested individuals to self-exclude from Arizona casinos without an in-person visit.
- DPG transitioned its yearly advanced training for providers to a 100% online format, allowing training to take place in a safe environment.

# Agency Legislation

Every year, ADG’s legislative team represents the Department during the Arizona legislative session. The 2020 Legislative Session, which adjourned on May 26, had a total of 1,607 bills posted. Of these 1,607 bills, 90 passed through both chambers of the Legislature and were signed by the Governor.

Of the 1,607 bills posted, 18 of these bills were related to ADG. Of these 18 bills, one was passed and signed into law. This bill was SB1275 (DEPARTMENT OF GAMING; CONTINUATION). SB1275 amended the statutory life of the Department of Gaming by extending it six years to July 1, 2026 (ADG’s statutory life was set to expire on July 1, 2020).

Due in part to the COVID-19 pandemic, Arizona’s 2020 legislative session had a significant reduction of passed bills when compared to previous years.



# Office of Administration

With oversight from the Director, the ADG Office of Administration establishes the objectives and structure of the agency and, through the Deputy and Assistant Directors, leads its day-to-day operations. The Office of Administration oversees General Services, Finance, Legal Affairs, and Communications.



## General Services

Strives to serve employees and stakeholders with urgency, fairness, kindness, and continuous improvement. General Services includes include Human Resources, Information Technology, and Reception. Forward-thinking and employee engagement-minded, General Services uses problem solving and new technology to make ADG the best place to work in Arizona. Significant wins achieved in FY2020 include:

- Ensured Department Staff had telwork capabilities to successfully work from home.
- Assisted in implementing the revamped ADG website
- Created an internal approval process through google forms
- Completed a technological security risk assessment



## Finance

Is responsible for the financial planning and administration of ADG’s monies. Finance is comprised of budget, disbursements, accounts receivable, payroll, procurement, and facilities.



## Legal Affairs

Acts as in-house counsel on all legal matters and regularly works with the assigned Attorney General’s Office attorney in the areas of administrative law, policy and rule formulation, public records law, and gaming law. Legal Affairs also delivers in-house training to ADG staff regarding Arizona Tribal-State Gaming Compact compliance and public records. In FY2020, Legal Affairs fulfilled approximately 100 public records requests and took final steps to convert all ADG records to electronic format.



## Communications

Serves as the bridge between ADG and the Arizona State Legislature, the news media, and community at-large. Communications enhances public awareness and provides useful and timely information to support ADG’s goals and foster respect for all. In FY2020, staff provided hundreds of Arizona residents and visitors with answers and resources relating to Tribal gaming, charitable gambling, problem gambling, unarmed combat sports, racing, and pari-mutuel and simulcast wagering.

# 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 Tribes is substantially identical, lasts for 10 years, and can be renewed for another decade and an additional three-year term. The Compact is also 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).

**Regulated Tribal Casinos  
& Locations**

**Tribal Contributions**

**Audit**

**Machine Compliance**

**Games & Systems**

**Intelligence**

**State Certifications**

**Inspections & Investigations**

**Funding & Budget**

# Tribal Gaming






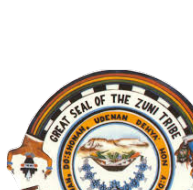
# Regulated Tribal Casinos & Locations

## COMPACTED TRIBES WITH CASINOS

-  **Ak-Chin Indian Community**
  - Harrah's Ak-Chin Casino
-  **Cocopah Indian Tribe**
  - Cocopah Casino
-  **Colorado River Indian Tribes**
  - Blue Water Casino
-  **Fort McDowell Yavapai Nation**
  - Fort McDowell Gaming Center
-  **Fort Mojave Indian Tribe**
  - Spirit Mountain Casino
-  **Gila River Indian Community**
  - Wild Horse Pass, Vee Quiva & Lone Butte Casinos
-  **Navajo Nation**
  - Twin Arrows Casino
-  **Pascua Yaqui Tribe of Arizona**
  - Casino of the Sun
  - Casino Del Sol

-  **Quechan Indian Tribe**
  - Paradise Casino
-  **Salt River Pima-Maricopa Indian Community**
  - Casino Arizona
  - Talking Stick Resort
-  **San Carlos Apache Tribe**
  - Apache Gold Casino
  - Apache Sky Casino
-  **Tohono O'odham Nation**
  - Desert Diamond Casinos (Tucson, Sahaurita, West Valley & Why)
-  **Tonto Apache Tribe**
  - Mazatzal Casino
-  **White Mountain Apache Tribe**
  - Hon Dah Casino
-  **Yavapai-Apache Nation**
  - Cliff Castle Casino
-  **Yavapai-Prescott Indian Tribe**
  - Yavapai Gaming Center
  - Bucky's Casino

## COMPACTED TRIBES WITHOUT CASINOS

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

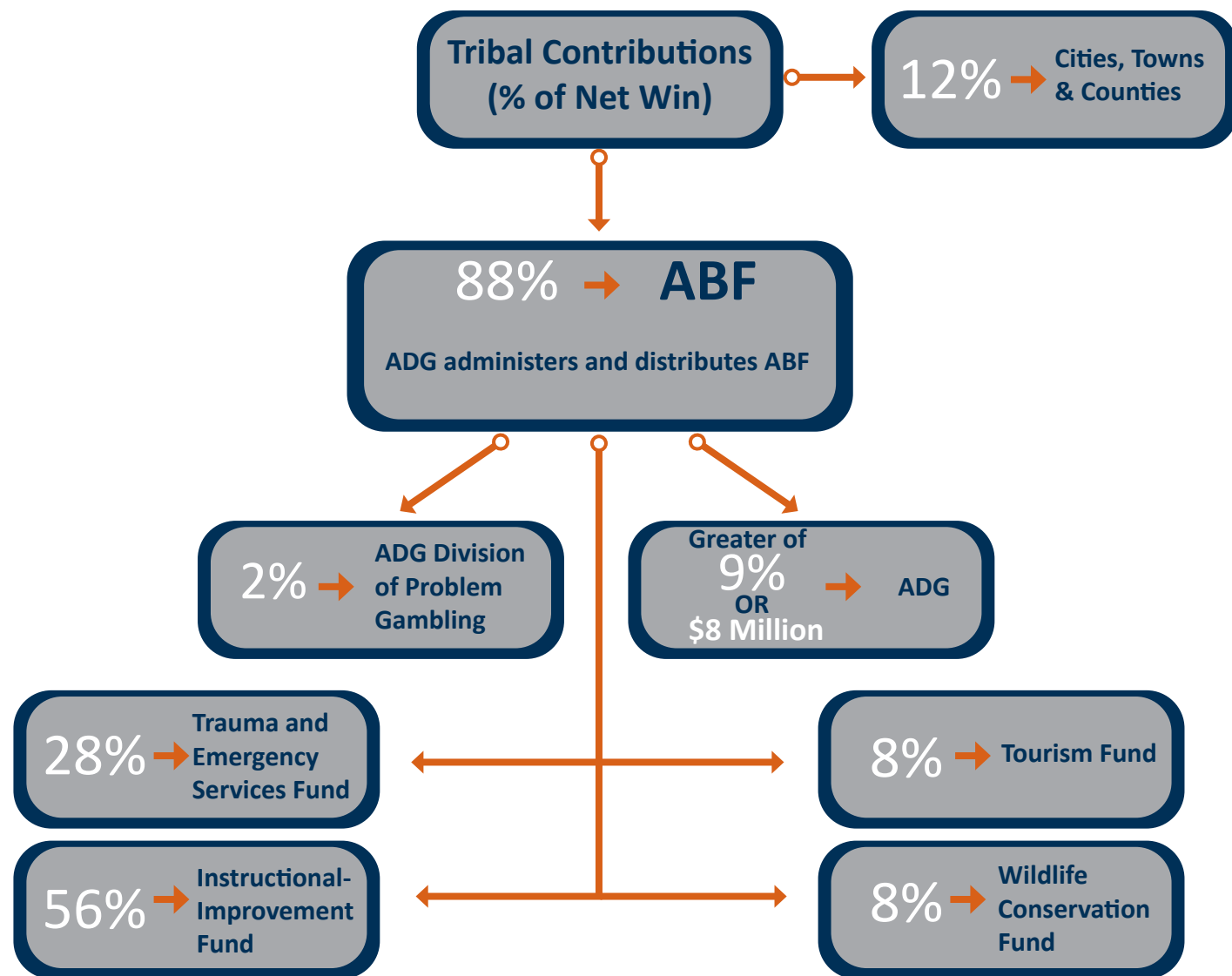


\*Locations in yellow denote a compacted Tribe without a casino.

# Tribal Gaming

## Tribal Contributions

Under the Arizona Tribal-State Gaming Compacts, Tribes that operate casinos contribute 1 to 8 percent of their Class III Net Win<sup>1</sup> on a quarterly basis to education, healthcare, and other programs that benefit Arizonans. Administered by ADG, 88 percent of a Tribe's total annual gaming contribution is paid to the Arizona Benefits Fund<sup>2</sup> (ABF), with the remaining 12 percent distributed by the Tribes directly to cities, towns and counties in Arizona. In addition to funding ADG's administrative, regulatory, and law enforcement activities, 2 percent of the Tribal contributions distributed to ABF are dedicated and used for problem gambling education and treatment programs.



<sup>1</sup> Class III Net Win is the difference between gaming wins and losses before deducting casino operating costs. Contributions are determined on a sliding scale based on the amount of the Tribe's year-to-date Class III Net Win.  
<sup>2</sup> A.R.S. § 5-601.02(H)(4)

# Tribal Gaming

### Instructional Improvement Fund

Established by A.R.S. § 15-979 for use by school districts for classroom size reduction, teacher salary increases, dropout prevention programs, and instructional improvement programs.



### Trauma & Emergency Services Fund

Established by A.R.S. § 36-2903.07 for reimbursement to Arizona hospitals for unrecovered trauma center readiness costs and unrecovered emergency services costs.



### Arizona Wildlife Conservation Fund

Established by A.R.S. § 17-299 for the conservation, enhancement, and restoration of Arizona's diverse wildlife resources and habitats for present and future generations.

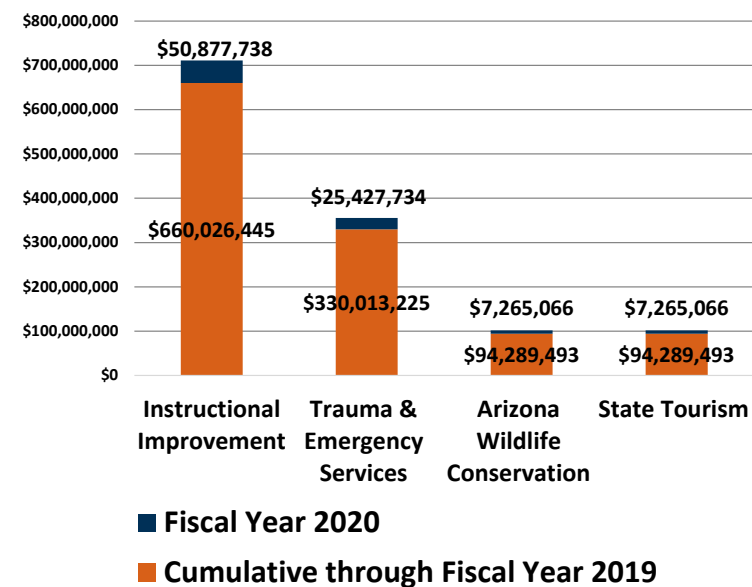


### State Tourism Fund

Established by A.R.S. § 41-2306 to solely promote tourism within the State of Arizona.



Tribal Contributions to Key Arizona Benefits Fund Beneficiaries



Cumulative Tribal Contributions to ABF through Fiscal Year 2020: **\$1,437,580,245**

Fiscal Year 2020 Tribal Contributions to ABF: **\$102,037,453**

[See Appendix B – Annual Report of Tribal Contributions]



# Tribal Gaming



## Audit

ADG conducts annual on-site financial and procedural reviews of regulated casinos in Arizona to verify compliance with the Compact and its appendices. To ensure fairness of authorized gaming activities, an ADG Compact compliance review team checks hundreds of items ranging from validating gaming revenues and cash handling procedures, to video surveillance, to casino promotions. ADG audits casino books and records, electronic accounting and monitoring systems, and casino minimum internal control standards and procedures.

- Review
- Tribal Contributions
- Compact Compliance
- Internal Controls
- External Auditor Workpapers
- Transfer Agreements
- Track and Monitor Compact Violations

### Tracking

**ADG tracks the flow of money from the casino floor all the way to financial reports, including verifying timely and accurate payment of Tribal contributions to the State.**



## Machine Compliance

ADG Machine Compliance technicians are committed to ensuring the integrity of gaming devices and accurate payouts for casino patrons, 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 Compacts, a maximum of 20,500 slot machines are allowed in the State, including Transfer Agreements (Tribes with Compacts may transfer their slot machines to other recognized Tribes, allowing those that do not have casinos, or are located in remote areas, to receive gaming revenue). *[See Appendix C – Status of Tribal Gaming]*

**The Work** Prior to a gaming device being placed into service, ADG technicians test and verify device hardware, software, and configuration to support the certification issued by an independent testing lab.

After the machines are in play, ADG randomly inspects gaming devices on a prescribed basis to ensure they continue to perform according to manufacturer specifications and comply with strict regulatory standards set forth in the Compact.

ADG technicians also certify gaming device modifications, conduct random inspections of existing gaming devices, and verify kiosks and electronic monitoring systems for compliance.

- Results
- 6,978 Certifications
- 530 Casino Visits
- 88 Random Inspections

# Tribal Gaming

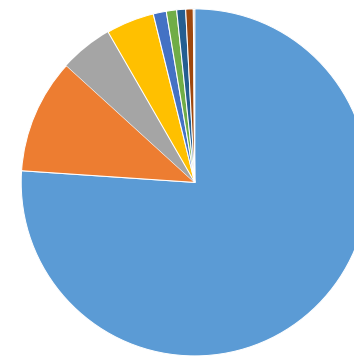


## Games & Systems

To ensure that card 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 Appendix C – Status of Tribal Gaming]*

- Review & Approve
- New Poker & Table Games
- Existing Game Revisions
- Lotteries
- Promotions
- Tournaments
- Emerging Gaming Technology

**Fiscal Year 2020 Approved Tribal Submissions**



Promotions/Lotteries	1189
Jackpot Poker Tournaments	167
New/Revised Blackjack	77
Slot Tournament	70
New/Revised House Banked Poker	19
Blackjack Tournaments	15
New/Revised Jackpot Poker	13
Keno Tournaments	11
House-Banked Poker Tournaments	2



## 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, as requested. ADG Intel also tracks suspicious currency, suspected gambling cheats, and persons excluded from casinos for criminal conduct.

- Results
- 259 Various Operations
- 115 Gambling Inquiries
- 78 Opened Illegal Gambling Investigations
- 47 Closed Illegal Gambling Investigations
- 6 Investigations Ending in Criminal Charges

- Seized
- \$16,786 Illegal Gambling Proceeds
- 52 Slot Machines
- 8 Illegal Gaming Kiosks
- 6 Computers
- 4 Firearms
- 2 Dragon Gambling Machines

# Tribal Gaming

## 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.



- The Work**
- Personal/Criminal Background Checks
  - Fingerprints
  - Credit History Reports
  - Financial Background Screening
  - Work History

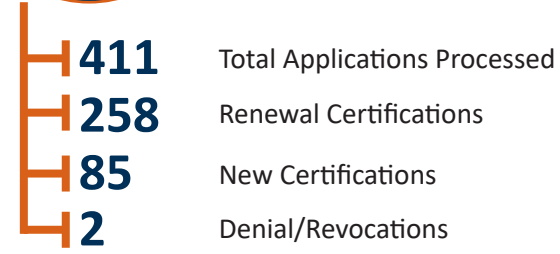
- Review**
- Any Criminal Cases or Civil Litigations
  - Education
  - Personal and Professional References
  - Tax Records

### Cross-Jurisdictional Collaboration

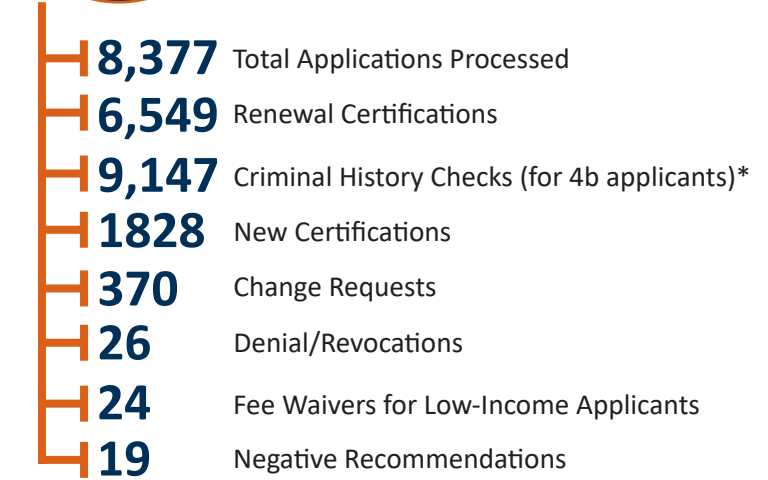
ADG State Certification teams also process requests for information from gaming regulators across the nation and provide no-cost training to Tribal counterparts in the areas of background and financial investigations, interviewing techniques, and fingerprinting.

# Tribal Gaming

## Vendor Results

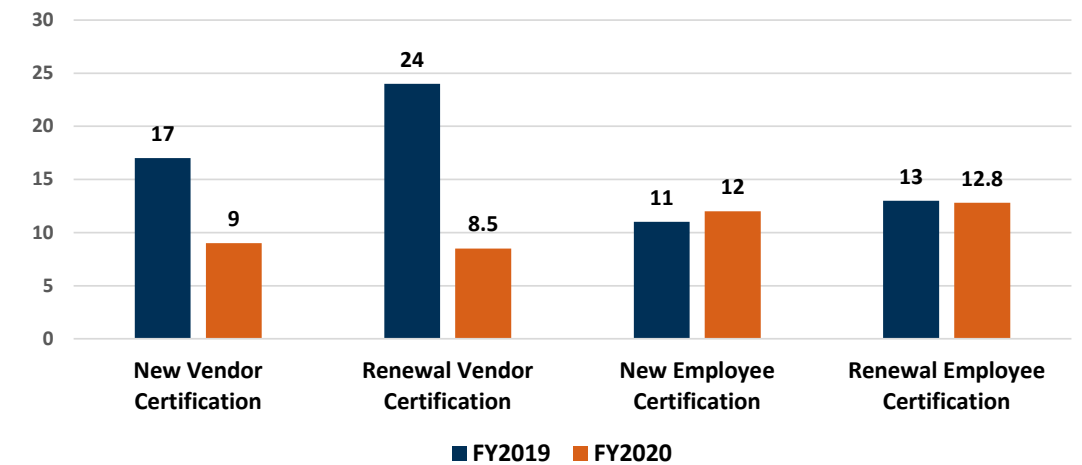


## Employee Results



\*Any Gaming Employee or Tribal Gaming Office Employee that is not an Enrolled Tribal Member is required to be certified by ADG.

### Average State Certification Times:



### Faster Certifications

For the thousands of active and prospective Tribal casino employees and vendors, ADG continued to issue required state certifications faster and with less regulatory burden and cost. In FY2020, ADG significantly reduced certification times for new and renewal vendor applicants, and, for new employee certifications, achieved an all-time-low of eight days.

# Tribal Gaming

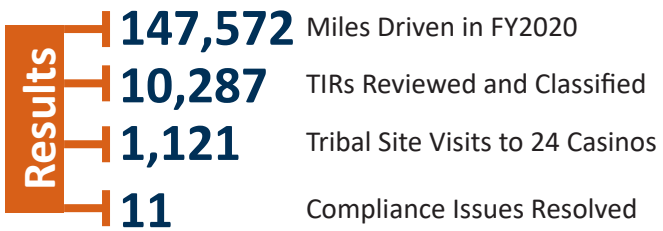


## Inspections & Investigations

The ADG Investigations & Inspections (I & I) team monitors Compact compliance and helps ensure issues are addressed in a timely fashion by conducting daily on-site inspections of casino operations and investigating suspected Compact violations and non-compliance issues. The ADG I & I team also reviews Tribal Incident Reports (TIRs) to readily identify areas of concern and jointly work with Tribal regulators to prevent issues from becoming widespread.

Comprised of Arizona Police Officers Standards & Training (AZPOST) certified Special Agents with extensive law enforcement knowledge and experience, the ADG I & I team's on-site presence at casinos increases public confidence in the integrity of Arizona gaming, ensures ADG is proactive in its regulatory obligations, and supports positive relations with Tribal gaming regulatory counterparts.

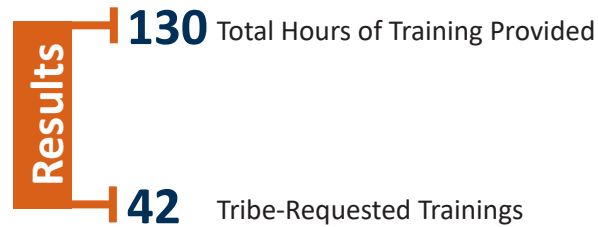
ADG I & I Special Agents also provide ongoing assistance to the ADG Intelligence team by serving search warrants, gathering evidence, conducting investigative interviews, and act as a liaison between Arizona casinos and law enforcement agencies in conducting criminal investigations.



## I & I Trainings

While not required by the Compact, ADG I & I Special Agents provide free training sessions to Tribal partners on more than 20 topics taught by subject matter experts from ADG, the gaming industry, and law enforcement, when requested. 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. Training participants include Tribal regulators, gaming facility operators, other law enforcement jurisdictions, and the community.

The ADG I & I team also provides training sessions in conjunction with Arizona Tribal Gaming Regulators Alliance (ATGRA) events, 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, the ADG I & I team continues to expand its training offerings and provides more training sessions on more topics each year.



# Tribal Gaming

## 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 2020 Revenue	Regulation	Certification
<b>Total Revenue</b>	<b>\$9,176,264</b>	<b>\$1,595,200</b>

Fiscal Year 2020 Expenditures	Regulation	Certification
Personal Services	4,135,239	1,296,221
Employee-Related Expenditures	1,509,555	547,462
Professional & Outside Services	892,341	11,456
In-State Travel	208,332	6,258
Out-of-State Travel	25,389	6,106
Other Operating Expenses	1,080,001	224,659
Equipment	113,492	1,371
Transfers	72,709	0
<b>Total Expenditures</b>	<b>\$8,037,058</b>	<b>\$2,093,533</b>

# Problem Gambling

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 10 years.



# Problem Gambling



## Prevention, Education & Outreach

FY2020 was a landmark year for DPG:

- Results**
- Arizona Governor Doug Ducey again recognized March as Arizona Problem Gambling Awareness Month.
  - After creating the State's first ever Problem Gambling Prevention Grant Program targeting at-risk youth, 90% of youth had improved assessment scores after completing problem gambling prevention curriculum.
  - Held 14th Annual Symposium on Problem Gambling: *"Problem Gambling: The Hidden Addiction."* This year, DPG increased its reach to additional external stakeholders such as other state agencies and behavioral health entities in the private sector. This not only strengthened DPG's resource network, it also increased symposium attendance 68%.



## Self-Exclusion

DPG Self-Exclusion staff work with gaming facilities on a daily basis to update the patron self-exclusion list.

- Results**
- 9,271** Total Enrolled Since Program Inception
  - 2,423** Active Self-Exclusions
  - 471** Enrolled in FY2020

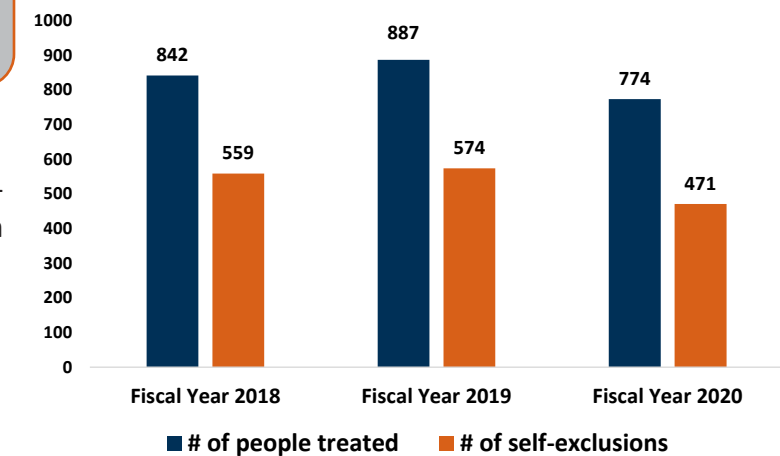


## Treatment

DPG coordinates training of licensed counselors in Arizona, who work under contract to treat individuals with gambling-related issues. In FY2020 DPG:

- Results**
- \$1,076,177** Directly Towards Treatment
  - 2** Clinical Provider Trainings

## Treatment and Self-Exclusions



# Problem Gambling

## 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 2020 Revenue

Arizona Benefits Fund	2,044,788
Lottery Contribution	300,000
<b>Total Revenue</b>	<b>\$2,344,788</b>

### Fiscal Year 2020 Expenditures

Personal Services	236,565
Employee-Related Expenditures	86,422
Professional & Outside Services	57,532
In-State Travel	2,028
Out-of-State Travel	4,576
Treatment Providers	1,113,814
Other Operating Expenses	293,283
Equipment	1,457
Transfers	21,925
<b>Total Expenditures</b>	<b>\$1,817,602</b>

# 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, 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.



# Racing



## Regulatory Overview

To enforce laws and regulations and protect racing participants and the wagering public, ADG regulates and supervises all commercial and county live horse race meets, simulcast dog racing, and on- and off-track pari-mutuel wagering. Regulatory activities include: issuing permits and licenses and conducting background investigations, conducting licensing hearings and associated investigations, performing equine pre- and post-race testing, inspecting off-track betting sites, and collecting tax revenues.

### Live Commercial Horse Race Meets

- Turf Paradise (10/2019 - 05/2020)\*
- Rillito Park (02/2020 - 03/2020)\*
- Arizona Downs (05/2020 - 09/2020)\*\*

### Live County Horse Race Meets

- Santa Cruz County (05/2020)\*\*
- Cochise County (05/2020)\*\*

### Simulcast Dog Race Meets

- American Greyhound Racing (07/2019 - 06/2020)
- Tucson Greyhound Park (07/2019 - 06/2020)

\*Live racing meet cancelled March 14 due to COVID-19  
 \*\*Live racing meet entirely cancelled due to COVID-19

### Off-Track Betting

At any given time, approximately 60 Off-Track Betting (OTB) sites operate statewide. Typically located in bars and restaurants, OTBs offer patrons an opportunity to wager on both dog and horse racing simulcasts. Additionally, three advanced deposit wagering permittees (see page 31) were authorized to provide horse racing telephone wagers.



## Racing Commissioners



Rory Goreé, Chairman of the Racing Commission, has been heavily involved in the Greyhound racing industry, focusing on greyhound adoption. He has spoken at greyhound adoption events and university, veterinarian, and racing symposiums across the country.



Chuck Coolidge, Vice President for Corporate Affairs for VieMed Healthcare, has 16 years of corporate and political experience. Chuck also currently serves as the Vice President of the Phoenix Art Museum's Mens Art Council Board & Copperstate Overland Chairman.



Jana Propher has worked with and owned horses for 30 years. She has ridden in limited distance endurance and competitive trails, worked with a therapeutic riding company, and as a mounted safety officer. She also enjoys rehabilitating and training horse so they may have a better life.



Holly Hover is the manager and trainer of Holly Hover Performance Horses in Cave Creek, Arizona. Specializing in the preparation of youth and amateur competitors, her program has yielded over 20 World and Reserve World Championship Titles.

# Racing



## 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, and 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.

### Racing Permits

	Issued	Renewed	Pending
Fiscal Year 2019	4	2	3
Fiscal Year 2020	1	1	3



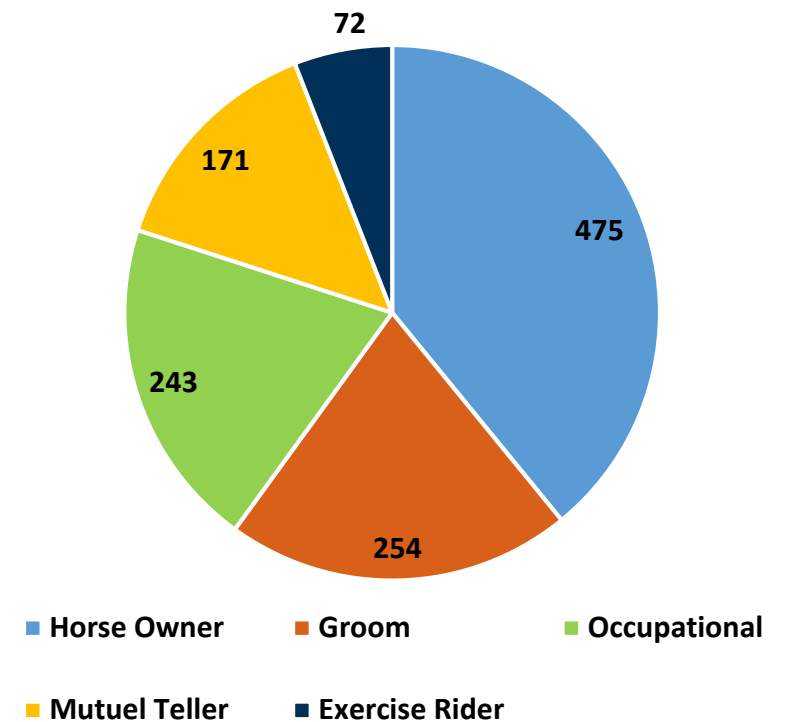
## Licensing

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

### Racing Licenses

	Issued	Denied	Total Revenue
Fiscal Year 2019	2,629	31	\$240,386
Fiscal Year 2020	1,769	16	\$133,275

### Top Five Racing License Categories



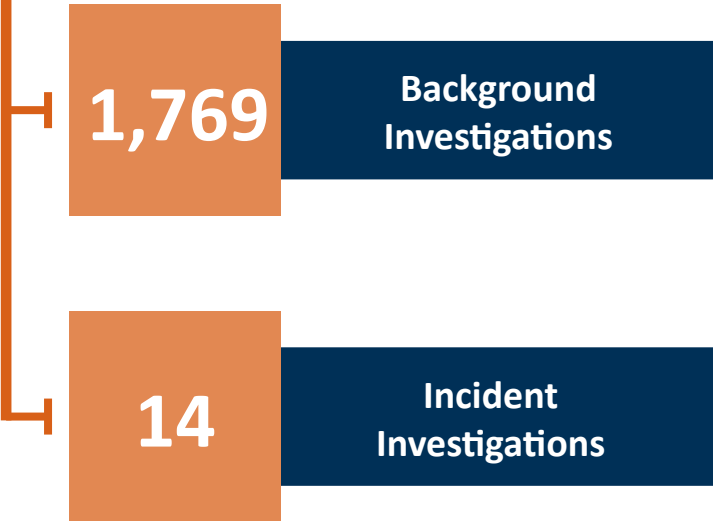
ADG's Racing Division issues 36 types of licenses, ranging from horse owners to track officials – 70 percent of FY2020 licenses fall into one of the “Top Five Categories” presented in the chart to the right.

# Racing



## 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. FY2020 figures reflect the total number of investigations conducted for incident and background investigations, which include processing of fingerprints and any resulting false applications.



## 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.

Stewards' Rulings	Issued	Total Revenue
Fiscal Year 2019	153	\$35,700
Fiscal Year 2020	169	\$56,200

Monies generated from penalties to licensees and permittees for various rule infractions are transferred to the General Fund.

# Racing



## Equine Wellness & Injury Prevention

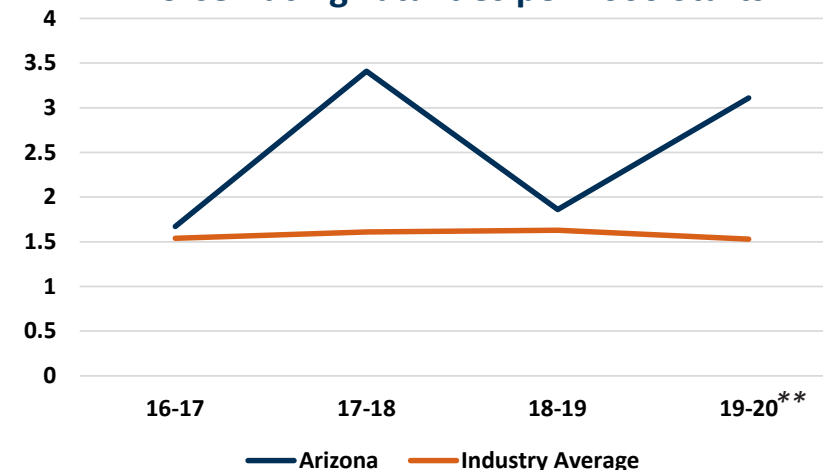
The safety of human and equine athletes is a top priority for ADG. In response to a sharp increase in equine fatalities over the last three years, ADG initiated an ongoing collaborative effort with Arizona's horse racing permittees and industry stakeholders to proactively address this issue. This collaboration 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 several times in FY 2020 to monitor and strategize the collaborative efforts to combat the growing trend of catastrophic injuries at Arizona racetracks. monthly to review the latest injury prevention strategies. Moving forward, this Equine Wellness Committee has developed the following recommended protocols:

### Recommendations

- Proactive in identifying horses at risk of injury following entries;
- Improve pre-race exam process by 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; and
- Change Veterinarian's List procedures to include zero tolerance for any analgesic substances in horses needed to work off a Vet list.

Horse Racing Fatalities per 1000 Starts\*



\*Arizona fatality data account for Thoroughbreds and Quarterhorses, whereas the National average is based solely on Thoroughbred data.

\*\*The 2019-2020 racing season ended early due to the COVID-19 pandemic

ADG and industry participants are committed to further lowering this number as new strategies and injury prevention methodologies are implemented.

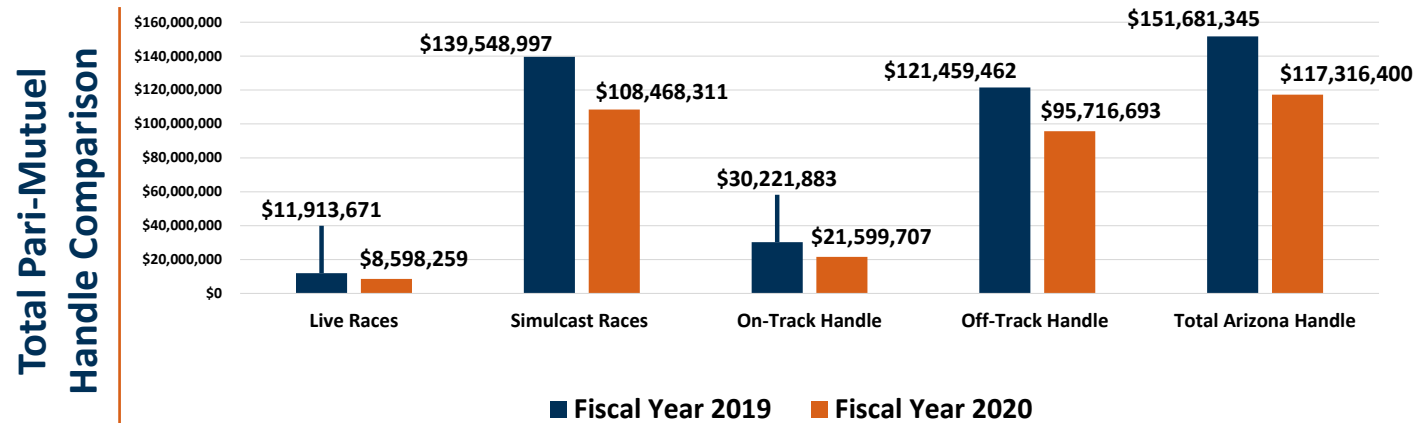
# Racing



## Pari-Mutuel Handle

[View pari-mutuel source data at Appendix D of this report.]

Arizona Pari-Mutuel Handle	Advanced Deposit Wagering	Commercial Horse	Commercial Dog	County Fair	Fiscal Year 2020	Fiscal Year 2019
<b>Handle By Source</b>						
Live Races	359,164	7,699,950	-	539,145	8,598,259	11,913,671
Simulcast Races	18,983,093	74,487,536	13,525,998	1,471,684	108,468,311	139,548,997
Teletracking	-	249,831	-	-	249,831	218,677
<b>Total Pari-Mutuel Handle</b>	<b>\$19,342,257</b>	<b>\$82,437,317</b>	<b>\$13,525,998</b>	<b>\$2,010,829</b>	<b>\$117,316,400</b>	<b>\$151,681,345</b>
<b>Handle By Location</b>						
On-Track	-	17,185,869	3,721,715	692,123	21,599,708	30,221,883
Off-Track	19,342,257	65,251,448	9,804,282	1,318,706	95,716,693	121,459,462
<b>Total Pari-Mutuel Handle</b>	<b>\$19,342,257</b>	<b>\$82,437,317</b>	<b>\$13,525,998</b>	<b>\$2,010,829</b>	<b>\$117,316,400</b>	<b>\$151,681,345</b>



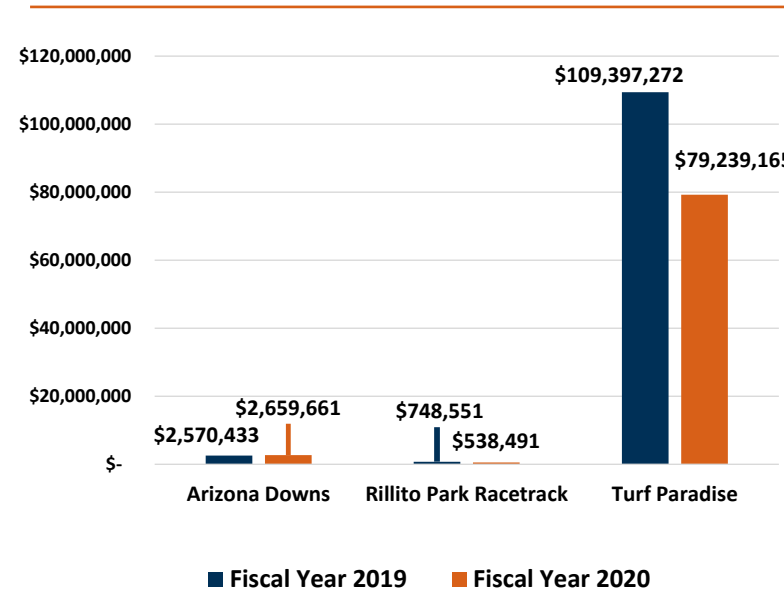
# Racing

## Commercial Horse Tracks

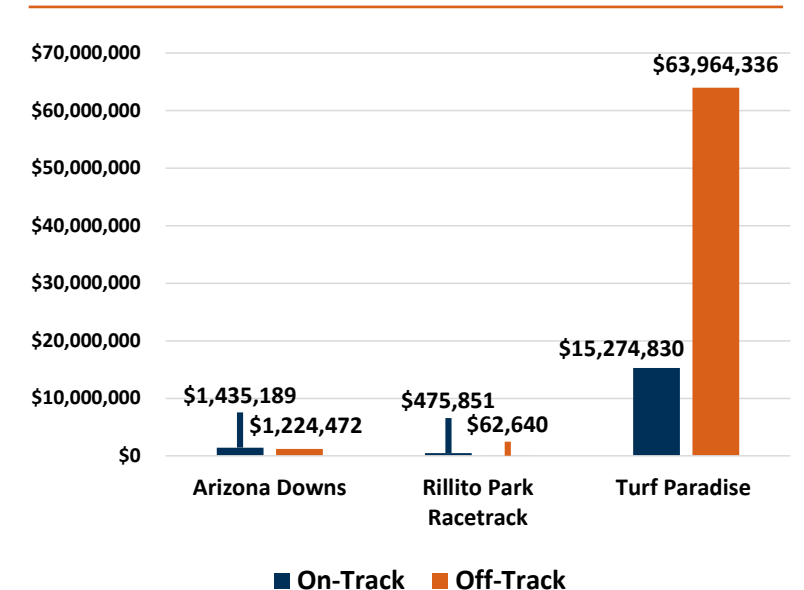
Arizona Pari-Mutuel Handle	Arizona Downs	Rillito Park Racetrack	Turf Paradise	Fiscal Year 2020	Fiscal Year 2019
<b>Handle By Source</b>					
Live Races	469,748	503,488	6,726,714	7,699,950	9,979,216
Simulcast Races	2,143,522	35,003	72,309,011	74,487,536	102,518,364
Teletracking	46,391	-	203,440	249,831	218,677
<b>Total Pari-Mutuel Handle</b>	<b>\$2,659,661</b>	<b>\$538,491</b>	<b>\$79,239,165</b>	<b>\$82,437,317</b>	<b>\$112,716,257</b>
<b>Handle By Location</b>					
On-Track	1,435,189	475,851	15,274,830	17,185,869	23,569,495
Off-Track	1,224,472	62,640	63,964,336	65,251,448	89,146,762
<b>Total Pari-Mutuel Handle</b>	<b>\$2,659,661</b>	<b>\$538,491</b>	<b>\$79,239,165</b>	<b>\$82,437,317</b>	<b>\$112,716,257</b>

## Commercial Horse Tracks: Handle Comparison

### Fiscal Year 2019-2020



### On-Track/Off-Track





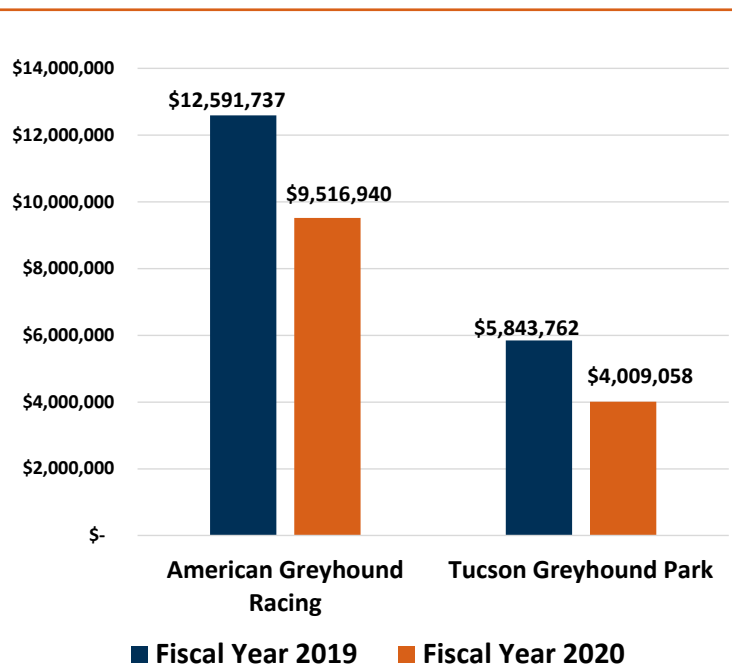
# Racing

## Commercial Greyhound

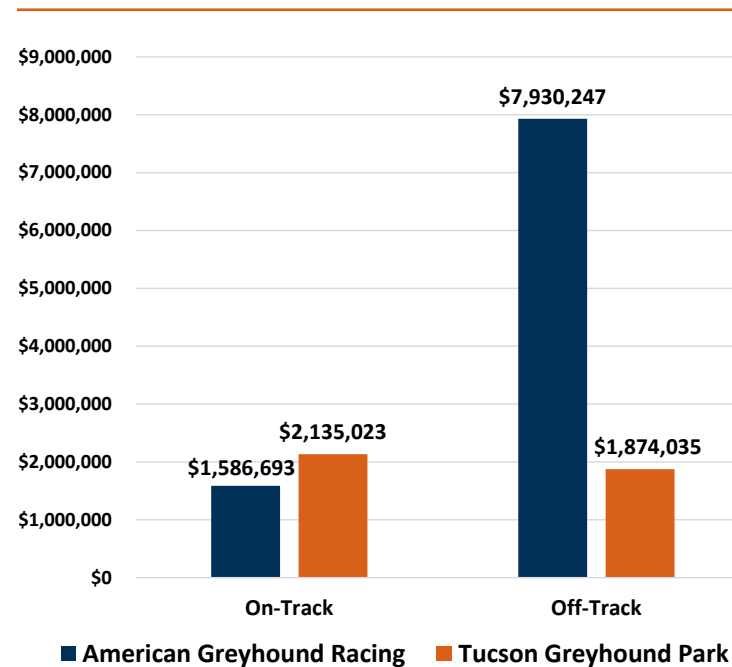
Arizona Pari-Mutuel Handle	American Greyhound Racing	Tucson Greyhound Park	Fiscal Year 2020	Fiscal Year 2019
<b>Handle By Source</b>				
Simulcast Races	9,516,940	4,009,058	13,525,998	18,435,500
<b>Total Pari-Mutuel Handle</b>	<b>\$9,516,940</b>	<b>\$4,009,058</b>	<b>\$13,525,998</b>	<b>\$18,435,500</b>
<b>Handle By Location</b>				
On-Track	1,586,693	2,135,023	3,721,715	4,484,245
Off-Track	7,930,247	1,874,035	9,804,282	13,951,255
<b>Total Pari-Mutuel Handle</b>	<b>\$9,516,940</b>	<b>\$4,009,058</b>	<b>\$13,525,997</b>	<b>\$18,435,500</b>

## Commercial Greyhound: Handle Comparison

Fiscal Year 2019-2020



On-Track/Off-Track



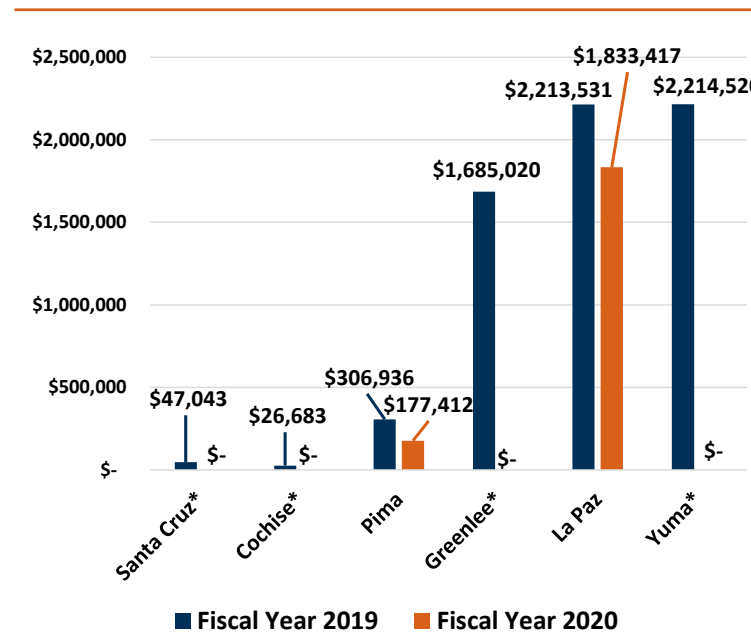
# Racing

## County Fair Races

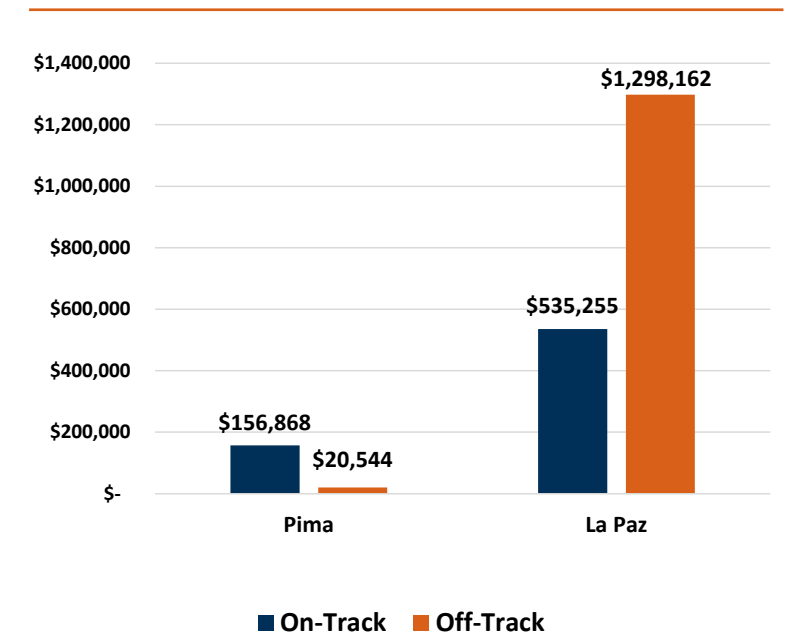
Arizona Pari-Mutuel Handle	Santa Cruz County Fair and Rodeo Assoc.*	Cochise County Fair Assoc.*	Pima County Horse Racing Commission	Greenlee County Fair*	La Paz County Fair Assoc.	Yuma County Fair Assoc.*	Fiscal Year 2020	Fiscal Year 2019
<b>Handle By Source</b>								
Live Races	-	-	169,227	-	369,918	-	539,145	1,445,592
Simulcast Races	-	-	8,185	-	1,463,499	-	1,471,684	5,048,141
<b>Total Pari-Mutuel Handle</b>	<b>-</b>	<b>-</b>	<b>\$177,412</b>	<b>-</b>	<b>\$1,833,417</b>	<b>-</b>	<b>\$2,010,829</b>	<b>\$6,493,733</b>
<b>Handle By Location</b>								
On-Track	-	-	156,868	-	535,255	-	692,123	2,168,144
Off-Track	-	-	20,544	-	1,298,162	-	1,318,706	4,325,589
<b>Total Pari-Mutuel Handle</b>	<b>-</b>	<b>-</b>	<b>\$177,412</b>	<b>-</b>	<b>\$1,833,417</b>	<b>-</b>	<b>\$2,010,829</b>	<b>\$6,493,733</b>

## County Fair Races: Handle Comparison

Fiscal Year 2019-2020



On-Track/Off-Track



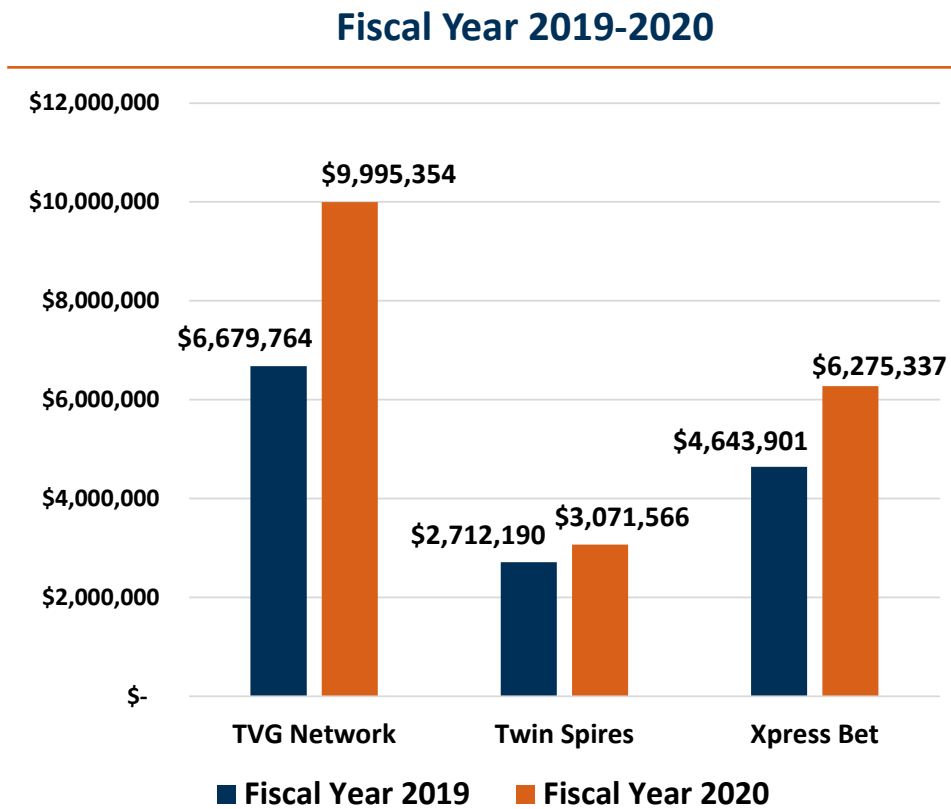
\*Santa Cruz, Cochise, Greenlee and Yuma did not run in FY2020 due to the COVID-19 pandemic.

# Racing

## Advanced Deposit Wagering Providers

Arizona Pari-Mutuel Handle	TVG Network	Twin Spires	Xpressbet	Fiscal Year 2020	Fiscal Year 2019
<b>Handle By Source</b>					
Live Races	186,020	41,266	131,878	359,164	488,863
Simulcast Races	9,809,334	3,030,300	6,143,459	18,983,093	13,546,993
<b>Total Pari-Mutuel Handle</b>	<b>\$9,995,354</b>	<b>\$3,071,566</b>	<b>\$6,275,337</b>	<b>\$19,342,257</b>	<b>\$14,926,756</b>

## Advanced Deposit Wagering: Handle Comparison



**Advanced Deposit Wagering (ADW) is a system of betting where bettors are required to deposit monies into an account prior to placing a wager. In Arizona, ADW only is permitted via telephone.**

# Racing



## 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 and greyhound racing tracks. To offset 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 6/30/2020)	Fiscal Year 2020 Hardship Used or Transferred	Balance of Hardship Tax Credit (as of 6/30/19)
Turf Paradise	-	-	\$14,564
Rillito Racetrack	\$272,947	\$10,171	\$262,776

## Capital Improvement Funds

In FY2020, 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 2020	Fiscal Year 2019
Total Handle for RWA	\$19,342,257	\$207,858,511	\$13,525,998	\$6,548,896	\$247,275,662	\$291,744,438*
RWA	\$96,711	\$1,039,292	\$67,630	\$32,744	\$1,236,377	\$1,455,916
Total Handle for State Taxes	\$359,164	\$7,866,818	-	\$539,145	\$8,765,126	\$12,132,348*
Gross 2% Pari-Mutuel Live State Tax	\$7,183	\$157,337	-	\$10,783	\$175,303	\$242,683

\*The total handle for RWA and State Taxes was not reconciled in FY2019 due to changes in auditing procedures

# Racing

## Funding & Budget

FY2020 appropriation:

- \$1,901,100 operating budget;
- \$250,000 earmarked for Breeder's Awards; and
- \$1,779,500 pass through to the County Fairs Livestock and Agriculture Promotion Fund, administered by the Governor's Office.

The following table presents projected expenditures for FY2020, and actual expenditures for the three preceding fiscal years.

Operating Budget	Actual Expenditures			Expend. Plan Fiscal Year 2021
	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	
Personal Services	706,600	859,635	893,232	1,158,500
Employee-Related Expenses	231,300	304,047	327,236	464,000
Professional & Outside Services	216,500	256,813	253,737	290,000
Travel - In-State	12,100	24,352	38,908	37,500
Travel - Out-of-State	5,300	11,398	6,528	6,000
Other Operating Expenditures	341,100	83,270	69,249	245,000
Equipment	3,000	489	2,903	15,000
Transfer Out	-	337,500	250,000	250,000
<b>Operating Budget Subtotal</b>	<b>\$1,515,900</b>	<b>\$1,877,502</b>	<b>\$1,841,793</b>	<b>\$2,466,000</b>
Special Line Items	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Expend. Plan Fiscal Year 2021
Arizona Breeder's Award	250,000	250,000	250,000	250,000
County Fairs Livestock and Agriculture Promotion	1,779,500	1,779,500	2,509,500	2,509,500
<b>Special Line Item Subtotal</b>	<b>\$2,029,500</b>	<b>\$2,029,500</b>	<b>\$2,759,500</b>	<b>\$2,759,500</b>
<b>Agency Total</b>	<b>\$3,545,500</b>	<b>\$3,907,002</b>	<b>\$4,601,293</b>	<b>\$5,225,500</b>
Fund Sources	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Expend. Plan Fiscal Year 2021
General Fund	1,779,500	1,779,500	2,509,500	2,509,500
Racing Regulation Fund	1,765,900	2,127,502	1,841,793	2,466,000
Breeders Award Fund	250,000	250,000	250,000	250,000
<b>Agency Total</b>	<b>\$3,545,500</b>	<b>\$3,907,002</b>	<b>\$4,601,293</b>	<b>\$5,225,500</b>

# Racing

## Funding & Budget

Employee Statistics	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Expend. Plan Fiscal Year 2021
Full-Time Equivalent (FTE) - Avg.	13.4	10	10	10
Part-Time - Avg.	-	-	-	-
Temporary/Seasonal - Avg.	2	-	-	-
Contracted	5	9	7	7

### 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.

# Boxing & Mixed Martial Arts

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.

## Focus & Wins

## Results

## Funding & Budget

# Boxing & Mixed Martial Arts

## Focus & Wins

To support improved fighter safety, effective and efficient regulation, and foster and grow unarmed combat sports in Arizona, ADG focused on updating and revising policies, processes, and forms to support new rules promulgated during FY2018.

ADG received a Commendation from Governor Doug Ducey for eliminating physical identification cards for licensees and going 100 percent digital.

In FY2020, ADG Boxing & MMA created an [instagram account](#) to help better connect with fighters, fans, and other industry participants.



## Results

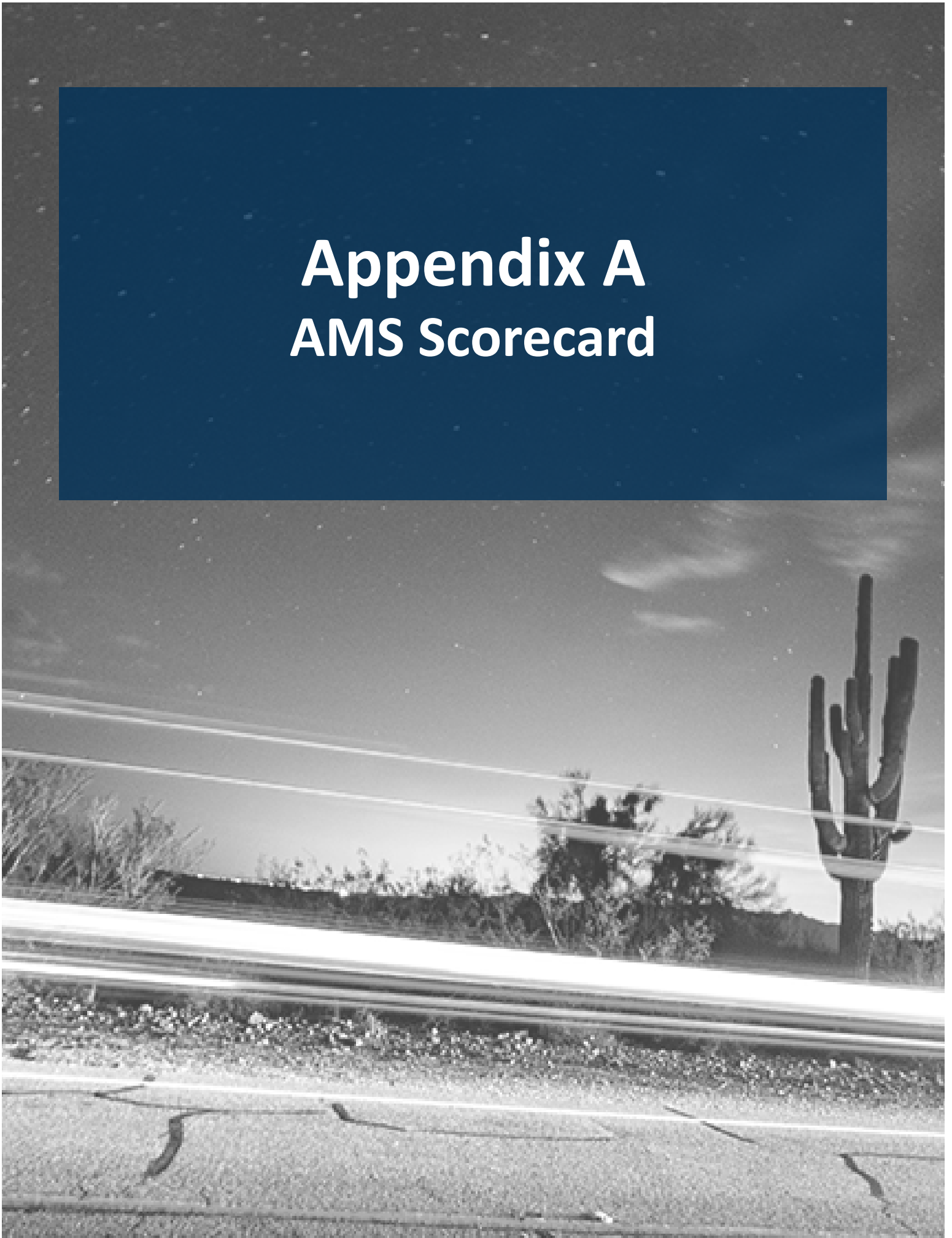
- 661 Licenses
- 14 Events
- 7 New Promoters
- 3 Events Televised
- 2 U.S./Regional Title Fights
- 1 World Title Fights

## Funding & Budget

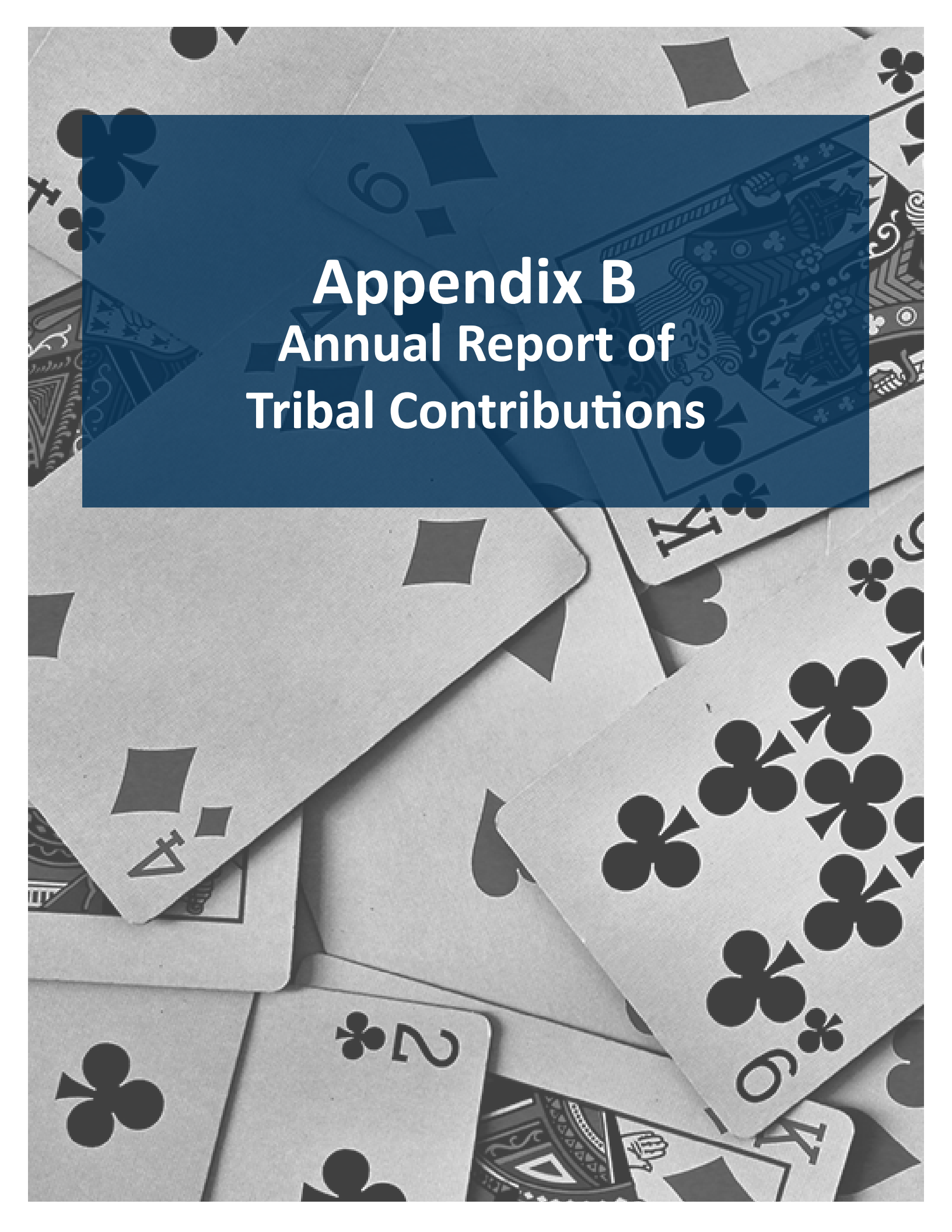
Funded by the Racing Regulation Fund, ADG Boxing & MMA contributes monies generated from event fees, tax levies, intergovernmental agreements, and associated licensing fees. Additionally, Laws 2018, Chapter 318 established the Unarmed Combat Subaccount within the Racing Regulation Fund. This subaccount helps fund Boxing & MMA and requires monies received from all sources, excluding license fees, to be deposited into the Subaccount.

# Appendix A

## AMS Scorecard



	Metric Owner		July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June
<b>Strategic Metrics</b>														
# of Race Horse Fatalities per 1000 starts (BREAKTHROUGH)9*	Greg S.	Target	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61	1.61
		Actual	1.99	1.88	1.88	2.19	2.05	2.08	1.93	2.15	2.34	2.34	2.34	2.34
# of Substance Abuse Violations at Racetracks (BREAKTHROUGH)	Mags P., Greg S.	Target	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
		Actual	3	0	1	3	2	1	8	0	0	1	0	0
% of Horses That Run That Receive a Pre-Race Exam	Greg S.	Target	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
		Actual	100%	100%	100%	100%	100%	100%	100%	100%	100%	n/a	n/a	n/a
# of Employee Ideas Submitted	Caroline O.	Target	3	3	3	3	3	3	3	3	3	3	3	3
		Actual	1	2	3	0	1	5	1	1	0	2	4	2
% of Employee Ideas Approved	Caroline O.	Target	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%	80%
		Actual	100%	100%	100%	100%	100%	92%	92%	93%	93%	94%	89%	90%
# of Errors Made/Missed by Officials per Boxing/MMA Event	Francisco M.	Target	1	1	1	1	0	1	0	1	0	0	0	0
		Actual	n/a	n/a	n/a	n/a	n/a	n/a	0.0	0.3	n/a	n/a	n/a	n/a
% of Services Online	Andrew H. & Elise M.	Target	33.3%	33.3%	38.9%	44.4%	44.4%	44.4%	44.4%	44.4%	50.0%	50.0%	50.0%	50.0%
		Actual	33.3%	33.3%	38.9%	38.9%	38.9%	38.9%	38.9%	44.4%	50.0%	50.0%	50.0%	50.0%
% of Internal Audit Developed	Kristian F., Andrew H.	Target	5%	10%	20%	20%	30%	40%	50%	60%	60%	90%	100%	100%
		Actual	5%	10%	15%	20%	25%	30%	45%	50%	55%	80%	90%	100%
% of Succession Plan Completed	Jason L.	Target	0%	20%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%
		Actual	0%	20%	30%	30%	30%	35%	35%	40%	50%	75%	85%	100%
# of Strategic Partnerships	Aiden F.	Target	NA	NA	NA	99	100	101	102	103	104	105	106	107
		Actual	NA	NA	98	99	100	100	101	101	101	102	102	102
# of Training Events	Juan G.	Target	3	3	3	3	3	3	3	3	3	3	3	3
		Actual	14	1	4	17	3	11	2	0	5	8	5	0
# of Individuals Reached/Trained	Juan G.	Target	30	30	30	30	30	30	30	30	30	30	30	30
		Actual	258	7	26	464	77	329	43	0	270	563	284	0
% of Youth With Improved Assessment Scores Post Grant Curriculum	Elise M.	Target							75.0%			75.0%		
		Actual							81.0%			90.0%		
# of Outstanding Compact Violations	Warren N.	Target	8	8	8	8	8	8	8	8	8	8	8	8
		Actual	8	6	6	6	7	7	5	6	6	6	6	5
# of Noncompliant Issues Identified by ADG	Warren N.	Target				18	18	18	18	18	18	18	18	18
		Actual	14	17	23	25	32	24	42	27	18	1	0	0
# of AMS Training Videos Published (Cumulative)	Andrew H.	Target	0	0	0	1	2	3	4	5	6	7	8	8
		Actual	0	0	0	0	0	0	0	0	0	1	2	3
# of ADG Employees Who Receive 4 Box Training (Cumulative)	Cliff H.	Target	0	0	0	17	17	17	34	34	34	50	50	50
		Actual	0	0	0	20	20	20	20	20	20	100	100	100
<b>Operational Metrics</b>														
% of Certifications/Licenses Meeting Lead Time Targets	Cliff H.	Target	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
		Actual	100%	100%	71.4%	50.0%	44.4%	100.0%	87.5%	100.0%	100.0%	100.0%	66.7%	
Class 3 Gaming Tribal Contributions	Donna C.	Actual	\$28.9M			\$29.1M			\$18.3M			\$25.4M		
% Change in Tribal Contributions from Previous Year	Donna C.	Actual	5.3%			8.3%			9.4%			-5.3%		
% Change in Class 3 Net Win from Previous Year	Donna C.	Actual	3.4%	4.9%	8.8%	6.7%	5.0%	7.5%	5.7%	6.5%	16.9%	-39.4%	-100.0%	-60.5%
<b>Statewide Reporting Metrics</b>														
AMS Implementation Score	Andrew H.	Actual			3.4			2.9			2.9			2.9
AMS Deployment %	Andrew H.	Actual			95%			95%			95%			95%
# of Agency FTE Count	Ryan R.	Max	110	110	110	110	110	110	110	110	110	110	110	110
		Actual	105	104	103	102	99	98	99	99	98	97	97	97



**Appendix B**  
**Annual Report of**  
**Tribal Contributions**



September 16, 2020

The Honorable Douglas A. Ducey  
Governor of Arizona  
1700 W. Washington, 9<sup>th</sup> Floor  
Phoenix, AZ 85007

The Honorable Karen Fann  
President of the Senate  
1700 West Washington  
Phoenix, AZ 85007

The Honorable Russell Bowers  
Speaker of the House of Representatives  
1700 West Washington  
Phoenix, AZ 85007

Dear Governor Ducey, President Fann, and Speaker Bowers:

In accordance with A.R.S. § 5-601.02(H)(1), which requires an annual report that includes “a statement of aggregate gross gaming revenue for all Indian tribes, aggregate revenues deposited in the Arizona Benefits Fund, including interest thereon, expenditures made from the Arizona Benefits Fund, and aggregate amounts contributed by all Indian tribes to cities, towns, and counties,” the Arizona Department of Gaming (“ADG”) is pleased to submit the following report on tribal contributions for Fiscal Year 2020.

### **Background**

With the passage of Proposition 202, in November 2002, and the subsequent new Tribal-State Gaming Compacts, the gaming tribes in Arizona are to make tribal contributions to the State on a quarterly basis. Those contributions are based on each tribe’s Class III Net Win<sup>1</sup>. Eighty-eight percent (88%) of a Tribe’s total annual contribution is paid to the Arizona Benefits Fund, which is administered by ADG. Pursuant to A.R.S. § 5-601.02(H)(3), monies in the Arizona Benefits Fund, including all investment earnings, are to be allocated as follows:

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<sup>1</sup> According to A.R.S. § 5-601.02(l)(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.”



1. Eight million or nine percent (9%), whichever is greater, shall be used by ADG for reimbursement of administrative and regulatory expenses.
2. Two percent (2%) of the contributions made to the Arizona Benefits Fund are to be used by ADG to fund state and local programs, for the prevention and treatment of, and education concerning, problem gambling.

In accordance with the same statute, all other monies in the Arizona Benefits Fund, including all investment earnings that are not allocated to ADG as set forth above, are to be allocated in this manner:

- Fifty-six percent (56%) to be deposited in the Instructional Improvement Fund established by A.R.S. §15-979;
- Twenty-eight percent (28%) to be deposited in the Trauma and Emergency Services Fund established by A.R.S. § 36-2903.07;
- Eight percent (8%) to be deposited in the Arizona Wildlife Conservation Fund established by A.R.S. § 17-299; and
- Eight percent (8%) to be deposited in the Tourism Fund Account established by A.R.S. § 41-2306.

ADG promptly transfers these allocated monies to each of the foregoing funds on a quarterly basis.

In addition to the monies contributed into the Arizona Benefits Fund, the Indian tribes contribute twelve percent (12%) of their total annual contributions to cities, towns, and counties, pursuant to A.R.S. § 5-601.02(H)(4).

## **Report**

The Arizona Department of Gaming reports the following for the period from July 1, 2019, to June 30, 2020:

- Aggregate Gross Gaming Revenue<sup>2 3</sup> - \$2,048,877,827
- Aggregate Revenues (Tribal contributions) deposited in the Arizona Benefits Fund, including interest thereon - \$102,037,453

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<sup>2</sup> Gross gaming revenue is the difference between gaming wins and losses, before deducting costs and expenses. A.R.S. § 5-601.02(I)(6)(b)(ii)(qq).

<sup>3</sup> Impacts to revenues due to casino closures as a result of Tribes voluntarily closing casinos to comply with Governor Ducey's "Stay Home, Stay Health, Stay Connected" Order did not effect this year's annual report. The casino closures and their estimated reduction of (Gross Gaming Revenues - \$330,000,000 and Tribal Contributions - \$17,900,000) will be reflected on the annual report for the period of July 1, 2020, to June 30, 2021. This reporting lag is a result of required reporting timelines outlined in the Tribal-State Gaming Compacts.

The Honorable Douglas A. Ducey, Governor  
The Honorable Karren Fann  
The Honorable Russell Bowers  
September 16, 2020  
Page 3 of 3

**Expenditures from the Arizona Benefits Fund are as follows:**

Problem Gambling	\$ 2,040,749
Arizona Department of Gaming	\$ 9,161,100
Instructional Improvement Fund	\$50,877,738
Trauma and Emergency Services	\$25,427,734
Arizona Wildlife Conservation Fund	\$ 7,265,066
Tourism Fund Account	<u>\$ 7,265,066</u>
Total	\$102,037,453

The aggregate amounts contributed by all Indian tribes to cities, towns, and counties are \$13,970,025.

Please let me know if you have any questions concerning this report.

Sincerely,



Ted Vogt  
Director

cc: Katie Hobbs, Secretary of State  
Holly Henley, State Librarian and Director of Library, Archives and Public Records



# Appendix C

## Status of Tribal Gaming



**ARIZONA DEPARTMENT OF GAMING**  
**STATUS OF TRIBAL GAMING IN ARIZONA AS OF 6/30/20**  
 Ted Vogt, Director

Tribe	Location	Current # Sites	Casino Name	Effective Date of Current Compact	Date First Opened	Class III Gaming Devices	Class II Gaming Devices	Blackjack Tables	House Banked Poker Tables	Poker Tables	Live Kenos	Bingo
Ak-Chin Indian Community *	Maricopa	1	Harrah's Ak-Chin Casino	2/5/03	Dec-94	825		17	7	0	Yes	Yes
Cocopah Indian Tribe	Somerton	1	Cocopah Casino	2/5/03	Nov-92	305		4	0	0	No	Yes
Colorado River Indian Tribes	Parker	1	Blue Water Casino	7/3/03	Mar-95	0		0	0	0	No	No
Ft. McDowell Yavapai Nation *	Fountain Hills	1	Ft. McDowell Casino	2/5/03	Jan-93	893		11	4	0	No	Yes
Fort Mojave Indian Tribe	Needles, CA	1	Spirit Mountain Casino	2/5/03	Apr-95	0		0	0	0	No	No
Gila River Indian Community	Sacaton	3	Gila River - Lone Butte	2/5/03	Jan-02	859		18	6	0	No	Yes
			Gila River - Vee Quiva		Dec-97	970		15	3	0	No	Yes
			Gila River - Wild Horse Pass		Nov-97	996		27	5	0	No	No
Navajo Nation	Window Rock	1	Twin Arrows Casino	2/5/03	May-13	0		0	0	0	No	No
Pascua Yaqui Tribe of Arizona *	Tucson	2	Casino del Sol	2/5/03	Oct-01	1,018		20	7	13	No	Yes
			Casino of the Sun		Mar-94	267	6	3	0	0	No	No
Pascua Yaqui - Class II Only **			Del Sol Marketplace		Jan-16	0	8	--	--	--	--	--
Quechan Indian Tribe	Yuma	1	Paradise Casino	2/5/03	Aug-96	290		0	0	0	No	Yes
Salt River-Pima Indian Community	Scottsdale	2	Casino Arizona	2/5/03	Aug-98	658		30	10	0	Yes	Yes
			Talking Stick Resort and Casino		Mar-99	639		41	10	47	Yes	No
San Carlos Apache Tribe	San Carlos	2	Apache Gold Casino	2/5/03	May-94	0		0	0	0	No	No
			Apache Sky Casino		Apr-17	0		0	0	0	No	No
Tohono O'odham Nation *	Sells	4	Desert Diamond - Tucson	2/5/03	Oct-93	658		18	6	0	Yes	Yes
			Desert Diamond - Sahuarita		Jul-01	353		6	2	0	Yes	No
			Desert Diamond - Why		Feb-99	0		0	0	0	No	No
			Desert Diamond - West Valley		Feb-20	670		39	9	0	No	Yes
Tonto Apache Tribe	Payson	1	Mazatzal Casino	2/5/03	Sep-93	230		5	1	0	No	No
White Mountain Apache Tribe	Whiteriver	1	Hon-Dah Casino	2/5/03	Dec-93	0		0	0	0	No	No
Yavapai-Apache Nation	Camp Verde	1	Cliff Castle Casino	2/5/03	May-95	300		6	2	0	No	No
Yavapai-Prescott Indian Tribe	Prescott	2	Bucky's Casino - Prescott Resort	8/21/03	Nov-92	191		7	2	0	No	No
			Yavapai Gaming Center		Nov-92	133		0	0	0	No	No
<b>TOTALS:</b>		<b>25</b>				<b>10,255</b>	<b>14</b>	<b>267</b>	<b>74</b>	<b>60</b>		

\*Denotes urban Tribes, which are allowed a maximum of 119 combined table games. Rural Tribes are allowed a maximum of 90.

\*\*Class II Facility only - not regulated by the Arizona Department of Gaming or Tribal-State Compacts.

**Compacted Non-gaming Tribes**

Tribe	Location	Effective Date of Current Compact	Casino Opening and Closing Dates	Current Gaming Device Allocation
Havasupai Indian Tribe	Supai	February 5, 2003		613
Hopi Tribe	Kykotsmovi	May 8, 2018		900
Hualapai Indian Tribe	Peach Springs	February 5, 2003	2/95 - 9/95	613
Kaibab-Paiute Tribe	Fredonia	February 5, 2003	8/94 - 9/96	613
San Juan Southern Paiute	Tuba City	August 26, 2003		613
Zuni Tribe	Zuni, NM	July 3, 2003		613



# Appendix D

## Racing Supporting Data

# ADVANCED DEPOSIT WAGERING, COMMERCIAL RACING, and COUNTY FAIR RACING

## FYE 06/30/2020

	ADW	Commercial Horse	Commerical Dog <sup>1</sup>	County Fair	FY 2020	FY 2019
<b>Race Days / Performances</b>						
Live Race Days / Performances	331	121	0	6	458	570
Dark Day - Simulcast Only	760	448	584	0	1,792	1,976
COVID-19 Guidelines & Restrictions	0	144	142	0	286	0
<b>Total Race Days</b>	<b>1,091</b>	<b>713</b>	<b>726</b>	<b>6</b>	<b>2,536</b>	<b>2,546</b>
<b>Number of Races</b>						
Live AZ Races	2,859	924	0	48	3,831	4,862
Simulcast Races	318,657	84,547	78,604	572	482,380	607,066
<b>Total Number of Races</b>	<b>321,516</b>	<b>85,471</b>	<b>78,604</b>	<b>620</b>	<b>486,211</b>	<b>611,928</b>
<b>Attendance</b>						
On Track	0	217,090	17,783	16,615	251,488	354,917
Off Track	0	346,453	61,563	6,809	414,825	596,548
<b>Total Attendance</b>	<b>0</b>	<b>563,543</b>	<b>79,346</b>	<b>23,424</b>	<b>666,313</b>	<b>951,465</b>
<b>Pari-Mutuel Handle</b>						
<b>Handle Breakdown by Source</b>						
Live Handle - <b>Taxable</b>	\$ 359,164	\$ 7,699,950	\$ -	\$ 539,145	\$ 8,598,258	\$ 11,913,671
Simulcast Handle - <b>Non-Taxable</b>	\$ 18,983,093	\$ 74,487,536	\$ 13,525,998	\$ 1,471,684	\$ 108,468,311	\$ 139,548,998
Teletacking Handle - <b>Taxable</b>	\$ -	\$ 249,831	\$ -	\$ -	\$ 249,831	\$ 218,677
<b>Total Arizona Pari-Mutuel Handle</b>	<b>\$ 19,342,257</b>	<b>\$ 82,437,317</b>	<b>\$ 13,525,998</b>	<b>\$ 2,010,829</b>	<b>\$ 117,316,400</b>	<b>\$ 151,681,346</b>
<b>Handle Breakdown by Location</b>						
On Track Handle	\$ -	\$ 17,185,869	\$ 3,721,715	\$ 692,123	\$ 21,599,708	\$ 30,221,884
Off Track Handle	\$ 19,342,257	\$ 65,251,448	\$ 9,804,282	\$ 1,318,706	\$ 95,716,693	\$ 121,459,462
<b>Total Arizona Pari-Mutuel Handle</b>	<b>\$ 19,342,257</b>	<b>\$ 82,437,317</b>	<b>\$ 13,525,998</b>	<b>\$ 2,010,829</b>	<b>\$ 117,316,400</b>	<b>\$ 151,681,346</b>
<b>Average Handle Per Race Day</b>	<b>\$ 17,729</b>	<b>\$ 227,886</b>	<b>\$ 18,631</b>	<b>\$ 335,138</b>	<b>\$ 46,260</b>	<b>\$ 59,576</b>
<b>Commingled (Export out of AZ)</b>	<b>\$ -</b>	<b>\$ 125,832,148</b>	<b>\$ -</b>	<b>\$ 4,549,758</b>	<b>\$ 130,381,906</b>	<b>\$ 140,063,093</b>
<b>Adjustments to Handle for the RWA</b>						
Less: Paid by ADWs and Other Tracks	\$ -	\$ (457,398)	\$ -	\$ (16,224)	\$ (473,622)	\$ -
Add: Live Handle - Other Tracks	\$ -	\$ 35,281	\$ -	\$ 4,533	\$ 39,814	\$ -
Add: Simulcast Handle - Other Tracks	\$ -	\$ 79,763	\$ -	\$ -	\$ 79,763	\$ -
Exceptions	\$ -	\$ (68,600)	\$ -	\$ -	\$ (68,600)	\$ -
	<b>\$ -</b>	<b>\$ (410,954)</b>	<b>\$ -</b>	<b>\$ (11,691)</b>	<b>\$ (422,645)</b>	<b>\$ -</b>
<b>Adjustments to Handle for the State Tax</b>						
Less: Live Off-Track - Other Tracks	\$ -	\$ (79,763)	\$ -	\$ -	\$ (79,763)	\$ -
Exceptions	\$ -	\$ (3,200)	\$ -	\$ -	\$ (3,200)	\$ -
	<b>\$ -</b>	<b>\$ (82,963)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (82,963)</b>	<b>\$ -</b>
<b>Total Handle for RWA</b>	<b>\$ 19,342,257</b>	<b>\$ 207,858,511</b>	<b>\$ 13,525,998</b>	<b>\$ 6,548,896</b>	<b>\$ 247,275,662</b>	<b>\$ -</b>
<b>Total Handle for State Taxes</b>	<b>\$ 359,164</b>	<b>\$ 7,866,818</b>	<b>\$ -</b>	<b>\$ 539,145</b>	<b>\$ 8,765,126</b>	<b>\$ -</b>
<b>State Revenues</b>						
Regulatory Wagering Assessment (RWA)	\$ 96,711	\$ 1,039,292	\$ 67,630	\$ 32,744	\$ 1,236,377	\$ 1,455,915
Gross 2% Live Pari-Mutuel State Tax	\$ 7,183	\$ 157,337	\$ -	\$ 10,783	\$ 175,303	\$ 242,682
Revenue Withheld - Charity Days	\$ -	\$ 4,421	\$ -	\$ -	\$ 4,421	\$ 7,534
Revenue Withheld - County Fair	\$ -	\$ -	\$ -	\$ 10,783	\$ 10,783	\$ 29,828
Hardship Tax Credit <sup>2,3</sup>	\$ 39	\$ 10,171	\$ -	\$ -	\$ 10,210	\$ 10,967
<b>Net 2% Live Pari-Mutuel State Tax</b>	<b>\$ 7,144</b>	<b>\$ 142,744</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ 149,888</b>	<b>\$ 194,353</b>
<b>Returned to Wagering Public</b>	<b>\$ 14,739,368</b>	<b>\$ 60,870,278</b>	<b>\$ 10,329,290</b>	<b>\$ 1,418,401</b>	<b>\$ 87,357,338</b>	<b>\$ 111,575,881</b>
<b>Settlement to/from Host</b>	<b>\$ 641,176</b>	<b>\$ 4,261,933</b>	<b>\$ 134,981</b>	<b>\$ 162,956</b>	<b>\$ 5,201,046</b>	<b>\$ 7,932,050</b>
<b>Track Mutuel Revenue</b>						
Track/ADW Commission	\$ 3,867,775	\$ 16,891,929	\$ 3,039,012	\$ 415,710	\$ 24,214,425	\$ 31,426,995
Breakage	\$ 86,755	\$ 223,033	\$ 22,714	\$ 4,719	\$ 337,222	\$ 523,552
Capital Improvement Rebate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvement AGP Non-Taxable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Track/ADW Revenue</b>	<b>\$ 3,954,530</b>	<b>\$ 17,114,962</b>	<b>\$ 3,061,727</b>	<b>\$ 420,429</b>	<b>\$ 24,551,648</b>	<b>\$ 31,950,547</b>
<b>Purses<sup>1</sup></b>	<b>\$ -</b>	<b>\$ 7,810,570</b>	<b>\$ -</b>	<b>\$ 244,072</b>	<b>\$ 8,054,642</b>	<b>\$ 10,558,356</b>

<sup>1</sup> A.R.S. Title 5, 5-110 (H) - Notwithstanding any other law, live dog racing shall not be conducted in this state after December 31, 2016

<sup>2</sup> As of May 13, 2016, "Laws 2016, Chapter 247 eliminates the hardship tax credit which is used to offset the amount of pari-mutuel tax owed by greyhound and horse racing tracks. Credits awarded prior to Chapter 247 may still be used by horse racing tracks to offset pari-mutuel tax in future years. Greyhound tracks will be unable to use previously accrued credits due to the elimination of live dog racing by Laws 2016, Chapter 246." - FY 2017 Appropriations Report - Department of Gaming

<sup>3</sup> Hardship Credit under ADW is Hardship credit taken on Rillito Live Handle. This amount was received by the Department from the ADWs and paid to Rillito Park

# COMMERCIAL HORSE TRACKS

## FYE 06/30/2020

	Arizona Downs	Rillito Park	Turf Paradise	FY 2020	FY 2019
<b>Race Days / Performances<sup>1</sup></b>					
Live Race Days / Performances	14	7	100	121	140
Dark Day - Simulcast Only	259	0	189	448	575
COVID-19 Guidelines & Restrictions	69	4	71	144	0
<b>Total Race Days</b>	<b>342</b>	<b>11</b>	<b>360</b>	<b>713</b>	<b>715</b>
<b>Number of Races</b>					
Live AZ Races	112	56	756	924	1,120
Simulcast Races	49,466	247	34,834	84,547	109,565
<b>Total Number of Races</b>	<b>49,578</b>	<b>303</b>	<b>35,590</b>	<b>85,471</b>	<b>110,685</b>
<b>Attendance</b>					
On Track	26,681	16,830	173,579	217,090	270,730
Off Track	10,062	0	336,391	346,453	467,798
<b>Total Attendance</b>	<b>36,743</b>	<b>16,830</b>	<b>509,970</b>	<b>563,543</b>	<b>738,528</b>
<b>Pari-Mutuel Handle</b>					
<b>Handle Breakdown by Source</b>					
Live Handle - <b>Taxable</b>	\$ 469,748	\$ 503,488	\$ 6,726,714	\$ 7,699,950	\$ 9,979,216
Simulcast Handle - <b>Non-Taxable</b>	\$ 2,143,522	\$ 35,003	\$ 72,309,011	\$ 74,487,536	\$ 102,518,364
Teletracking Handle - <b>Taxable</b>	\$ 46,391	\$ -	\$ 203,440	\$ 249,831	\$ 218,677
<b>Total Arizona Pari-Mutuel Handle</b>	<b>\$ 2,659,661</b>	<b>\$ 538,491</b>	<b>\$ 79,239,165</b>	<b>\$ 82,437,317</b>	<b>\$ 112,716,257</b>
<b>Handle Breakdown by Location</b>					
On Track Handle	\$ 1,435,189	\$ 475,851	\$ 15,274,830	\$ 17,185,869	\$ 23,569,495
Off Track Handle	\$ 1,224,472	\$ 62,640	\$ 63,964,336	\$ 65,251,448	\$ 89,146,762
<b>Total By Location</b>	<b>\$ 2,659,661</b>	<b>\$ 538,491</b>	<b>\$ 79,239,165</b>	<b>\$ 82,437,317</b>	<b>\$ 112,716,257</b>
<b>Average Handle Per Race Day</b>	\$ 7,777	\$ -	\$ 220,109	\$ 227,886	\$ 157,645
<b>Commingled (Export out of AZ)</b>	\$ 1,346,588	\$ 388,325	\$ 124,097,236	\$ 125,832,148	\$ 130,919,277
<b>Adjustments to Handle for RWA</b>					
Less: Paid by ADWs and Other Tracks	\$ -	\$ (4,591)	\$ (452,807)	\$ (457,398)	\$ -
Add: Live Handle - Other Tracks	\$ -	\$ -	\$ 35,281	\$ 35,281	\$ -
Add: Simulcast Handle - Other Tracks	\$ -	\$ -	\$ 79,763	\$ 79,763	\$ -
Exceptions	\$ (5,200)	\$ (400)	\$ (63,000)	\$ (68,600)	\$ -
	\$ (5,200)	\$ (4,991)	\$ (400,763)	\$ (410,954)	\$ -
<b>Adjustments to Handle for State Tax</b>					
Less: Live Off-Track - Other Tracks	\$ -	\$ -	\$ (79,763)	\$ (79,763)	\$ -
Exceptions	\$ (3,400)	\$ -	\$ 200	\$ (3,200)	\$ -
	\$ (3,400)	\$ -	\$ (79,563)	\$ (82,963)	\$ -
<b>Total Handle for RWA</b>	\$ 4,001,049	\$ 921,825	\$ 202,935,638	\$ 207,858,511	\$ 243,635,534
<b>Total Handle for State Taxes</b>	\$ 512,739	\$ 503,488	\$ 6,850,592	\$ 7,866,818	\$ 218,677
<b>State Revenues</b>					
Regulatory Wagering Assessment (RWA)	\$ 20,005	\$ 4,609	\$ 1,014,678	\$ 1,039,292	\$ 1,215,898
Gross 2% Live Pari-Mutuel State Tax	\$ 10,255	\$ 10,070	\$ 137,012	\$ 157,337	\$ 203,964
Revenue Withheld - Charity Days	\$ -	\$ -	\$ 4,421	\$ 4,421	\$ 7,369
Revenue Withheld - County Fair <sup>2</sup>	\$ -	\$ -	\$ -	\$ -	\$ 227
Hardship Tax Credit <sup>3</sup>	\$ -	\$ 10,171	\$ -	\$ 10,171	\$ 10,967
<b>Net 2% Live Pari-Mutuel State Tax</b>	<b>\$ 10,255</b>	<b>\$ (102)</b>	<b>\$ 132,591</b>	<b>\$ 142,744</b>	<b>\$ 185,401</b>
<b>Returned to Wagering Public</b>	<b>\$ 1,933,704</b>	<b>\$ 353,493</b>	<b>\$ 58,583,080</b>	<b>\$ 60,870,278</b>	<b>\$ 82,437,853</b>
<b>Settlement to/from Host</b>	<b>\$ 165,666</b>	<b>\$ 40,273</b>	<b>\$ 4,055,994</b>	<b>\$ 4,261,933</b>	<b>\$ 6,534,253</b>
<b>Track Mutuel Revenue</b>					
Track Commission	\$ 534,746	\$ 130,835	\$ 16,226,348	\$ 16,891,929	\$ 23,167,830
Breakage	\$ 15,231	\$ 3,820	\$ 203,982	\$ 223,033	\$ 416,553
Capital Improvement Rebate	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Track Revenue</b>	<b>\$ 549,978</b>	<b>\$ 134,655</b>	<b>\$ 16,430,330</b>	<b>\$ 17,114,962</b>	<b>\$ 23,584,383</b>
<b>Purses</b>	<b>\$ 261,872</b>	<b>\$ 67,449</b>	<b>\$ 7,481,248</b>	<b>\$ 7,810,570</b>	<b>\$ 9,935,962</b>

<sup>1</sup> Race Days do not include County Fair Dates

<sup>2</sup> Teletracking bets placed at other Tracks for County Fair races

<sup>3</sup> As of May 13, 2016, "Credits awarded prior to Chapter 247 may still be used by horse racing tracks to offset pari-mutuel tax in future years." - FY 2017 Appropriations Report - Department of Gaming

**COMMERCIAL GREYHOUND TRACKS**  
 American Greyhound Racing and Tucson Greyhound Park

**FYE 06/30/2020**

	AGP	TGP	FY 2020	FY 2019
<b>Race Days / Performances<sup>1</sup></b>				
Dark Day - Simulcast Only	278	306	584	724
COVID-19 Guidelines & Restrictions	85	57	142	0
<b>Total Race Days</b>	<b>363</b>	<b>363</b>	<b>726</b>	724
<b>Number of Races</b>				
Simulcast Races	40,142	38,462	78,604	110,118
<b>Total Number of Races</b>	<b>40,142</b>	<b>38,462</b>	<b>78,604</b>	110,118
<b>Attendance</b>				
On Track	13,193	4,590	17,783	43,565
Off Track	37,481	24,082	61,563	106,040
<b>Total Attendance</b>	<b>50,674</b>	<b>28,672</b>	<b>79,346</b>	149,605
<b>Pari-Mutuel Handle</b>				
<b>Handle Breakdown by Source</b>				
Simulcast Races - <b>Non-Taxable</b>	\$ 9,516,939	\$ 4,009,058	\$ 13,525,998	\$ 18,435,500
<b>Total Arizona Pari-Mutuel Handle</b>	<b>\$ 9,516,939</b>	<b>\$ 4,009,058</b>	<b>\$ 13,525,998</b>	\$ 18,435,500
<b>Handle Breakdown by Location</b>				
On Track Handle	\$ 1,586,693	\$ 2,135,023	\$ 3,721,715	\$ 4,484,245
Off Track Handle	\$ 7,930,247	\$ 1,874,035	\$ 9,804,282	\$ 13,951,255
<b>Total Arizona Pari-Mutuel Handle</b>	<b>\$ 9,516,939</b>	<b>\$ 4,009,058</b>	<b>\$ 13,525,998</b>	\$ 18,435,500
<b>Average Handle Per Race Day</b>	<b>\$ 26,217</b>	<b>\$ 11,044</b>	<b>\$ 18,631</b>	\$ 25,463
<b>State Revenues</b>				
Regulatory Wagering Assessment (RWA)	\$ 47,585	\$ 20,045	\$ 67,630	\$ 92,177
<b>Returned to Wagering Public</b>	<b>\$ 7,057,047</b>	<b>\$ 3,272,243</b>	<b>\$ 10,329,290</b>	\$ 14,143,343
<b>Settlement to/from Host</b>	<b>\$ 284,447</b>	<b>\$ (149,466)</b>	<b>\$ 134,981</b>	\$ 122,293
<b>Track Mutuel Revenue</b>				
Track Commission	\$ 2,159,507	\$ 879,505	\$ 3,039,012	\$ 4,140,594
Breakage	\$ 15,938	\$ 6,776	\$ 22,714	\$ 29,270
Capital Improvement Rebate	\$ -	\$ -	\$ -	\$ -
Capital Improvement AGP Non-Taxable	\$ -	\$ -	\$ -	\$ -
<b>Total Track Revenue</b>	<b>\$ 2,175,445</b>	<b>\$ 886,281</b>	<b>\$ 3,061,727</b>	\$ 4,169,864

<sup>1</sup> A.R.S. Title 5, 5-110 (H) - Notwithstanding any other law, live dog racing shall not be conducted in this state after December 31, 2016



**COUNTY FAIR RACES**  
**FYE 06/30/2020**

	Santa Cruz	Cochise	Pima	Greenlee	La Paz	Yuma	FY 2020	FY 2019
	Santa Cruz County Fair & Rodeo Association	Cochise County Fair Association	Pima County Fair Horse Racing Comission	Greenlee County Fair	La Paz County Fair Association	Yuma County Fair Association	Total - All County Fair Racing	Total - All County Fair Racing
<b>Race Days / Performances</b>								
Live Race Days / Performances	0	0	2	0	4	0	6	19
Dark Day - Simulcast Only	0	0	0	0	0	0	0	0
<b>Total Race Days</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>6</b>	<b>19</b>
<b>Number of Races</b>								
Live AZ Races	0	0	16	0	32	0	48	147
Simulcast Races	0	0	76	0	496	0	572	2,155
<b>Total Number of Races</b>	<b>0</b>	<b>0</b>	<b>92</b>	<b>0</b>	<b>528</b>	<b>0</b>	<b>620</b>	<b>2,302</b>
<b>Attendance</b>								
On Track	0	0	5,998	0	10,617	0	16,615	40,622
Off Track	0	0	0	0	6,809	0	6,809	22,710
<b>Total Attendance</b>	<b>0</b>	<b>0</b>	<b>5,998</b>	<b>0</b>	<b>17,426</b>	<b>0</b>	<b>23,424</b>	<b>63,332</b>
<b>Pari-Mutuel Handle</b>								
<b>Handle Breakdown by Source</b>								
Live Handle - <b>Taxable</b>	\$ -	\$ -	\$ 169,227	\$ -	\$ 369,918	\$ -	\$ 539,145	\$ 1,445,592
Simulcast Handle - <b>Non-Taxable</b>	\$ -	\$ -	\$ 8,185	\$ -	\$ 1,463,499	\$ -	\$ 1,471,684	\$ 5,048,141
Teletacking Handle - <b>Taxable</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Arizona Pari-Mutuel Handle</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 177,412</b>	<b>\$ -</b>	<b>\$ 1,833,417</b>	<b>\$ -</b>	<b>\$ 2,010,829</b>	<b>\$ 6,493,733</b>
<b>Handle Breakdown by Location</b>								
On Track Handle	\$ -	\$ -	\$ 156,868	\$ -	\$ 535,255	\$ -	\$ 692,123	\$ 2,168,144
Off Track Handle	\$ -	\$ -	\$ 20,544	\$ -	\$ 1,298,162	\$ -	\$ 1,318,706	\$ 4,325,589
<b>Total By Location</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 177,412</b>	<b>\$ -</b>	<b>\$ 1,833,417</b>	<b>\$ -</b>	<b>\$ 2,010,829</b>	<b>\$ 6,493,733</b>
<b>Average Handle Per Race Day</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,706</b>	<b>\$ -</b>	<b>\$ 458,354</b>	<b>\$ -</b>	<b>\$ 335,138.10</b>	<b>\$ 341,775</b>
<b>Commingled (Export out of AZ)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 142,992</b>	<b>\$ -</b>	<b>\$ 4,406,765</b>	<b>\$ -</b>	<b>\$ 4,549,758</b>	<b>\$ 9,143,816</b>
<b>Adjustments to Handle for the RWA</b>								
Less: ADWs and Other Tracks	\$ -	\$ -	\$ (1,895)	\$ -	\$ (14,329)	\$ -	\$ (16,224)	\$ -
Add: Live Handle - Other Tracks	\$ -	\$ -	\$ -	\$ -	\$ 4,533	\$ -	\$ 4,533	\$ -
Add: Simulcast - Other Tracks	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	\$ -	\$ -	\$ (1,895)	\$ -	\$ (9,796)	\$ -	\$ (11,691)	\$ -
<b>Total Handle for RWA</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 318,510</b>	<b>\$ -</b>	<b>\$ 6,230,386</b>	<b>\$ -</b>	<b>\$ 6,548,896</b>	<b>\$ -</b>
<b>State Revenues</b>								
Regulatory Wagering Assessment (RWA)	\$ -	\$ -	\$ 1,593	\$ -	\$ 31,152	\$ -	\$ 32,744	\$ 77,661
Gross 2% Live Pari-Mutuel State Tax	\$ -	\$ -	\$ 3,385	\$ -	\$ 7,399	\$ -	\$ 10,783	\$ 28,941
Revenue Withheld - Charity Days	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenue Withheld - County Fair	\$ -	\$ -	\$ 3,385	\$ -	\$ 7,399	\$ -	\$ 10,783	\$ 28,941
Hardship Tax Credit <sup>1</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Net 2% Live Pari-Mutuel State Tax</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ -</b>	<b>\$ (0)</b>	<b>\$ -</b>
<b>Returned to Wagering Public</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 116,469</b>	<b>\$ -</b>	<b>\$ 1,301,932</b>	<b>\$ -</b>	<b>\$ 1,418,401</b>	<b>\$ 4,567,668</b>
<b>Settlement to/from Host</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,243</b>	<b>\$ -</b>	<b>\$ 149,713</b>	<b>\$ -</b>	<b>\$ 162,956</b>	<b>\$ 521,669</b>
<b>Track Mututal Revenue</b>								
Track Commission	\$ -	\$ -	\$ 43,118	\$ -	\$ 372,592	\$ -	\$ 415,710	\$ 1,328,490
Breakage	\$ -	\$ -	\$ 1,197	\$ -	\$ 3,522	\$ -	\$ 4,719	\$ 22,583
Capital Improvement Rebate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Track Revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,315</b>	<b>\$ -</b>	<b>\$ 376,114</b>	<b>\$ -</b>	<b>\$ 420,429</b>	<b>\$ 1,351,073</b>
<b>Purses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 21,819</b>	<b>\$ -</b>	<b>\$ 222,253</b>	<b>\$ -</b>	<b>\$ 244,072</b>	<b>\$ 622,394</b>

<sup>1</sup> Rillito Racing, Inc. Hardship Credit Taken

**ADVANCE DEPOSIT WAGERING**  
**FYE 06/30/2020**


	TVG Network	Twin Spires	Xpressbet	FY 2020	FY 2019
<b>Race Days / Performances</b>					
Live Race Days / Performances	109	111	111	331	411
Dark Day - Simulcast Only	254	253	253	760	677
<b>Total Wagering Days</b>	<b>363</b>	<b>364</b>	<b>364</b>	<b>1,091</b>	<b>1,088</b>
<b>Number of Races</b>					
Live AZ Races	949	965	945	2,859	3,595
Simulcast Races	41,188	153,837	123,632	318,657	385,228
<b>Total Number of Races</b>	<b>42,137</b>	<b>154,802</b>	<b>124,577</b>	<b>321,516</b>	<b>388,823</b>
<b>Pari-Mutuel Handle</b>					
<b>Handle Breakdown by Source</b>					
Live Races - <b>Taxable</b>	\$ 186,020	\$ 41,266	\$ 131,878	\$ 359,164	\$ 488,863
Simulcast Races - <b>Non-Taxable</b>	\$ 9,809,334	\$ 3,030,300	\$ 6,143,459	\$ 18,983,093	\$ 13,546,993
<b>Total Arizona Pari-Mutuel Handle</b>	<b>\$ 9,995,354</b>	<b>\$ 3,071,566</b>	<b>\$ 6,275,337</b>	<b>\$ 19,342,257</b>	<b>\$ 14,035,856</b>
<b>Average Handle Per Race Day</b>	<b>\$ 27,535</b>	<b>\$ 8,438</b>	<b>\$ 17,240</b>	<b>\$ 17,729</b>	<b>\$ 12,901</b>
<b>State Revenues</b>					
Regulatory Wagering Assessment (RWA)	\$ 49,977	\$ 15,358	\$ 31,377	\$ 96,711	\$ 70,179
Gross 2% Live Pari-Mutuel State Tax	\$ 3,720	\$ 825	\$ 2,638	\$ 7,183	\$ 9,777
Revenue Withheld - Charity Days	\$ -	\$ -	\$ -	\$ -	\$ 165
Revenue Withheld - County Fair	\$ -	\$ -	\$ -	\$ -	\$ 660
Hardship Tax Credit - Rillito Park	\$ -	\$ 22	\$ 17	\$ 39	\$ 43
<b>Net 2% Live Pari-Mutuel State Tax</b>	<b>\$ 3,720</b>	<b>\$ 803</b>	<b>\$ 2,621</b>	<b>\$ 7,144</b>	<b>\$ 8,909</b>
<b>Returned to Wagering Public</b>	<b>\$ 7,569,738</b>	<b>\$ 2,342,922</b>	<b>\$ 4,826,709</b>	<b>\$ 14,739,368</b>	<b>\$ 10,427,017</b>
<b>Settlement to/from Host</b>	<b>\$ 391,957</b>	<b>\$ 89,568</b>	<b>\$ 159,651</b>	<b>\$ 641,176</b>	<b>\$ 753,835</b>
<b>ADW Mututal Revenue</b>					
ADW Commission	\$ 1,971,905	\$ 628,184	\$ 1,267,686	\$ 3,867,775	\$ 2,790,081
Breakage	\$ 58,034	\$ 10,067	\$ 18,654	\$ 86,755	\$ 55,146
<b>Total ADW Revenue</b>	<b>\$ 2,029,940</b>	<b>\$ 638,250</b>	<b>\$ 1,286,340</b>	<b>\$ 3,954,530</b>	<b>\$ 2,845,227</b>


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