

Department of Gaming

	FY 2024 ACTUAL	FY 2025 ESTIMATE	FY 2026 BASELINE
OPERATING BUDGET			
<i>Full Time Equivalent Positions</i>	155.8	155.8	155.8
Personal Services	4,781,500	5,483,000	5,483,000
Employee Related Expenditures	1,744,600	2,083,600	2,083,600
Professional and Outside Services	486,200	1,765,100	1,765,100
Travel - In State	222,700	285,300	285,300
Travel - Out of State	61,800	72,100	72,100
Other Operating Expenditures	3,162,500	3,906,000	3,906,000
Equipment	87,100	145,000	145,000
OPERATING SUBTOTAL	10,546,400	13,740,100	13,740,100
SPECIAL LINE ITEMS			
Arizona Breeders' Award	250,000	250,000	250,000
Casino Operations Certification	1,179,500	2,330,300	2,330,300
Contract Veterinarian	67,000	175,000	175,000 ^{1/}
County Fairs Livestock and Agriculture Promotion	6,029,500	6,029,500	6,029,500 ^{2/}
Division of Racing	1,989,500	2,448,500	2,448,500
Event Wagering Application Fee Refund	600,000	0	0
Horseracing Integrity and Safety Act Assessment	355,100	1,355,100	1,355,100 ^{3/}
Problem Gambling	2,718,600	3,320,000	3,320,000
Racetrack Capital Projects and Maintenance and Operation Funding	1,000,000	1,500,000	0
Racing Purse Enhancement	5,000,000	4,000,000	0
AGENCY TOTAL	29,735,600	35,148,500	29,648,500 ^{4/5/}
FUND SOURCES			
General Fund	13,051,600	11,704,500	6,204,500
<u>Other Appropriated Funds</u>			
Arizona Benefits Fund	12,814,900	16,610,000	16,610,000
Fantasy Sports Contest Fund	150,100	150,100	150,100
Racing Regulation Fund	2,134,700	3,948,400	3,948,400
Racing Regulation Fund - Unarmed Combat Subaccount	104,800	105,200	105,200
State Lottery Fund	300,000	300,000	300,000
Tribal-State Compact Fund	1,179,500	2,330,300	2,330,300
SUBTOTAL - Other Appropriated Funds	16,684,000	23,444,000	23,444,000
SUBTOTAL - Appropriated Funds	29,735,600	35,148,500	29,648,500
Other Non-Appropriated Funds	3,832,800	3,715,000	3,715,000
TOTAL - ALL SOURCES	33,568,400	38,863,500	33,363,500

AGENCY DESCRIPTION — The Department of Gaming regulates tribal gaming activities as authorized by the Arizona Tribal-State Gaming Compacts. The agency is also responsible for certifying casino employees and vendors working with casinos. The department also regulates non-tribal gaming activities including the Division of Racing, fantasy sports contests, and event wagering.

FOOTNOTES

- ^{1/} On or before the final day of each quarter of fiscal year 2025-2026, the department of gaming shall report to the members of the joint legislative budget committee on the number of equine deaths and injuries that occurred as a result of a horse race and the commercial live racing facility where each incident occurred. The report shall include the number of pre-race inspections performed by a veterinarian employed by or contracted with this state. (General Appropriations Act footnote)

- 2/ The amount appropriated to the county fairs livestock and agriculture promotion line item is for deposit in the county fairs livestock and agriculture promotion fund established by section 5-113, Arizona Revised Statutes, and to be administered by the office of the governor. (General Appropriations Act footnote)
- 3/ The amount appropriated to the horseracing integrity and safety act assessment line item shall be used by the department during fiscal year 2025-2026 to pay the calendar year 2025 assessment levied by the horseracing integrity and safety authority. (General Appropriations Act footnote)
- 4/ General Appropriations Act funds are appropriated as an Operating Lump Sum with Special Line Items by Agency.
- 5/ On or before August 1, 2025, the department of gaming shall report to the directors of the joint legislative budget committee and the governor's office of strategic planning and budgeting on the expected amount and purpose of expenditures from the event wagering fund established by section 5-1318, Arizona Revised Statutes, for fiscal year 2025-2026. The report shall include the projected line item detail and the number of filled full-time equivalent positions. (General Appropriations Act footnote)

Administrative Expenses

The Baseline includes \$13,740,100 in FY 2026 for administrative expenses, which consists of \$13,590,000 from the Arizona Benefits Fund and \$150,100 from the Fantasy Sports Contest Fund. The appropriation from the Arizona Benefits Fund serves as a cap on the level of spending.

Pursuant to the Gaming ballot initiative (A.R.S. § 5-601.02) and the Tribal-State Gaming Compacts, the department's administrative expenses from the Arizona Benefits Fund, excluding Problem Gambling, are limited to the greater of \$8,000,000, or 9% of state tribal gaming revenues. The department can expend the actual 9% level or the expenditure authority level, whichever is lower.

In FY 2025, Gaming had the authority to spend \$13,740,100 for administrative expenses. This mostly consisted of \$13,590,000 from the FY 2025 Arizona Benefits Fund Operating appropriation in the enacted budget. This amount was selected based on the department's spending patterns and is not derived from the 9% calculation. In addition, Gaming was appropriated \$150,100 from the Fantasy Sports Contest Fund.

In FY 2026, 9% of tribal gaming revenues are forecasted to be \$15,731,800, based on the department's projection of state tribal contribution revenue of \$174,798,200. However, the Baseline continues to appropriate \$13,590,100 from the Arizona Benefits Fund to cover the department's administrative expenses. *(See Other Issues – Tribal Gaming Revenues section for additional details.)*

Since FY 2024, the state has allocated the fixed \$13,590,000 amount from the Arizona Benefits Fund for the department's operating appropriation. This policy is due to the department's calculation process for the distribution of Arizona Benefits Fund monies to statutory beneficiaries. Under statute, after deducting monies spent for department expenses (Operating Budget and Problem Gambling), all remaining monies are distributed to beneficiaries according to a specified formula.

The department's current process is to base those beneficiary calculations on distributing all remaining monies after the appropriated department funding levels, instead of distributing all monies after actual department spending amounts. This distinction has an impact on the beneficiary calculations because the department has typically underspent its appropriation by significant margins.

Therefore recent budgets have maintained the fixed operating allocations in order to better align the department's appropriations with actual spending patterns – as the 9% administrative calculation would generate an even larger operating allocation that is not fully utilized by the department, resulting in additional monies that are both: 1) Not spent by the department for operating costs; and 2) Not distributed to beneficiaries.

In addition, for FY 2026 the Baseline continues to appropriate \$150,100 from the Fantasy Sports Contest Fund. This amount is sufficient for the department to expend all revenues from the 10% administrative set-aside from Fantasy Sports Contest collections, as estimated under the Baseline revenue forecast.

Problem Gambling

The Baseline includes \$3,320,000 in FY 2026 for Problem Gambling, which consists of \$3,020,000 from the Arizona Benefits Fund and \$300,000 from the State Lottery Fund. Pursuant to the Gaming ballot initiative and the Tribal-State Gaming Compacts, the department's Problem Gambling expenses from the Arizona Benefits Fund are limited to 2% of revenues. The department can expend the actual 2% level or the expenditure authority level, whichever is lower.

In FY 2025, Gaming had the authority to spend \$3,020,000, based on the FY 2025 Arizona Benefits Fund Problem Gaming appropriation in the enacted budget. This amount was selected based on the department's spending patterns and is not derived from the 2% calculation.

In FY 2026, 2% of tribal gaming revenues are forecasted to be \$3,496,000, due to a projected increase in tribal contributions. However, the Baseline continues to appropriate \$3,020,000 from the Arizona Benefits Fund to cover the department's problem gambling expenses.

Since FY 2024, the state has allocated the fixed \$3,020,000 amount from the Arizona Benefits Fund for the department's Problem Gambling appropriation. This policy is due to the department's calculation process for the distribution of Arizona Benefits Fund monies to statutory beneficiaries. *(See the Administrative Expenses section above for additional details.)*

Event Wagering Administrative Costs

In addition to the administrative costs listed above that are subject to the legislative appropriation, the department may spend up to 10% of revenue from the non-appropriated Event Wagering Fund on the regulation of event wagering.

Under the Baseline revenue forecast for event wagering collections, Gaming is estimated to have the authority to spend \$4,414,500 in FY 2025 and \$4,745,600 in FY 2026 from the Event Wagering Fund. *(See Other Issues – Event Wagering/Fantasy Sports Forecast section for additional details.)*

The Baseline includes a General Appropriation Act footnote requiring the department to report on administrative spending from the Event Wagering Fund by August 1, 2025.

Operating Budget

The Baseline includes \$13,740,100 and 82.3 FTE Positions in FY 2026 for the operating budget. These amounts consist of:

	FY 2026
Arizona Benefits Fund	\$13,590,000
Fantasy Sports Contest Fund	150,100

These amounts are unchanged from FY 2025.

Arizona Breeders’ Award

The Baseline includes \$250,000 from the Racing Regulation Fund in FY 2026 for the Arizona Breeders’ Award. This amount is unchanged from FY 2025.

This line item funds awards to the breeder of every winning horse foaled in the state. In FY 2026, this line item will fund awards equal to 25% of the purse won by the horse.

Casino Operations Certification

The Baseline includes \$2,330,300 and 28 FTE Positions from the Tribal-State Compact Fund in FY 2026 for Casino Operations Certification. These amounts are unchanged from FY 2025.

The department has the responsibility for investigating and certifying all vendors that provide over \$10,000 per month of goods and services to tribal gaming facilities and all tribal gaming employees, excluding food and beverage personnel who are certified by the relevant tribal gaming office. Certification application fees provide funding for the Casino Operations Certification Special Line Item.

Contract Veterinarian

The Baseline includes \$175,000 from the General Fund in FY 2026 for a Contract Veterinarian. This amount is unchanged from FY 2025.

Monies in the line item are to be used to contract a veterinarian and veterinarian's assistant to assist with pre-race inspections of horses in an effort to reduce the number of horse fatalities as a result of racing in the state. A General Appropriations Act footnote requires the department to report on a quarterly basis the number of equine deaths and injuries that occur as a result of a horse race and the commercial live racing facility where each incident occurred. The report must also include the number of pre-race inspections performed by a veterinarian employed by or contracting with the state.

County Fairs Livestock and Agriculture Promotion

The Baseline includes \$6,029,500 from the General Fund in FY 2026 for County Fairs Livestock and Agriculture Promotion. This amount is unchanged from FY 2025.

Monies in this line item are deposited in the County Fairs Livestock and Agriculture Promotion Fund in the Office of the Governor.

Division of Racing

The Baseline includes \$2,448,500 and 40.5 FTE Positions in FY 2026 for operating costs associated with the Division of Racing. These amounts consist of:

Racing Regulation Fund	2,343,300
Racing Regulation Fund - Unarmed Combat Subaccount	105,200

These amounts are unchanged from FY 2025.

The Division of Racing regulates the pari-mutuel horse racing industries through the supervision of race meetings, screening of license applicants, collection of taxes and fees, and assessment of fines or other penalties.

The Regulatory Wagering Assessment (RWA) is a regulatory assessment from each commercial racing permittee payable from amounts deducted from pari-mutuel pools by the permittee. The Arizona Administrative Code section R19-2-205B sets the RWA at 0.75% from May 1-Sep 30 and 0.85% from October 1-April 30 each year. However, ongoing session law overrides those rates and sets the RWA at 0.5% for FY 2026. All monies received from the RWA are deposited into the Racing Regulation Fund, which is the primary funding source for the Division of Racing.

The Division of Racing also oversees the Arizona Boxing and Mixed Martial Arts Commission, which is responsible for licensing, investigating, and regulating professional boxing and nontraditional fighting contests within Arizona. The Baseline includes \$105,200 from the Racing Regulation Fund - Unarmed Combat Subaccount in FY 2026 as part of the Division of Racing line item to provide funding for the Division of Boxing and Mixed Martial Arts.

Horseracing Integrity and Safety Act Assessment

The Baseline includes \$1,355,100 from the Racing Regulation Fund in FY 2026 for the Horseracing Integrity and Safety Act (HISA) Assessment line item. This amount is unchanged from FY 2025.

Beginning in 2022, the federal Horseracing Integrity and Safety Authority charges an annual regulatory fee based on the previous year's racing starts and purses. The Baseline includes a General Appropriations Act footnote directs the department to use these monies to directly pay the calendar 2025 assessment levied by the Horseracing Integrity and Safety Authority.

Problem Gambling

The Baseline includes \$3,320,000 and 5 FTE Positions in FY 2026 for Problem Gambling. These amounts consist of:

Arizona Benefits Fund	3,020,000
State Lottery Fund	300,000

These amounts are unchanged from FY 2025.

Monies in this line item are for the department to provide problem gambling prevention, treatment, and education programs.

Racetrack Capital Projects and Maintenance and Operation Funding

The Baseline includes no funding in FY 2026 for the Racetrack Purse and Maintenance and Operation Funding line item. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(1,500,000) from the General Fund in FY 2026 to remove one-time funding for Racetrack Capital Projects and Maintenance and Operation Funding.

Monies in this line item were distributed to a commercial live racing permittee located in Maricopa County for capital projects and track maintenance and operations, including compliance costs associated with the Horseracing Integrity and Safety Act of 2020, as required by a General Appropriations Act footnote.

Racing Purse Enhancement

The Baseline includes no funding from the General Fund in FY 2026 for the Racing Purse Enhancement line item. Adjustments are as follows:

Remove One-Time Funding

The Baseline includes a decrease of \$(4,000,000) from the General Fund in FY 2026 to remove one-time funding for racing purse enhancement.

Monies in this line item were used to enhance racing purses and promote the sport for eligible races held in Arizona. A General Appropriations Act footnote directs the monies to be distributed to a nonprofit horsemen's organization that has represented horsemen in racing meetings since 1988.

Other Issues

Statutory Changes

The Baseline would:

- As session law, continue to set the Regulatory Wagering Assessment at 0.5% in FY 2026 only.
- As session law, change the requirement that racehorses need to receive "gate approval" every 30 days to every 60 days in 2026. "Gate approval" means a demonstration to confirm a racehorse has been trained on how to safely enter and exit the starting gate prior to racing at a commercial racetrack.

Existing Tribal Compacts

The Arizona Tribal-State Gaming Compacts regulate tribal gaming activity of Class III (casino style) gaming on tribal lands in Arizona. The Compacts were initially passed in November 2002 as Proposition 202 and were renegotiated in 2021.

As of October 2024, there are 16 tribes operating a total of 25 Class III casinos in Arizona. There are also 6 additional tribes which do not have casinos but have slot machine rights that they may lease to tribes with casinos.

In 2002, Proposition 202 included provisions authorizing subsequent amendments to the compacts. Under that process, the Tribal-State Gaming Compacts were renegotiated in March 2021, with the required federal compact approval occurring in May 2021.

In addition, Laws 2021, Chapter 234 expanded non-tribal gaming in the state and authorized event wagering, fantasy sports contests, and certain Lottery games. *(Please see the Department of Gaming and Lottery Commission sections of the FY 2022 Appropriations Report for more information).*

Event Wagering/Fantasy Sports Revenue Forecast

The Baseline revenue forecast includes a projection of state General Fund gaming revenues (from both event wagering and fantasy sports) through FY 2028. For both activities, the estimates are based on privilege fees that are assessed on operator "net win". The projections are as follows:

- FY 2024 (actual) – \$36.5 million
- FY 2025 – \$40.7 million
- FY 2026 – \$43.8 million
- FY 2027 – \$58.1 million
- FY 2028 – \$73.8 million

The Baseline forecast assumes that state gaming revenue will increase 11.6% in FY 2025, 7.5% in FY 2026, 32.8% in FY 2027, and 27.0% FY 2028. Event wagering revenue is the primary driver of these collections, making up nearly 98% of the total.

The higher forecasted growth in FY 2025 reflects continued growth in total betting activity, with total wagers expected to increase by 8.0%. However, gaming revenue is expected to increase by 11.6% in FY 2025 due to technical timing issues with the deposit of monies during FY 2024, as a portion of those FY 2024 collections will ultimately be deposited in FY 2025.

For FY 2026, total betting activity is expected to increase by 7.5%, which would also result in 7.5% gaming revenue growth in FY 2026.

The significant forecasted growth in FY 2027 and FY 2028 is due to the elimination of the event wagering "free bets" deduction in January 2027. Under current law, event wagering operators can deduct promotional credits, or "free bets", from their taxable earnings. In FY 2024, operators deducted \$222.2 million from their taxable revenue, and the Baseline forecast assumes this deduction will grow in FY 2025, FY 2026 and partially through FY 2027.

Beginning January 1, 2027, which is halfway through FY 2027, operators will no longer be allowed to deduct "free bets". This will substantially increase the taxable net earnings, to which the event wagering privilege fee will be applied. The Baseline forecast assumes total wagering activity will increase by 5.0% in FY 2027 and FY 2028, but gaming revenue will increase by 32.8% and 27.0%, respectively due to the elimination of the free bet deduction.

Tribal Gaming Revenues

In FY 2024, state tribal gaming revenues were \$158,072,400. The Baseline assumes that state tribal gaming revenues will increase to a level of \$166,526,900 in FY 2025 and \$174,798,200 in FY 2026. These revenue estimates are from the department's FY 2026 budget request. Through the 1st quarter of FY 2025, tribal gaming contributions into the Arizona Benefits Fund were \$43.9 million. *(See Table 1 for more info.)*

Table 1				
Tribal Gaming Distributions Pursuant to Proposition 202 ^{1/}				
Recipient	Proposition 202 Formula	FY 2024 Actuals ^{1/}	FY 2025 Projected ^{1/}	FY 2026 Projected
State Government Distribution	88% of total	\$ 158,072,400	\$166,526,900 ^{2/}	\$174,798,200 ^{2/}
Local Government Distribution ^{3/}	12% of total	<u>21,019,100</u>	<u>22,708,200</u>	<u>23,836,100</u>
Total	100% of total	\$179,091,500	\$189,235,100	\$198,634,300
<u>Allocation of State Government's Share</u>				
<u>Department of Gaming</u>				
Department of Gaming Regulation	\$8 million, or 9%, whichever is greater	\$ 13,590,000 ^{4/}	\$ 13,590,000 ^{4/}	\$ 13,590,000 ^{4/}
Department of Gaming Problem Gambling	2%	<u>3,020,000 ^{5/}</u>	<u>3,020,000 ^{5/}</u>	<u>3,020,000 ^{5/}</u>
Subtotal-Department of Gaming		\$16,610,000	\$16,610,000	\$16,610,000
<u>Other Distributions</u>				
Instructional Improvement Fund (Department of Education)	56% of remainder	79,561,300	83,953,400	88,585,300
Trauma and Emergency Services Fund (Arizona Health Care Cost Containment System)	28% of remainder	39,391,700	41,976,700	44,292,700
Arizona Wildlife Conservation Fund	8% of remainder	11,254,700	11,993,400	12,655,100
Tourism Fund	8% of remainder	<u>11,254,700</u>	<u>11,993,400</u>	<u>12,655,100</u>
Subtotal-Other Distributions		\$141,462,400	\$149,916,900	\$158,188,200
Total		\$158,072,400	\$166,526,900	\$174,798,200
^{1/} The numbers displayed herein represent monies distributed to agencies and may not correspond directly with agencies' actual expenditures or appropriation amounts.				
^{2/} Based on ADG projections, the Baseline projects a 5.3% increase in FY 2025 and 5.0% in FY 2026 for tribal contributions to the Arizona Benefits Fund. The Baseline forecast reflects the revenue projections included in the ADG budget request.				
^{3/} Local distributions may not proportionally match state distributions due to timing issues associated with different fiscal years.				
^{4/} A.R.S. § 5-601.02H3 requires 9% of state gaming revenues or \$8,000,000, whichever is greater, to be used for the department's operating budget. Given the department's spending patterns, the FY 2024 and FY 2025 appropriations were \$13,590,000 (an amount not calculated based on the 9% limit) and the FY 2026 Baseline continues that amount. The department can only expend at the actual 9% level or the expenditure authority level, whichever is lower.				
^{5/} A.R.S. § 5-601.02H3 requires 2% of state gaming revenues to be used for problem gambling prevention. Given the department's spending patterns, the FY 2024 and FY 2025 appropriations were \$3,020,000 (an amount not calculated based on the 2% limit) and the FY 2026 Baseline has continued that amount. The department can only expend at the actual 2% level or the expenditure authority level, whichever is lower.				

SUMMARY OF FUNDS	FY 2024 Actual	FY 2025 Estimate
2021 Compact Trust Fund (GMA2021/A.R.S. § 5-605)	Non-Appropriated	
Source of Revenue: Contributions from certain Indian Tribes pursuant to the 2021 Tribal-State compact amendments. The department's FY 2026 budget request did not include revenue data for this fund.		
Purpose of Fund: To mitigate impacts to Indian tribes from gaming authorized by the 2021 Tribal-State compact amendments and provide economic benefits to beneficiary Indian tribes. The department's FY 2026 budget request did not include expenditure data for this fund.		
Funds Expended	0	0
Year-End Fund Balance	0	0
Arizona Benefits Fund (GMA2350/A.R.S. § 5-601.02)	Appropriated	
Source of Revenue: Tribal organizations, which have gaming compacts with the state, pay a portion of their gaming revenues to the state.		
Purpose of Fund: Provide funding for the regulation of tribal gaming and prevention of problem gambling. In addition, the Arizona Benefits Fund distributes monies to the Arizona Department of Education, the Arizona Game and Fish Department, the Office of Tourism, and the Arizona Health Care Cost Containment System. (See individual agency pages for detailed information on each recipient.)		
Funds Expended	12,814,900	16,610,000
Year-End Fund Balance	17,814,400	17,814,400

SUMMARY OF FUNDS	FY 2024 Actual	FY 2025 Estimate
Arizona Breeders' Award Fund (GMA2206/A.R.S. § 5-113)		Non-Appropriated
Source of Revenue: Legislative appropriations from the Racing Regulation Fund. Appropriated expenditures are not displayed to avoid double counting. The fund also receives revenue derived from the source market fees paid from advance deposit wagering on horse racing.		
Purpose of Fund: To give awards to the breeder of every winning horse foaled or whelped in this state. Of the amount allocated for purses, 5% is deposited in the fund.		
Funds Expended	1,731,100	1,400,000
Year-End Fund Balance	541,600	541,600
Coronavirus State and Local Fiscal Recovery Fund (GMA2985/U.S. P.L. 117-2)		Federal Funds
Source of Revenue: Federal monies appropriated in the American Rescue Plan Act (P.L. 117-2).		
Purpose of Fund: To provide emergency support to households, small businesses, nonprofits, workers performing essential work, and certain industries negatively impacted by the COVID-19 pandemic. To extend government services that received a reduction in revenue as a result of the COVID-19 pandemic. To make investments in water, sewer, and broadband infrastructure.		
Funds Expended	0	0
Year-End Fund Balance	39,600	39,600
Event Wagering Fund (GMA2330/A.R.S. § 5-1318)		Non-Appropriated
Source of Revenue: The fund has 2 primary sources of revenue. The first is license fees collected from operators and various other licensees. The second is the privilege fees applied to adjusted gross event wagering revenues, which is 8% for retail location wagers and 10% for mobile wagers.		
Purpose of Fund: To fund the administrative costs associated with regulating event wagering in the state. By the 25th of each month, the Department of Gaming must transfer 90% of the previous month's revenue to the General Fund. The department may not spend more than 10% of fund revenues on regulatory and enforcement costs.		
Funds Expended	2,074,600	2,290,000
Year-End Fund Balance	4,056,200	6,574,400
Fantasy Sports Contest Fund (GMA2320/A.R.S. § 5-1212)		Appropriated
Source of Revenue: The fund has 2 primary sources of revenue. The first is license fees collected from operators and various other licensees. The second is the 5% privilege fee applied to fantasy sports contest adjusted revenues.		
Purpose of Fund: To fund the administrative costs associated with regulating Fantasy Sports Contests in the state. The Department of Gaming may retain up to 10% of fantasy sports contest revenues for administrative costs after which the remainder is transferred to the General Fund.		
Funds Expended	150,100	150,100
Year-End Fund Balance	1,000	1,000
IGA and ISA Fund (GMA2500/A.R.S. § 35-142)		Non-Appropriated
Source of Revenue: Various intergovernmental and interagency service agreements.		
Purpose of Fund: Clearing account for monies expended under Intergovernmental Agreements (IGA) and Intergovernmental Service Agreements (ISA).		
Funds Expended	0	0
Year-End Fund Balance	200	200
Racing Commission Bond Deposit Fund (GMA3720/A.R.S. § 5-107)		Non-Appropriated
Source of Revenue: There are no revenues in this fund. The fund holds bonds posted by commercial racing permit holders until the permittee withdraws their permit.		
Purpose of Fund: To hold bonds posted by commercial racing permit holders until the permittee withdraws their permit. The Division of Racing requires racing permittees to post a bond with the Division of Racing each year, which is refunded when the permittee withdraws their permit. Forfeited bonds are deposited in the General Fund.		
Funds Expended	0	0
Year-End Fund Balance	55,600	55,600

SUMMARY OF FUNDS	FY 2024 Actual	FY 2025 Estimate
Racing Investigation Fund (GMA2369/A.R.S. § 41-705)		Non-Appropriated
Source of Revenue: Monies collected from persons, partnerships, associations or corporations that hold a permit for a racing meeting under Title 5.		
Purpose of Fund: To cover the cost of racing investigations by the Arizona Division of Racing. The fund is administered by the Department of Administration and disbursements are made pursuant to instructions from the Director of the Department of Gaming.		
Funds Expended	0	0
Year-End Fund Balance	41,300	41,300
Racing Regulation Fund (GMA2556/A.R.S. § 5-113.01)		Appropriated
Source of Revenue: License fees and regulatory assessments established by the Arizona Division of Racing and the Boxing Commission, pari-mutuel taxes from wagering at horse racing facilities and donations or grants received by the department.		
Purpose of Fund: To support the mission of the Division of Racing. The fund contains a subaccount that supports the Division of Boxing and Mixed Martial Arts, please see the Racing Regulation Fund - Unarmed Combat Subaccount for additional information.		
Funds Expended	2,134,700	3,948,400
Year-End Fund Balance	2,678,400	1,040,300
Racing Regulation Fund - Unarmed Combat Subaccount (GMA2559/A.R.S. § 5-226)		Appropriated
Source of Revenue: Fees established by the Boxing Commission for unarmed combat events.		
Purpose of Fund: To pay for the administration and regulation of unarmed combat events hosted in Arizona.		
Funds Expended	104,800	105,200
Year-End Fund Balance	46,900	187,600
Retired Racehorse Adoption Fund (GMA2015/A.R.S. § 5-113)		Non-Appropriated
Source of Revenue: Monies are collected by the horse adoption surcharge that receives 5% of all horse racing related fines.		
Purpose of Fund: To provide funding for grants to non-profit organizations for the promotion and adoption of retired racehorses.		
Funds Expended	27,100	25,000
Year-End Fund Balance	900	1,900
State Lottery Fund (GMA2122/A.R.S. § 5-571)		Appropriated
Source of Revenue: Funds transferred from the State Lottery Fund.		
Purpose of Fund: Provide additional funding to the department's Problem Gambling program. These funds are expended to prevent, educate, and treat individuals suffering from problem gambling.		
Funds Expended	300,000	300,000
Year-End Fund Balance	400	400
Tribal-State Compact Fund (GMA2340/A.R.S. § 5-601)		Appropriated
Source of Revenue: The fund receives monies from gaming vendors and gaming employees to pay for their certification.		
Purpose of Fund: Pay for the actual cost of performing background investigations on gaming employees and vendors to determine suitability for state certification.		
Funds Expended	1,179,500	2,330,300
Year-End Fund Balance	1,160,900	567,800