



NEVADA DIVISION of PUBLIC
and BEHAVIORAL HEALTH

Funding Mechanisms for Problem Gambling Services Across the United States

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This report utilized data collected through the National Association of Administrators for Disordered Gambling Services (NAADGS) national surveillance system of publicly funded problem gambling services.¹ The authors gratefully acknowledge NAADGS and the state problem gambling administrators who contributed data to these national surveys and budget updates.



Introduction:

The Chair of the Legislative Workgroup of Nevada's Advisory Committee on Problem Gambling (ACPG), a Governor-appointed committee that helps guide policy and funding priorities for problem gambling services, requested this report to inform the Committee's exploration of legislative concepts for strengthening Nevada's funding structure for problem gambling services. Specifically, the report examines how other states fund problem gambling services and identifies approaches that may offer useful considerations for creating a more stable, predictable, diversified, and sustainable funding structure in Nevada.

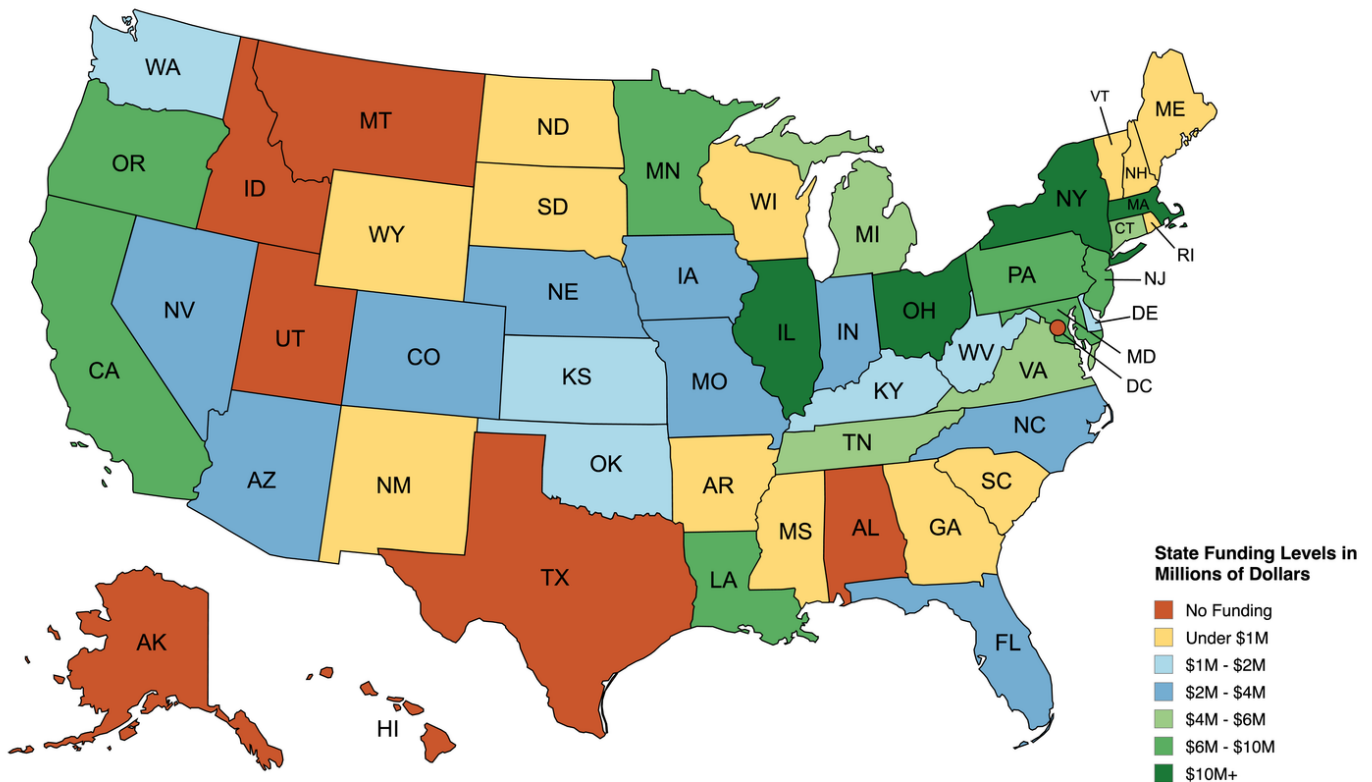
Sustainable and reliable public funding is essential to maintaining a comprehensive system of problem gambling prevention, treatment, recovery support, workforce development, public awareness, research, and program evaluation. In the absence of a federal agency responsible for funding, coordinating, or overseeing state problem gambling services, the availability and scope of these services depend largely on state policy decisions and funding mechanisms.

Since 2006, the National Association of Administrators for Disordered Gambling Services (NAADGS) has conducted the nation's only comprehensive assessment of publicly funded problem gambling services. Historically, these surveys have documented state funding, administrative structures, prevention and treatment services, workforce development, program evaluation, and other key components of state problem gambling service systems. Comprehensive assessments have been completed for fiscal years 2006, 2008, 2010, 2013, 2016, and 2021. Beginning in FY2022, NAADGS adopted a staggered reporting approach in which abbreviated budget update surveys are conducted between comprehensive assessments to monitor changes in state funding and expenditures. Budget updates have since been completed for FY2022, FY2023, and FY2025.

1. Marotta, J., Vazquez, P., & Yamagata, G. (2026). 2025 Budget Update of Publicly Funded Problem Gambling Services in the United States. Windsor, CO: National Association of Administrators for Disordered Gambling Services.

The most recent comprehensive NAADGS survey, based on FY2021 data, found that 42 states provided publicly funded problem gambling services through either statutory or regulatory authority or a dedicated state agency budget. Since that time, continued expansion of legalized gambling, particularly sports wagering, has contributed to substantial growth in state investment. By FY2025, 43 states reported publicly funded problem gambling programs, while Alaska, Alabama, Hawaii, Idaho, Montana, Texas, Utah, and the District of Columbia reported no dedicated funding. National allocations increased from approximately \$94 million in FY2021 to \$188 million in FY2025, with projected allocations reaching approximately \$204 million in FY2026. Despite this growth, funding remains highly uneven across states, reflecting considerable variation in funding mechanisms, legislative priorities, and the availability of dedicated revenue sources (see Figure 1).

Figure 1. Dedicated Problem Gambling Services Funding by State: Fiscal Year 2026



This report builds upon the NAADGS survey series by examining the mechanisms states use to finance publicly funded problem gambling services. Rather than focusing solely on funding levels, it examines how states generate, dedicate, and administer revenues to support problem gambling services. Information from the FY2021 comprehensive NAADGS survey was reviewed alongside subsequent NAADGS budget updates, state statutes, regulations, agency reports, budget documents, and other publicly available sources to identify changes through State Fiscal Year 2026. Because annual appropriations, dedicated revenue collections, and actual expenditures do not always correspond, the FY2026 funding amounts presented in this report reflect the most appropriate measure reported by each state through the NAADGS survey. This report is intended to serve as a practical resource for policymakers, administrators, and other stakeholders seeking to establish, strengthen, or diversify sustainable funding mechanisms for problem gambling services.

States Without Public Funding

As of 2026, 43 states provide dedicated public funding for problem gambling services, while eight jurisdictions do not: Alabama, Alaska, Hawaii, Idaho, Montana, Texas, Utah, and the District of Columbia (D.C.). These jurisdictions illustrate that the absence of public funding can occur for a variety of reasons, including the absence of legalized commercial gambling, policy decisions to rely on private resources, or the elimination of previously established funding mechanisms.

Hawaii and Utah are unique in that they prohibit all forms of commercial gambling and, consequently, do not maintain publicly funded problem gambling programs. Montana relies entirely on privately funded prevention and treatment services, while Texas depends on private and corporate donations, coordinated largely through the Texas Coalition on Problem Gambling. funded prevention and treatment services, while Texas depends on private and corporate donations, coordinated largely through the Texas Coalition on Problem Gambling.

The District of Columbia previously dedicated the first \$200,000 in annual sports wagering revenue to problem gambling services under the Sports Wagering Lottery Amendment Act of 2018. However, this dedicated funding requirement was eliminated in 2024, and gambling-related services are now generally incorporated within broader behavioral health programming rather than supported through a distinct problem gambling funding mechanism. Among the 43 states that do provide public funding, a

wide range of financing approaches has emerged. The following section summarizes the principal funding mechanisms currently used across the United States.

| Summary of Public Funding Mechanisms

Among the 43 states that provide public funding for problem gambling services, financing is derived primarily from revenues generated by legalized gambling activities. Most states rely on multiple funding sources rather than a single mechanism, with revenues typically deposited into a dedicated problem gambling fund or administered through a state public health or behavioral health agency.

A clear national trend is the movement away from relying solely on annual legislative appropriations and toward dedicated statutory funding formulas. Compared with discretionary appropriations, statutory funding mechanisms provide more stable and predictable revenue, reduce competition with other state budget priorities, improve long-term planning for contracts and staffing, and allow funding levels to increase, or decrease, in proportion to gambling activity. Although individual state approaches vary considerably, the principal funding mechanisms generally fall into the following categories:

Lottery Revenue Allocations

Mechanism: States dedicate either a fixed annual amount or a percentage of lottery revenues or profits to support problem gambling prevention, treatment, and recovery services.

Examples: Minnesota (fixed annual lottery allocation); Oregon (1% of total lottery revenues).

Gaming Operator Taxes and Licensing Fees

Mechanism: States assess casinos, racetracks, and online gaming operators through licensing fees, annual assessments, per-device charges, or taxes based on gross or adjusted gaming revenue. A portion of these revenues is dedicated to problem gambling services.

Examples: Maryland (annual fees per slot machine and table game); New Jersey (annual assessments on commercial casinos and internet gaming operators).

Tribal Gaming Compacts

Mechanism: Tribal-state gaming compacts may require tribes to contribute a percentage of gaming revenues or specified annual payments to state-administered funds supporting problem gambling services.

Examples: California (Tribal Distribution Fund); Arizona (2% of tribal gaming revenues deposited into the Arizona Benefits Fund); New Mexico (0.25% of net slot machine revenues).

Sports Betting Taxes and Revenue

Mechanism: Following the rapid expansion of legalized sports betting, many states have enacted legislation dedicating either a percentage of sports betting tax revenue or a fixed annual amount from sports wagering to problem gambling services.

Examples: Tennessee (5% of sports betting privilege tax); Virginia (2.5% of sports betting tax revenues); Ohio (2% of sports betting revenues); New York (\$6 million annually).

Legislative Appropriations and General Funds

Mechanism: Some states continue to fund problem gambling services through the annual appropriations process using general fund revenues or other statewide budgetary resources rather than gambling-specific revenues.

Examples: Nevada (quarterly general fund transfers); Arkansas (Rainy Day Fund appropriations); Iowa (general fund appropriations).

Unclaimed or Forfeited Winnings

Mechanism: States may dedicate unclaimed prize money or gambling winnings forfeited by individuals participating in voluntary self-exclusion programs to problem gambling funds.

Examples: Virginia, Rhode Island, Michigan, Maine, Louisiana, and Pennsylvania.

Regulatory Fines and Enforcement Proceeds

Mechanism: Civil penalties and enforcement actions against gaming operators, licensees, manufacturers, or sportsbooks may be directed to dedicated problem gambling funds rather than a state's general fund.

Examples: Virginia and Louisiana.

Emerging and Potential Funding Mechanisms

In addition to the funding mechanisms currently used by many states, several emerging policy options could further diversify and strengthen public funding for problem gambling services. These approaches are intended to supplement, rather than replace, established statutory funding mechanisms and may provide modest additional revenue while increasing public awareness and engagement.

Potential options include:

Unclaimed or abandoned player account balances. Require unclaimed funds from online wagering, lottery, casino, or advance deposit wagering accounts to be deposited into a dedicated problem gambling fund rather than the state's general fund.

State income tax checkoff programs. Establish voluntary income tax checkoff options that allow taxpayers to designate a portion of their state tax refund or make an additional contribution to support problem gambling prevention, treatment, and recovery services.

Lottery "round -up" programs. Permit lottery purchasers to voluntarily round up the purchase price of tickets, with the additional amount deposited into a dedicated problem gambling fund.

Casino charitable donation programs.² Many casinos now operate cash kiosks that allow patrons redeeming Ticket-In, Ticket-Out (TITO) vouchers to voluntarily donate their remaining change to charitable organizations. Although these programs typically support community nonprofits such as for

² Examples include Atlantis Casino Resort Spa (NV), Three Rivers Casino Resort (OR), Jake's 58 Casino Hotel (NY), Ocean Casino Resort (NJ), and Gila River Resorts & Casinos (AZ), where cash kiosk donation systems or related responsible gambling initiatives have been implemented.

banks, veterans' organizations, or children's charities, the same infrastructure could be used to direct voluntary donations to problem gambling prevention, treatment, recovery, and research organizations. Some gaming operators already integrate responsible gambling initiatives into these systems by directing self-excluded or abandoned winnings to problem gambling organizations or by including problem gambling organizations among the selectable charitable beneficiaries.

Integrated responsible gambling transaction platforms. Emerging fintech platforms increasingly combine responsible gambling features with charitable giving capabilities. For example, *Plutchash* kiosks can simultaneously provide voluntary donation options while also offering tools such as self-transaction exclusion, allowing patrons to block their debit cards, credit cards, or bank accounts from accessing cash through participating gaming ATMs and cashier systems. Although primarily designed as responsible gambling technologies rather than funding mechanisms, these integrated platforms may provide opportunities to both support responsible gambling initiatives and generate supplemental funding for related services.

Although these approaches have not yet been widely adopted for problem gambling services, they represent practical opportunities to diversify funding sources without increasing gambling tax rates or imposing significant additional costs on gambling operators or consumers. When combined with dedicated statutory funding, these mechanisms may enhance the long-term sustainability of state problem gambling programs.

Table 1. Summary of Public Funding Mechanisms Used by U.S. States to Support Problem Gambling Services (2026)

Funding Mechanism	Description	States Using Mechanism*
Lottery revenues	Fixed appropriations or percentages of lottery proceeds or profits	13
Casino or gaming tax revenues	Dedicated percentages of casino, VLT, or gaming tax revenues	16
Sports wagering revenues	Dedicated sports wagering taxes or sports betting revenues	16
Tribal gaming compacts	Tribal compact payments or tribal gaming revenue sharing	6
Gaming operator assessments or licensing fees	Annual operator assessments, licensing fees, or per-table/device fees	10
Legislative appropriations / General Fund	Annual appropriations not directly tied to gambling revenues	13
Dedicated statutory fund	Revenue deposited into a protected fund dedicated to problem gambling services	20
Unclaimed or forfeited winnings	Unclaimed prizes, forfeited winnings, or abandoned gaming funds	7
Regulatory fines and enforcement proceeds	Gaming fines, penalties, and enforcement actions	5
Voluntary contributions or donations	Tribal, lottery, or gaming operator voluntary contributions	5

*States frequently utilize multiple funding mechanisms; therefore, totals exceed the number of states with publicly funded problem gambling services.

Several national trends emerge. First, most states rely on multiple complementary funding mechanisms rather than a single revenue source. Second, there has been a clear shift toward dedicated statutory funding formulas tied directly to gambling activity, particularly sports wagering and casino gaming revenues, reducing reliance on annual legislative appropriations. Third, many states supplement primary funding sources with secondary revenues such as operator assessments, unclaimed winnings, regulatory fines, or voluntary contributions to create more diversified and sustainable funding systems.

Funding Options for Nevada

Nevada is uniquely positioned to establish a more sustainable funding model for problem gambling services. Unlike many states, Nevada has one of the nation's most mature and diversified commercial gaming industries, including commercial casinos, sports wagering, mobile sports betting, race and sports books, distributed gaming, and one of the largest gaming markets in the United States. At the same time, Nevada is one of only a handful of states without a state lottery, making dedicated funding mechanisms unavailable.

Historically, Nevada supported problem gambling services through a dedicated assessment on slot machine licensing fees. However, the Legislature transitioned the program to primarily General Fund appropriations after determining that revenues generated by the slot machine assessment were no longer sufficient to support the program's funding needs. As a result, the current funding model relies largely on the biennial appropriations process rather than on dedicated statutory revenues tied directly to gambling activity.

Nationally, the predominant trend has been the opposite. Many states have moved away from reliance on annual appropriations by establishing dedicated statutory funding formulas that automatically direct a portion of gambling-related revenues to problem gambling services. These mechanisms provide greater funding stability, improve long-term planning, and allow investments in prevention and treatment to grow alongside the expansion of legalized gambling. Nevada could adopt a similar approach without increasing existing gaming tax rates by dedicating a small portion of existing gambling-related revenues to the Problem Gambling Fund.

Strengthen the Existing Problem Gambling Fund Through Dedicated Statutory Revenues

Rather than relying primarily on annual General Fund appropriations, Nevada could strengthen its existing Problem Gambling Fund by establishing one or more statutory revenue sources that are automatically deposited into the fund. Many states have adopted this approach because it provides predictable funding while reducing competition with other General Fund priorities. Multiple revenue sources could be directed into the existing fund, creating a diversified and sustainable financing structure while preserving legislative oversight of expenditures.

Dedicate a Percentage of Existing Gaming Tax Revenues

The most straightforward option would be to dedicate a small percentage of existing gaming tax revenues to the Problem Gambling Fund. Rather than increasing gaming tax rates, legislation could earmark a fixed percentage of taxes already collected by the state. This approach automatically adjusts funding as gaming revenues fluctuate and closely aligns investments in prevention and treatment with the economic activity that generates gambling-related harm.

Dedicate a Portion of Sports Wagering Revenues

Sports wagering has become one of the fastest-growing segments of legalized gambling, and many states now dedicate a portion of sports betting taxes to responsible gambling initiatives. Nevada could similarly dedicate either a fixed annual appropriation from sports wagering tax collections or a specified percentage of those revenues. Because sports wagering continues to evolve rapidly, this mechanism would provide a logical and sustainable funding source directly linked to an expanding gambling market.

Consider Targeted Game Assessments

Although Nevada no longer relies on the former slot machine assessment to fund problem gambling services, policymakers could consider targeted regulatory assessments that better reflect today's gaming marketplace. Options could include modest annual assessments on table games, mobile wagering, or other licensed gaming activities. Many states successfully utilize game assessments to generate stable funding while imposing only a minimal cost relative to overall gaming revenues.

Dedicate Regulatory Fines and Enforcement Proceeds

Nevada operates one of the nation's most comprehensive gaming regulatory systems. Civil penalties assessed for violations of gaming laws or regulations could be deposited into the Problem Gambling Fund rather than the state's General Fund. Although enforcement revenues are inherently variable and should not serve as a primary funding source, they could provide a useful supplemental source of funding similar to programs adopted in other states.

Direct Self-Excluded and Forfeited Winnings to the Problem Gambling Fund

Several states dedicate winnings forfeited by individuals participating in voluntary self-exclusion programs to problem gambling services. Nevada could consider directing forfeited winnings, abandoned gaming credits, or other unclaimed gaming proceeds into the Problem Gambling Fund. This approach closely aligns the source of funding with responsible gambling policy objectives while creating an additional supplemental revenue stream.

Encourage Voluntary Casino Donation Programs

Nevada gaming operators could also expand voluntary charitable giving opportunities through cash kiosks that allow patrons redeeming gaming vouchers to donate spare change to designated nonprofit organizations. State-certified problem gambling organizations could be included among the eligible charitable beneficiaries or featured during responsible gambling awareness campaigns. Although voluntary donations would represent only a modest funding source, they could increase public awareness while providing supplemental support for prevention, treatment, recovery, and research.

Overall Considerations

Nevada has demonstrated a strong commitment to funding problem gambling services through General Fund appropriations. However, unlike many other states, the program is not currently supported by dedicated statutory funding mechanisms tied directly to gambling activity. The experience of other jurisdictions suggests that the most sustainable funding models combine multiple dedicated revenue streams within a protected statutory framework. By diversifying funding sources, such as dedicating a small percentage of existing gaming tax revenues, allocating a portion of sports wagering revenues, establishing targeted operator assessments, directing regulatory fines and forfeited winnings, and

encouraging voluntary charitable giving, Nevada could create a more stable and predictable funding system that grows alongside its gaming industry while reducing reliance on the biennial appropriations process.

| Conclusion and Recommendations

No single funding model has emerged as the national standard for financing problem gambling services. Instead, states have developed funding systems that reflect their unique gambling industries, legislative priorities, and public health infrastructures. While individual approaches vary considerably, several clear patterns have emerged.

First, states are increasingly moving away from reliance on annual legislative appropriations and toward dedicated statutory funding mechanisms that automatically allocate revenues generated by legalized gambling. These funding formulas provide greater financial stability, improved planning, and better align investments in prevention and treatment with the growth of gambling activity.

Second, the strongest funding systems rarely rely on a single revenue source. Rather, they combine multiple complementary funding streams, including gaming taxes, lottery revenues, sports wagering taxes, operator assessments, tribal gaming compact payments, and other dedicated revenues, to create a diversified and resilient funding portfolio. Supplemental sources such as regulatory fines, forfeited winnings, and voluntary charitable contributions can further strengthen these systems but are generally most effective as secondary funding mechanisms.

Finally, as gambling opportunities continue to expand through sports wagering, online gaming, and emerging technologies, public investment in problem gambling services should evolve accordingly. Linking funding directly to gambling activity helps ensure that prevention, treatment, recovery, workforce development, research, and public awareness efforts are able to grow alongside the industries that generate gambling-related harm.

Based on this review, three broad policy recommendations emerge:

- 1. Establish dedicated statutory funding mechanisms.** Whenever feasible, states should dedicate a portion of gambling-related revenues through statute rather than relying primarily on annual appropriations. Dedicated funding formulas provide greater stability, predictability, and long-term sustainability.
- 1. Develop diversified funding portfolios.** States should utilize multiple complementary funding sources whenever possible. Combining gaming taxes, sports wagering revenues, operator assessments, tribal compact payments, and other dedicated revenue streams reduces dependence on any single funding source and increases resilience during periods of economic or market change.
- 1. Align funding with gambling expansion.** As new gambling products and technologies are authorized, policymakers should consider establishing corresponding funding mechanisms that support prevention, treatment, recovery, research, and public awareness initiatives. Ensuring that new gambling opportunities are accompanied by proportional public investment strengthens the long-term sustainability of responsible gambling programs.

Although the specific mechanisms differ from state to state, the underlying principle remains consistent: the most sustainable funding systems dedicate revenues generated by legalized gambling to mitigating gambling-related harm. As states continue to modernize their gambling industries, establishing stable, diversified, and dedicated funding mechanisms will remain essential to ensuring that prevention, treatment, and recovery services are available to individuals, families, and communities affected by gambling-related harm.

Appendix A:

State by State Funding Sources for State Agencies with Dedicated Problem Gambling Services Budgets

Arizona

Arizona funds problem gambling services through two dedicated statutory revenue sources. State law requires the Arizona Lottery to transfer \$300,000 annually to the Arizona Department of Gaming, Division of Problem Gambling, to support treatment services. In addition, 2% of tribal gaming revenues paid to the state under Tribal-State Gaming Compacts are deposited into the Arizona Benefits Fund, which supports prevention, intervention, treatment, and education related to problem gambling. Because funding from the Arizona Benefits Fund fluctuates with tribal gaming revenues, annual appropriations vary. For State Fiscal Year 2026, Arizona allocated \$3,020,000 for problem gambling services.

Arkansas

Arkansas funds problem gambling services through dedicated statutory appropriations from two gambling-related revenue sources. Legislation enacted in 2018 requires the Arkansas Racing Commission to provide \$200,000 annually to support statewide problem gambling prevention, treatment, and related services. In addition, the Arkansas Lottery provides \$20,000 annually to support the state's problem gambling helpline. Because both funding sources are established as fixed annual appropriations, funding remains stable from year to year unless modified by legislation. For State Fiscal Year 2026, Arkansas allocated \$220,000 for problem gambling services.

California

California funds problem gambling services through multiple dedicated revenue sources, including Tribal-State Gaming Compacts, gaming license fees, and lottery funding. Tribal gaming compacts require participating tribes to make payments into the Indian Gaming Special Distribution Fund, a portion of which is appropriated to support statewide problem gambling prevention and treatment programs. Because the Special Distribution Fund supports multiple statutory purposes, only a portion of its revenues is available for problem gambling services. California also supports the Gambling

Addiction Program Fund through annual card room license fees of \$100 per licensed gaming table, and in 2023 the California State Lottery entered into an agreement to provide \$170,000 annually to the Office of Problem Gambling to fund ~~one~~ half of the cost of the statewide problem gambling helpline. For State Fiscal Year 2026, California allocated approximately \$8 million for problem gambling services.

Colorado

In 2022, the Responsible Gaming Grant Program was established that provides \$2.5 million in annual funding through 2032¹, which is collected from the state's share of gaming revenue. 2% of gaming revenues (a minimum \$100,000 annually) are also transferred to the state gambling addiction account to support crisis hotlines, workforce development, public awareness campaigns, and direct treatment costs. Colorado's total allocation for problem gambling services in 2026 was \$3,783,954.

Connecticut

Connecticut's Chronic Gamblers Treatment and Rehabilitation Account is supported through multiple statutorily mandated revenue sources across the state's legalized gambling industry. The Connecticut Lottery Corporation provides the largest and most consistent funding through annual transfers of \$2.3 million from general lottery ticket sales and an additional \$1.0 million from retail and online sports wagering and fantasy contest revenues (CGS § 12-818). In addition, each master wagering license holder is required to contribute \$500,000 annually to either the state's Chronic Gamblers Treatment and Rehabilitation Account or designated problem gambling nonprofit organizations (CGS § 12-871). Additional revenues are generated through performance-based assessments, including \$135 per live jai alai performance, capped at \$45,000 annually per licensee, and \$25 per teletheater performance charged to off-track betting and teletheater operators. For State Fiscal Year 2026, Connecticut allocated \$4,231,465 for problem gambling services.

Delaware

Delaware funds problem gambling services through dedicated statutory formulas tied directly to revenues generated from electronic gaming machines and casino table games. State law requires the Delaware Lottery to allocate the greater of \$1 million or 1% of total video lottery terminal (VLT) proceeds each fiscal year to support problem gambling treatment, education, and assistance. In addition,

casino table games are subject to a separate statutory allocation requiring the greater of \$250,000 or 1% of the state's retained table game revenues to be dedicated annually to responsible gambling initiatives. These funding formulas ensure that revenues are automatically directed to problem gambling services rather than being subject to the annual appropriations process, providing a stable funding source that grows with gaming activity. Delaware's SFY 2026 problem gambling service allocation was \$1,901,027.00.

Florida

Florida funds state-administered problem gambling services through statutory assessments on commercial gaming operators. State law requires each of the eight licensed pari-mutuel facilities operating slot machines in Broward and Miami-Dade counties to pay an annual assessment of \$250,000, generating \$2 million annually to support problem gambling prevention, treatment, and related services. Separately, under the Seminole Tribe's Tribal-State Gaming Compact, the Seminole Tribe of Florida contributes an additional \$1.5 million annually to support problem gambling services and responsible gambling initiatives. However, because these funds are provided directly by the Tribe rather than appropriated through a state agency or deposited into a state-administered fund, they are not included in Florida's reported state allocation. For State Fiscal Year 2026, Florida allocated \$2,000,000 for problem gambling services.

Georgia

Georgia funds problem gambling services through a dedicated statutory transfer of unclaimed lottery prize funds. State law requires the Georgia Lottery Corporation to transfer \$200,000 annually in unclaimed lottery prize money to the Department of Behavioral Health and Developmental Disabilities to support problem gambling prevention, treatment, and related services. The Georgia Lottery has voluntarily increased this contribution to \$400,000 annually, providing funding above the statutory minimum. For State Fiscal Year 2026, Georgia allocated \$400,000 for problem gambling services.

Illinois

Illinois funds problem gambling services primarily through legislative appropriations supported by state gambling revenues rather than through dedicated statutory formulas tied to specific gaming activities. Although Illinois generates substantial revenue from casinos, video gaming terminals, sports wagering,

and other legalized gambling, funding for problem gambling services is established annually through the state budget process. For Fiscal Year 2026, the state appropriated \$15 million for problem gambling prevention, treatment, recovery support, and related services. Unlike states that dedicate a fixed percentage of gambling revenues to problem gambling services, Illinois relies on legislative appropriations, allowing funding levels to be adjusted each budget cycle based on legislative priorities and available resources.

Indiana

Indiana funds problem gambling services through a dedicated statutory Gamblers' Assistance Fund administered by the Indiana Division of Mental Health and Addiction (DMHA). For State Fiscal Year 2026, the fund received a legislative allocation of \$3,063,652 to support statewide prevention, treatment, recovery support, helpline services, and related public health initiatives. The fund is supported by multiple gambling-related revenue sources, including dedicated distributions from casino and wagering taxes, 3.33% of state sports wagering tax revenues, and gaming-related fees and fines assessed by the Indiana Gaming Commission. Because the Gamblers' Assistance Fund is a non-lapsing account, unexpended balances remain available for future program expenditures rather than reverting to the General Fund, providing greater funding stability and continuity for statewide problem gambling services.

Iowa

Iowa funds problem gambling services through a combination of State General Fund appropriations and dedicated revenues from the Sports Wagering Tax Receipt Fund. Under Iowa law, 2% of annual sports wagering tax receipts are deposited into the Sports Wagering Tax Receipt Fund, with a portion of those revenues appropriated to support problem gambling prevention, treatment, recovery, and related services. For State Fiscal Year 2026, Iowa allocated \$2,132,913 for problem gambling services. Following enactment of House File 2673, these services are administered within the state's integrated behavioral health system.

Kansas

Kansas funds problem gambling services through the Problem Gambling and Addictions Grant Fund (PGAGF), a dedicated, non-lapsing fund supported by statutory allocations from legalized gambling

revenues. State law directs 2% of net revenues from ~~state~~ casinos and 2% of state sports wagering tax revenues to the PGAGF. The fund also receives statutory transfers of at least \$80,000 annually from Kansas Lottery revenues and \$20,000 annually from bingo regulatory fees. Although these revenues are deposited into the PGAGF, the fund supports a broad range of behavioral health addiction initiatives, with problem gambling services receiving only a portion of the total fund through legislative appropriations. For State Fiscal Year 2026, Kansas allocated \$1,606,066 for problem gambling prevention, treatment, recovery, and related services.

Kentucky

Kentucky funds problem gambling services through the Problem Gambling Assistance Account, a dedicated, non-lapsing fund established with the legalization of sports wagering in 2023. State law directs 2.5% of sports wagering tax revenues and associated sports wagering licensing fees into the account to support problem gambling prevention, treatment, recovery, and public education services administered by the Department for Behavioral Health, Developmental and Intellectual Disabilities. For State Fiscal Year 2026, deposits through April 2026 totaled \$1,169,795. Because funding is tied directly to sports wagering activity, annual revenues fluctuate with wagering volume and tax collections.

Louisiana

Louisiana funds problem gambling services through the Compulsive and Problem Gaming Fund, a dedicated statutory fund supported primarily by sports wagering tax revenues. State law directs 3% of sports wagering tax proceeds, or \$500,000, whichever is greater, to the fund. Sports wagering is taxed at 10% of net gaming proceeds from retail sportsbooks and 21.5% from mobile sports wagering, allowing problem gambling funding to increase as wagering activity grows. In addition, state law directs 2% of sports wagering tax proceeds, or \$500,000, whichever is greater, to the Behavioral Health and Wellness Fund, which supports broader behavioral health initiatives, including services for individuals with co-occurring gambling and substance use disorders. The Compulsive and Problem Gaming Fund is also supplemented by regulatory assessments on licensed gaming activities, including video draw poker and pari-mutuel wagering. For State Fiscal Year 2026, Louisiana appropriated \$7,000,000 for problem gambling prevention, treatment, recovery, research, and public awareness services.

Maine

Maine funds problem gambling services through the Gambling Addiction Prevention and Treatment Fund, a dedicated fund supported by multiple statutory gaming revenue sources. State law directs 1% of adjusted gross sports wagering receipts to the fund. The fund also receives \$100,000 annually from commercial casino slot machine revenues and additional statutory transfers from table game revenues generated by the state's commercial casinos. For State Fiscal Year 2026, Maine's intended allocation for problem gambling services is \$792,590. As gaming revenues increase, deposits into the fund fluctuate based on wagering activity and statutory revenue formulas.

Maryland

Maryland funds problem gambling services through the Problem Gambling Fund, a dedicated special fund supported by statutorily designated gaming revenues. Under current law, the fund receives all unclaimed sports wagering prizes that remain unclaimed for 182 days and are forfeited to the State. In addition, proceeds forfeited by individuals on the voluntary exclusion list, including certain sports wagering and fantasy competition winnings, are deposited into the fund as required by regulation. Maryland does not currently dedicate a fixed percentage of sports wagering tax revenues to problem gambling services; sports wagering tax proceeds are distributed primarily to education and the General Fund under separate statutory provisions. For State Fiscal Year 2026, Maryland allocated \$6,055,041 for problem gambling services.

Massachusetts

Massachusetts funds problem gambling services through a combination of dedicated gaming revenues and legislative appropriations. The Public Health Trust Fund (PHTF) receives a statutory share of casino gaming revenues, including 5% of Category 1 casino gaming revenue, 9% of sports wagering revenues, and an additional \$1 million annual assessment on sports wagering operators, apportioned according to each operator's share of adjusted gross sports wagering receipts. The Public Health Trust Fund supports multiple public health initiatives established under the Expanded Gaming Act, with the Massachusetts Gaming Commission annually allocating a portion of these revenues to problem gambling prevention, research, and related initiatives. The Legislature also appropriates related revenues to the Department of Public Health to support statewide problem gambling services. For State

Fiscal Year 2026, Massachusetts allocated \$53,089,314 for problem gambling services, including \$45,017,180 administered by the Department of Public Health and \$8,072,134 allocated by the Massachusetts Gaming Commission from the Public Health Trust Fund.

Michigan

Michigan funds problem gambling services through the Compulsive Gaming Prevention Fund, a dedicated non-lapsing fund supported by statutory transfers from multiple gaming revenue sources. Beginning in 2025, state law directs \$2 million annually from the annual assessments collected from Detroit commercial casino licensees, \$3 million annually from the Internet Gaming Fund, and \$1 million annually from the Internet Sports Betting Fund into the Compulsive Gaming Prevention Fund. These transfers replaced the previous funding formulas tied to internet gaming and sports wagering revenues. For State Fiscal Year 2026, Michigan allocated \$5,386,546 for problem gambling services.

Minnesota

Minnesota funds problem gambling services through multiple statutory revenue sources. State law appropriates 0.5% of the revenue deposited in the General Fund from lawful charitable gambling taxes and regulatory fees to the Compulsive Gambling Treatment Program, and an additional 0.5% to the state's affiliate of the National Council on Problem Gambling for public awareness, education, training, and research. In addition, the Minnesota State Lottery transfers unclaimed lottery prize funds to the General Fund, a portion of which is appropriated by the Legislature to support problem gambling services. Minnesota law also authorizes voluntary contributions from tribal governments to supplement state-funded programs. For State Fiscal Year 2026, Minnesota allocated \$8,704,455 for problem gambling services.

Mississippi

Mississippi funds problem gambling services through an annual legislative appropriation administered by the Mississippi Department of Mental Health. Unlike many states, Mississippi does not dedicate a statutory percentage of gaming revenues or lottery proceeds to problem gambling services. Instead, funding is provided through a fixed annual appropriation to support prevention, treatment, and public awareness activities. For State Fiscal Year 2026, Mississippi allocated \$75,000 for problem gambling services.

Missouri

Missouri funds problem gambling services through the Compulsive Gamblers Fund (Department of Mental Health) and the Compulsive Gaming Prevention Fund (Missouri Gaming Commission), both supported by dedicated gaming revenues. Historically, the Compulsive Gamblers Fund received appropriations from up to one cent of the casino admission fee and could also receive appropriations from local gaming tax revenues. Beginning with the legalization of sports wagering, the Missouri Constitution also directs the greater of 10% of annual sports wagering tax revenues or \$5 million annually to the Compulsive Gaming Prevention Fund, which is supported by the state's 10% tax on adjusted gross sports wagering revenue. For State Fiscal Year 2026, Missouri allocated \$2,000,000 for problem gambling services, with funding expected to increase as the new constitutional funding provisions are fully implemented.

Nebraska

Nebraska funds problem gambling services through the Compulsive Gamblers Assistance Fund, a dedicated fund supported by multiple statutory gaming revenue sources. The fund receives transfers from the State Lottery Operation Trust Fund, including an initial statutory transfer and an additional 1% of lottery proceeds remaining after the payment of prizes, operating expenses, and the initial transfer. The fund also receives quarterly transfers of \$100,000 from the Charitable Gaming Operations Fund (through June 30, 2026), distributions from annual gaming tax proceeds, and may receive grants, donations, gifts, fees, reimbursements, and other public or private revenues. Beginning July 18, 2026, the fund will also receive 2.25% of state cash device tax revenues under LB 901. For State Fiscal Year 2026, Nebraska allocated \$3,208,877 for problem gambling services.

Nevada

Nevada funds problem gambling services through the Revolving Account to Support Programs for the Prevention and Treatment of Problem Gambling, established in statute and administered by the Department of Health and Human Services. The account may receive legislative appropriations, gifts, grants, donations, and other authorized revenues; however, unlike many states, Nevada does not dedicate a statutory percentage of gaming taxes, sports wagering taxes, or casino revenues to problem gambling services. Since SFY2020, funding has been provided primarily through annual General Fund

appropriations, replacing the former statutory transfer of \$2 per slot machine subject to the quarterly slot machine license fee. For State Fiscal Year 2026, Nevada allocated \$2,088,293 for problem gambling services.

New Hampshire

New Hampshire funds problem gambling services through a combination of gaming revenues and legislative appropriations. Beginning July 1, 2025, state law requires each Video Lottery Terminal (VLT) licensee to distribute 0.25% of gross video lottery revenue to the Governor's Commission on Addiction, Treatment, and Prevention for problem gambling services. Additional support may be provided through annual legislative appropriations and other gaming revenues administered by the state. For State Fiscal Year 2026, New Hampshire allocated \$93,461 for problem gambling services. New Hampshire's reported SFY2026 allocation (\$93,461) does not yet reflect the new 0.25% VLT revenue dedication, because VLT gaming only became effective on July 1, 2025, and the revenue stream was still ramping up during the period covered by the 2025 NAADGS Survey. As VLT facilities become operational, this statutory funding source is likely to become a much more significant component of the state's problem gambling funding.

New Jersey

New Jersey funds problem gambling services through multiple dedicated gaming revenue sources. State law requires each Internet gaming permit holder to pay an annual Responsible Internet Gaming Fee of \$250,000, with \$140,000 allocated to the Council on Compulsive Gambling of New Jersey and \$110,000 for state treatment programs. In addition, 50% of the initial sports wagering license fee is dedicated to problem gambling prevention, education, and treatment programs. The state also directs the first \$600,000 in annual casino regulatory penalties to problem gambling services, with \$500,000 allocated to the Council on Compulsive Gambling and \$100,000 to treatment programs. Additional funding is derived from casino fines and penalties and forfeited gambling winnings, which support responsible gambling initiatives through the Division of Gaming Enforcement. For State Fiscal Year 2026, New Jersey allocated \$7,967,235 for problem gambling services.

New Mexico

New Mexico funds problem gambling services through statutory and tribal gaming requirements that dedicate a portion of gaming revenues to prevention, education, and treatment. Under the Gaming Control Act, licensed racetrack gaming operators must contribute 0.25% of net slot machine revenue while Tribal-State Gaming Compacts require tribal gaming operators to dedicate 0.25% of net win from gaming machines for the same purpose. Unlike most states, these funds are not deposited into a state agency or state-administered fund. Instead, each gaming operator is responsible for directing its required contributions to qualified problem gambling service providers, creating a decentralized funding model in which gaming operators determine funding recipients within statutory requirements. The New Mexico Lottery separately budgets \$70,000 annually to support the state's problem gambling helpline, and because this is the only problem gambling funding administered through a state agency, it is the amount reported by NAADGS as the state's public investment in problem gambling services. For State Fiscal Year 2026, New Mexico allocated \$70,000 for state-administered problem gambling services.

New York

New York funds problem gambling services primarily through annual legislative appropriations administered by the Office of Addiction Services and Supports (OASAS). Although New York receives substantial revenues from commercial casinos, video lottery gaming, mobile sports wagering, and the state lottery, no statutory percentage of these gaming revenues is dedicated exclusively to problem gambling services. Instead, the Legislature appropriates funding through the state budget to support prevention, treatment, recovery, workforce development, research, and public awareness initiatives, with additional competitive funding opportunities administered by OASAS as appropriations allow. For State Fiscal Year 2026, New York allocated \$12,718,000 for problem gambling services.

North Carolina

North Carolina funds problem gambling services through a dedicated statutory transfer from the North Carolina State Lottery Fund. State law requires \$2 million annually to be transferred from lottery revenues to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Use Services, to support problem gambling prevention, treatment, recovery,

and public awareness activities. In addition to this dedicated lottery transfer, the General Assembly provided an additional \$1 million legislative appropriation for State Fiscal Year 2026, bringing the state's total allocation for problem gambling services to \$3,000,000. This funding approach combines a stable statutory revenue source with supplemental appropriations that may be adjusted through the annual budget process.

North Dakota

North Dakota funds problem gambling services through the Compulsive Gambling Prevention Fund, a dedicated statutory fund supported by charitable gaming tax revenues. State law requires the first \$500,000 collected annually from the charitable gaming tax to be deposited into the fund. The Legislature appropriates funding from this and other available revenues through the state's biennial budget. For State Fiscal Year 2026, North Dakota appropriated \$660,000 for problem gambling services.

Ohio

Ohio funds problem gambling services through multiple dedicated statutory gaming revenue sources. State law requires 2% of the tax collected on gross casino revenue to be deposited into the Problem Gambling and Addictions Fund, while 2% of sports gaming tax revenues are also credited to the fund. The fund is administered by the Ohio Department of Mental Health and Addiction Services and supports statewide prevention, treatment, recovery, workforce development, research, and responsible gambling initiatives. Because both funding sources are percentage-based, available funding generally increases as casino and sports wagering revenues grow. For State Fiscal Year 2026, Ohio allocated \$12.2 million for problem gambling services.

Oklahoma

Oklahoma funds state-administered problem gambling services through two dedicated gaming revenue sources. The Oklahoma Lottery transfers \$750,000 annually from unclaimed prize funds to the Oklahoma Department of Mental Health and Substance Abuse Services, and the state directs an additional \$250,000 annually from tribal gaming exclusivity fees to the department. Together, these sources provide \$1,000,000 annually for problem gambling services. Separately, participating tribal

gaming operators make comp~~are~~ required payments directly to the Oklahoma Association on Problem Gambling; because those funds do not pass through a state agency, they are not included in the state reported allocation. For State Fiscal Year 2026, Oklahoma allocated \$1,000,000 for problem gambling services.

Oregon

Oregon funds problem gambling services through a dedicated statutory transfer from the Oregon State Lottery Fund. State law requires 1% of the Oregon State Lottery's annual net proceeds to be allocated to the Oregon Health Authority for the prevention and treatment of gambling disorder. Because the funding is based on a percentage of lottery net proceeds rather than a fixed dollar amount, annual appropriations generally fluctuate with lottery revenues. The Oregon Lottery also supports responsible gambling initiatives through separate operating expenditures, including retailer training, public awareness, and player protection activities. For State Fiscal Year 2026, Oregon allocated \$8,954,834 for problem gambling services.

Pennsylvania

Pennsylvania funds problem gambling services through the Compulsive and Problem Gambling Treatment Fund, a dedicated statutory fund administered by the Department of Drug and Alcohol Programs (DDAP). As amended by Act 42 of 2017, the fund receives 0.002% of gaming revenue generated from sports wagering, fantasy contests, video gaming terminals, airport gaming, casinos, Category 4 (mini) casinos, and interactive gaming. These dedicated revenues support statewide prevention, treatment, intervention, and administrative activities. For State Fiscal Year 2026, Pennsylvania allocated \$9,900,000 for problem gambling services.

Rhode Island

Rhode Island funds problem gambling services through a statutory reimbursement mechanism administered by the Rhode Island Lottery. State law requires the state's two licensed casinos, Bally's Twin River Lincoln and Bally's Tiverton, to reimburse the Lottery no less than \$200,000 annually for problem gambling prevention, treatment, and recovery services. Unlike most states, Rhode Island does not establish a predetermined annual budget allocation for problem gambling services. Instead, funding is based on actual expenditures incurred during the fiscal year, with the Lottery reimbursed by the

casinos for eligible costs. As a result, Rhode Island reported \$94,705 in actual expenditures for SFY2025, which serves as the state's most recent available funding level in lieu of an SFY2026 allocation.

South Carolina

South Carolina funds problem gambling services through an annual legislative appropriation administered by the Department of Alcohol and Other Drug Abuse Services (DAODAS). Unlike many states, South Carolina does not dedicate a statutory percentage of lottery revenues, casino revenues, or sports wagering taxes to problem gambling services. Instead, funding is provided through the state budget as a fixed annual appropriation to support prevention, treatment, and public awareness activities. For State Fiscal Year 2026, South Carolina allocated \$100,000 for problem gambling services. State officials also indicated that efforts are underway to seek additional funding in future fiscal years.

South Dakota

South Dakota funds problem gambling services through multiple dedicated gaming revenue sources. State law directs 0.1% of the net machine income from video lottery terminals to the Department of Social Services, Division of Behavioral Health, to support statewide prevention, treatment, recovery, and public awareness services for gambling disorder. In addition, the South Dakota Gaming Commission Fund, which is supported by gaming taxes, license fees, application fees, and other gaming revenues, is authorized to provide gaming addiction treatment and counseling grants. Because the primary funding mechanism is based on a percentage of video lottery revenues, available resources fluctuate with gaming activity, while annual contracts are adjusted administratively to reflect projected service demand. For State Fiscal Year 2026, South Dakota allocated \$261,343 for problem gambling services.

Tennessee

Tennessee funds problem gambling services through a dedicated statutory allocation of 5% of the privilege tax collected on the gross handle of licensed sports wagering operators. These revenues are deposited with the Department of Mental Health and Substance Abuse Services to support statewide prevention, treatment, recovery, research, and public awareness initiatives. Because funding is direct

tied to sports wagering activity, annual allocations fluctuate with sports betting revenues. For State Fiscal Year 2026, Tennessee allocated \$4,378,400 for problem gambling services, reflecting continued growth in sports wagering activity.

Vermont

Vermont funds problem gambling services through two dedicated statutory revenue sources administered under a memorandum of understanding between the Department of Mental Health and Department of Liquor and Lottery. State law provides an annual transfer of \$250,000 from the Sports Wagering Fund and \$250,000 from the Vermont Lottery Fund, creating a dedicated annual funding level of \$500,000 for prevention, treatment, recovery, and responsible gambling initiatives. For State Fiscal Year 2026, Vermont allocated \$500,000 for problem gambling services.

Virginia

Virginia funds problem gambling services through the Problem Gambling Treatment and Support Fund, which receives revenues from multiple legalized gambling activities. By statute, the Fund receives 2.5% of state sports wagering tax revenues, 0.8% of casino gaming tax revenues (through the Gaming Proceeds Fund), and additional revenues generated from historical horse racing, fantasy contests, unclaimed winnings, and interest earnings. Annual spending authority is established through the legislative appropriation process, with appropriations generally based on revenues collected in the preceding fiscal year. As a result, appropriated funding may lag behind actual revenue collections during periods of rapid gaming expansion. For State Fiscal Year 2026, Virginia allocated \$4,268,180 for problem gambling services, reflecting continued growth in legalized gambling revenues.

Washington

Washington funds problem gambling services through dedicated statutory transfers from state lottery revenues and commercial gambling revenues. State law directs 0.026% of net receipts from the Washington State Lottery and 0.013% of the gross revenue generated by licensed commercial gambling activities to the Health Care Authority for problem gambling prevention, treatment, recovery, and workforce development. Although these dedicated revenues have increased following recent statutory changes, annual spending authority is established through the state's biennial appropriations process, which may not fully reflect available revenues. For State Fiscal Year 2026, Washington allocated \$1,620,000 for problem gambling services.

West Virginia

West Virginia funds problem gambling services through the Compulsive Gambling Treatment Fund, supported by two dedicated Lottery revenue transfers. State law authorizes the West Virginia Lottery Commission to appropriate between \$150,000 and \$500,000 annually from its administrative expenses account associated with racetrack video lottery, and to transfer an additional \$150,000 to \$1 million annually from the administrative share of limited video-lottery gross terminal income. Together, these mechanisms authorize up to \$1.5 million annually for problem gambling services. The state's FY2026 budget provides \$1.5 million in spending authority for the Compulsive Gambling Treatment Fund; the NAADGS survey reports an SFY2026 allocation of \$1,499,650.

Wisconsin

Wisconsin funds problem gambling services through an annual legislative appropriation from the Wisconsin Lottery Fund administered by the Department of Health Services. Unlike many states, Wisconsin does not dedicate a statutory percentage of lottery revenues or other gaming revenues to problem gambling services. Instead, the Legislature appropriates a fixed amount from lottery proceeds through the biennial state budget to support statewide prevention, treatment, recovery, and helpline services. Although the Wisconsin Lottery promotes responsible gambling and provides the financial source for the appropriation, the funding level is established through the budget process rather than a statutory formula tied to lottery sales. For State Fiscal Year 2026, Wisconsin allocated \$396,000 for problem gambling services.

Wyoming

Wyoming funds problem gambling services through two dedicated statutory revenue sources. Under the Online Sports Wagering Act, the first \$300,000 of annual sports wagering tax revenue is continuously appropriated to the Department of Health for distribution to counties to support prevention and treatment programs for gambling-related harm. In addition, the Wyoming Lottery may use up to \$200,000 annually from unclaimed prize funds to develop and support problem gambling treatment and public education programs in consultation with the Department of Health. State law also permits unexpended sports wagering funds to be carried forward into subsequent fiscal years rather than reverting, allowing previously unspent appropriations to supplement future allocations. As a result, the SFY2026 allocation of \$616,466 exceeded the annual recurring sports wagering appropriation because

it included Lottery-supported funding authorized under statute together with unexpended sports wagering funds carried forward from prior fiscal years. For State Fiscal Year 2026, Wyoming allocated \$616,466 for problem gambling services.