

Perspective

- Overriding Perspective
- Looks like commercial gaming, but looks are deceiving
- Nation Building
- More akin to state lotteries than commercial gaming in that Indian Gaming is a function of the "state/nation" and is used as a tool to fund government and governmental institutions.

Indian Gaming

• History

- Federal Relations
 - Indian Intercourse Act
 Johnson v. McIntosh
 Cherokee Cases
- Dawse Act General Allotment Act
 - Effects are ongoing... <u>http</u> ://www.wpr.org/dispute-promts-wisconsin-tribe-block-roads-
- 1934 Indian Reorganization Act
- PL 280

Indian Gaming

- PL280 18 U.S.C.§ 1162. State jurisdiction over offenses committed by or against Indians in the Indian country
- by or against indians in the indian country
 (a) Each of the States or Territories listed in the following table shall have jurisdiction over offenses committed by or against Indians in the areas of Indian country listed opposite the name of the State or Territory to the same extent that such State or Territory has jurisdiction over offenses committed elsewhere within the State or Territory, and the criminal laws of such State or Territory shall have the same force and effect within such Indian country as they have elsewhere within the State or Territory:

Indian Gaming

- PL280 18 U.S.C.§ 1162. State jurisdiction over offenses committed by or against Indians in the Indian country
- in the indian country
 (b) Nothing in this section shall authorize the alienation, encumbrance, or taxation of any real or personal property, including water rights, belonging to any Indian or any Indian tribe, band, or community that is held in trust by the United States or is subject to a restriction against alienation imposed by the United States; or shall authorize regulation of the use of such property in a manner inconsistent with any Federal treaty, agreement, or statute or with any regulation made pursuant thereto; or shall deprive any Indian tribe, band, or community of any right, privilege, or immunity afforded under Federal treaty, agreement, or statute with respect to hunting, trapping, or fishing or the control, licensing, or regulation

Indian Gaming

• History

- The modern era of "self determination" (with help) was ushered in during the Kennedy years.
- In the 1960s many statutes were enacted to help Indian tribes and recognize tribes as sovereign nations with the federal system.
- In the 1970 additional statutes were passed to allow tribes to control federal funds dedicated to education and child welfare.
- Funding for tribal governments increased in the 1960s and 1970s
- In the 1980s funding for tribal governments decreased dramatically under the view that tribes should generate their own economic benefit with little federal interference

• Seminole Tribe v. Butterworth

Pre-IGRA Case Law

• Seminole Tribe v. Butterworth • Basic Facts

Pre-IGRA Case Law

- Seminole Tribe v. Butterworth
- Basic Facts
- Florida permits bingo games to be offered by certain qualified organizations
 The same statute provides civil and criminal penalties for conducting bingo
- The sentification of the trained status of the status of th

• Seminole Tribe v. Butterworth

Basic Facts

The tribe filed a declaratory relief action against the sheriff.
 The parties stipulated to the facts and filed cross motions for summary judgment.

Pre-IGRA Case Law

- Seminole Tribe v. Butterworth
- Issue Whether Public Law 280 permits enforcement of Florida's bingo statute on tribal lands.

Pre-IGRA Case Law

- Seminole Tribe v. Butterworth
- 658 F. 2d 310 (5th Cir. 1981), cert. denied, 455 U.S. 1020 (1982) • Fifth Circuit held that the Seminole Tribe could conduct bingo
- If a state only regulates an activity, rather than prohibits the activity under its criminal code, state regulation is not applicable to operations conducted on the reservation

- Other court opinions in other circuits reached different results
- Ultimately, there was a split among the circuits on the interpretation of what distinguished criminal and civil acts in relation to PL280

Pre-IGRA Case Law

Cabazon Band of Mission Indians v. California
 480 U.S. 202 (1987)
 Basic Facts

Pre-IGRA Case Law

Cabazon Band of Mission Indians v. California
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 Basic Facts

- Cabazon Band of Mission Indians v. California • 480 U.S. 202 (1987)
- Basic Facts
- Basic Facts
 Cabazon Band offers bingo and card rooms
 The games are open to the public, and are played predominantly by non-Indians coming onto the reservations.
 The State of California seeks to apply a state statute that prohibits operating bingo games unless they are operated by a recognized charity.
 Riverside County also sought to apply an ordinance regulating bingo and another ordinance prohibiting card games.

Pre-IGRA Case Law

- Cabazon Band of Mission Indians v. California • 480 U.S. 202 (1987)
- Basic Facts
- The Tribes sued the county in Federal District Court, seeking a declaratory judgment that the county had no authority to apply its ordinances inside the reservations and an injunction against their enforcement. The State intervened, the facts were stipulated, and the District Court granted the Tribes' motion for summary judgment, holding that neither the State nor the county had any authority to enforce its gambling laws within the recomptioner. the reservations.

Pre-IGRA Case Law

• Cabazon Band of Mission Indians v. California • 480 U.S. 202 (1987)

Holding

Or Unig We conclude that the State's interest in preventing the infiltration of the tribal bingo enterprises by organized crime does not justify state regulation of the tribal bingo enterprises in light of the compelling federal and tribal interests supporting them. State regulation would impermissibly infringe on tribal government, and this conclusion applies equally to the county's attempted regulation of the Cabazon card club. We therefore affirm the judgment of the Court of Appeals and remand the case for further proceedings consistent with this opinion.

- Cabazon Band of Mission Indians v. California
 480 U.S. 202 (1987)
- A landmark holding by the United States Supreme Court on tribal sovereignty
- The Court held that, provided the state permits some form of gaming, the state of California could not prohibit gaming on tribal lands
- It affirmed the authority of the tribal government to establish gaming operations on tribal lands

Indian Gaming Regulatory Act of 1988 ("IGRA")

- In response to Cabazon, Congress passed IGRA to provide a statutory basis to regulate Indian Gaming
- IGRA Overview
- Established a Federal regulatory body and regime
- Defined three classes of gaming
- Defined the State's role

Classes of Gaming

- IGRA defines three classes of gaming
- Class I
- Traditional Indian gaming and social gaming
- <u>Class II</u>
 - Bingo
- Card games permitted under state law
- Expressly does not include banked card cards and slot machines
- Class III
 - All forms of gaming that is not Class I or II

CLASS I Gaming

 The term "class I gaming" means social games solely for prizes of minimal value or traditional forms of Indian gaming engaged in by individuals as a part of, or in connection with, tribal ceremonies or celebrations.

Regulation of Class I Gaming

- Section 2710(a)(1) excludes Class I gaming from IGRA
- Class I gaming remains "within the exclusive jurisdiction of the Indian tribes" provided the gaming occurs on Indian lands

Regulation of Class II Gaming

- An Indian tribe may engage in Class II gaming provided
- The gaming is located on Indian lands within the tribe's jurisdiction
- The State permits gaming for any purpose
- The tribe's governing body has adopted an ordinance permitting Class II gaming

Class II Gaming

- (A) The term "class il gaming" means—
 (b) the game of chance commonly known as bingo (whether or not electronic, computer, or other technologic aids are used in connection therewith)—
 (c) which is played for prizes, including monetary prizes, with cards bearing numbers or other designations;
 (d) in which the holder of the card covers such numbers or designations when objects, similarly mimbers or designations or electronically determined, and
 (i) mubers or designations on such cards, person covering a previously designated arrangement of numbers or designations on such cards;

Class II Gaming

- ii) card games that—
 (i) are explicitly authorized by the laws of the State, or
 (ii) are not explicitly prohibited by the laws of the State and are played at any location in the State,
 but only if such card games are played in conformity with those laws and regulations (if any) of the State regarding hours or periods of operation of such card games or limitations on wagers or pot
 (iii) The term "class II gaming" does not include—
 (i) The term "class II gaming" does not include—
 (ii) electronic or electromechanical facsimiles of any game of chance or slot machines of any kind.

Class II Gaming

Regulation of Class II Gaming

- The tribe's ordinance must provide that
- Tribe has total control and interest over the gaming operation • Existing third party operations 'grandfathered' in
- Net revenues only used for
- Tribal government operations or programs
- General welfare of tribe and its members
- Economic development
- Donate to charitable organizations
- Fund local government agencies

Regulation of Class II Gaming

• The tribe's ordinance must provide

- Annual external audits provided to the NIGC
- Contracts >\$25,000 relating to gaming subject to such independent audits
- Facilities constructed and maintained to protect environment and public health
- System for background checks, licensing of managers, standards for licensing and notification to the NIGC

Regulation of Class II Gaming

• Oversight of Gaming Licenses

- NIGC may consult with law enforcement regarding the issuance of gaming licenses
- NIGC can object within 30 days to the issuance of a license
- If the NIGC receives reliable information that a person does not meet the standards established, the tribe shall suspend such license and, after notice and hearing, may revoke the license

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Class III Gaming

• The term "class III gaming" means all forms of gaming that are not class I gaming or class II gaming.

Regulation of Class III Gaming

· Class III gaming can only be conducted on Indian lands if

- Authorized by ordinance or resolution
 - Adopted by the tribe's governing body
- Approved by the NIGC Chairman
- Located in a state that permits gaming for any purpose
- Conduct gaming in accordance with the Tribal-State compact

Regulation of Class III Gaming

- Tribal ordinance or resolution
- Must detail the same elements as a Class II ordinance
- Approved by the NIGC Chairman unless
- Chair determines that it was not properly adopted by the tribe's governing body
- Governing body was "significantly and unduly influenced" by unsuitable people

Regulation of Class III Gaming

- State permits gaming in some form
- One finding of IGRA states tribal gaming can occur "within a State which does not, as a matter of criminal law and public policy, prohibit gaming activity."
- How broad is gaming activity
- Cabazon: if the state permits some form of gaming (e.g., horse racing), the tribe can conduct full gaming.
- Lac Du Flambeau v. Wisconsin: Games consisting of the common elements of consideration, chance and prize are sufficient.

Regulation of Class III Gaming

- Tribal-State Compacting Process
- Rearedies for breach
 Standards of operations, licensing and maintenance
 Any other subject "directly related" to the gaming operations
 Compact approved by the Secretary of Interior unless violated IGRA or other federal law

Regulation of Class III Gaming

- Taxation
- The state or any political subdivision may not tax, charge or assess a tribe for Class III gaming
- Exclusivity Payments
- Tribe agrees to pay a percentage of gaming revenue in return for state not permitting any non-Indian Gaming with a proscribed area
- Lytton Rancheria of California agreed to pay the State 25% of net revenue to have a 35 mile zone of exclusivity

Regulation of Class III Gaming

- Tribal regulation of Class III gaming
- IGRA does not impair the right of the tribe to regulate gaming concurrently with the state
- Has to be to at least the standards detailed in the Compact • Tribal gaming commission
- Tribal gaming regulations
- Licensing of management and employees
- Auditing of casino operations
- Law enforcement efforts

Regulation of Class III Gaming

• State fails to negotiate in good faith or enter a compact

- (Seminole v. Florida)
 - U.S. District Court has jurisdiction
 - Tribe may commence an action 180 days after the tribe requested negotiations

 - The burden is on the state to prove it is acting in good faith Court examines the State's conduct and demands

Regulation of Class III Gaming

- 25 CFR 293.1 et. seq.
- Regulatory work around for Class III Gaming when a State asserts sovereign immunity.

Regulation of Class III Gaming

- 25 CFR 293.3 WHEN MAY AN INDIAN TRIBE ASK THE SECRETARY TO
 ISSUE CLASS III GAMING PROCEDURES?
- An Indian tribe may ask the Secretary to issue Class III gaming procedures when the following steps have taken place:
- (a) The Indian tribe submitted a written request to the State to enter into negotiations to establish a Tribal-State compact governing the conduct of Class III gaming activities;
 (b) The State and the Indian tribe failed to negotiate a compact 180 days after the State received the Indian tribe's request;
- (o) The State and the informative interconcertainty of the state of the st

Class II vs. Class III Devices

• Why important?

- Class II gaming is permitted if
- Tribe adopts ordinance
- State permits some form of gaming
- No state compact is necessary
- Class II is defined as bingo or lotto games

Class II vs. Class III Devices

- Class II or Class III Device?
- Class II allows for "electronic, computer or other technologic a
- And this is a Class II device that plays a bingo game



Class II vs. Class III Devices

- DESCRIPTION OF QUICK SHOT BINGO

- DESCRIPTION OF QUICK SHOT BINGO
 Quick Shot Bingo is played as follows:
 Once a week, a person at Gold Eagle Hall draws five "B" numbers, five "I" numbers, five "N" numbers, five "C" numbers are then posted on bingo number boards located at several individually owned facilities located on the reservation. To play the game, a customer purchases a Quick Shot
 Bingo card for 5.50 each. The customer compares the numbers on the card to the numbers that have been drawn, covering those numbers on the card that correspond to the
 posted numbers. If the covered numbers form a previously designated arrangement of numbers, the customer receives a predetermined monetary prize.

Class II vs. Class III Devices

• QUICK SHOT BINGO

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- CLASS II or CLASS III?
- http://www.nigc.gov/images/uploads/game-opinions/quickshotbingo.pdf

Class II vs. Class III Devices

QUICK SHOT BINGO

As described, the Quick Shot Bingo game does not meet the regulatory definition of bingo for several reasons. First, the players do not cover the numbers when objects similarly numbered are drawn. Instead, all the winning numbers are drawn and posted on the boards before the players buy their cards. The players then compare and cover the numbers on their cards with the posted numbers to see if they won. Also, as it is being played in some instances, the game is not won by the first person to cover a previously desipated arrangement. Rather the game may be played for a set period of time, such as a week. The possible impact of such variations is that in the first instance, no one would win the game, and in the later instance, pople could continue to play after someone else had already won the larger prize. Therefore, Quick Shot bingo is not bingo under
 25 C.F.R. 502.3.

Class II vs. Class III Devices

- 25 CFR § 502.3 Class II gaming.
 Class II gaming means:
 (a) Bingo or lotto (whether or not electronic, computer, or other technologic aids are used) when players:
 (1) Play for prizes with cards bearing numbers or other designations;
 (1) Play for prizes with cards bearing numbers or other designations;
 (2) Cover numbers or designations when object, similarly numbered or designated, are drawn or electronically determined; and
 (3) Win the game by being the first person to cover a designated pattern on such cards;

- cards; (b) If played in the same location as bingo or lotto, pull-tabs, punch boards, tip jars, instant bingo, and <u>other games similar to bingo;</u>

NIGC Classification Opinions

• http://www.nigc.gov/general-counsel/game-classification-opinions

Gaming on Indian Lands

- IGRA permits gaming on "Indian lands"
- Distinction pre- and post-IGRA
- IGRA defines Indian lands as
- All lands within the limits of the Indian reservation
- Any lands held in trust by the US Government for the benefit of the tribe and over which the tribe exercises governmental authority

- Lands acquired post-IGRA
 - General prohibition against allowing IGRA-gaming on lands acquired in trust for the benefit of the tribe after October 17, 1988 (date of IGRA)
 - Exceptions
 - Such land is within or contiguous to the boundaries of the reservation (as of October 17, 1998)
 Tribe had no reservations as of the date of IGRA and the land is located within last recognized reservation within the state the tribe is currently located in (Oklahoma)

Gaming on Indian Lands

• Lands acquired post-IGRA

- Exceptions (con't)
- Scretary determines gaming on newly acquired land would benefit tribe and not be detrimental to the community and the state's Governor concurs (no good faith required)
 Lands taken into trust in settlement of a land claim
 Lands taken into trust for a initial reservation of the tribe acknowledged by the Secretary
 Lands taken into trust as restoration of lands for a tribe that has been restored to federal recognition

- The Menominee Tribe with investors seeks to open a casino in Kenosha, Wisconsin.
- Kenosha is about 50 miles from Chicago which has about 9.5 million people in the metropolitan area.
- Kenosha is about 45 miles from Milwaukee which has about 1.7 million people in the metropolitan area.

Gaming on Indian Lands

- The proposed casino will be located at an unprofitable but currently operating greyhound race track
- The closest current Menominee tribal lands are reportedly more than 170 miles from the greyhound track.



Gaming on Indian Lands

- Sec. 2719. Gaming on lands acquired after October 17, 1988
 (a) Prohibition on lands acquired in trust by Secretary. Except as provided in subsection (b),
 - (a) Prohibition on lands acquired in trust by Secretary. Except as provided in subsection (b), gaming regulated by this Act shall not be conducted on lands acquired by the Secretary in trust for the benefit of an indian tribe after the date of enactment of this Act [enacted Oct. 17, 1988] unless—

 ...
- (b) Exceptions.
 (1) Subsection (a) will not apply when—
 (a) Subsection (a) will not apply when—
 (b) A the Secretary, after consultation with the ledian tribe and appropriate State and local officials,
 (b) A the Secretary after consultation with the ledian tribe and is members, and would not be
 detrimental to the surrounding community, but only if the Governor of the State in which the gaming
 activity is to be conducted concurs in the Secretary's determination; or

• What happened....

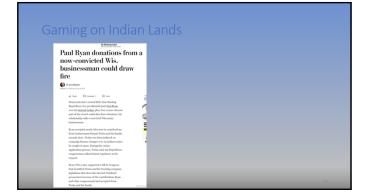
milwaukee journal sentinel Home News Sports Packers Business Suburbs U.S. rejects plans for Kenosha casino

ary Spivak of the Journal Sentine laked on: 1/7/2009

"It's a standard not approved by Congress or the regulatory procedure," Zeppos said. "They can't just make up a rule and say this is the new guidance."

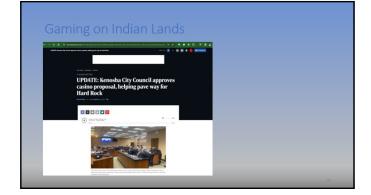
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The new rules





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		Phil Huges, forear chairman of the National Isolan Gaming Constitution. He pointed to harding that have taken place in Michigan or at the horize between Orogon and Weshington.	
10.001	By Cary Systeek of the Journal Section?	"Museuia is set for only place where competing to his are going to try to forew racks at competitory trying to get limit for gaming baciness," and illingers, a former	
	The fight over whether an \$800 million cation complex should be built in Kenesha has been accommonly blice, with the Ponzoannei other reportedly fielding the Memorization to and community and their council bit and the second	Index proceedings of the second processing contracts, and request to contract helped proceedings while related to addition Conting Contraction to true 2012 to 2010. To happens all even the contracts."	
	gambling and comprises have so others gave hand in hand.	The twin here, however, is bringing up the post — a violation of an unwitten rule arrange entry emperium.	
	The Memoritane argue their hid to build the casino choild be judged on what they are deing under, one on the otherinal acts or or nearestions of partners long gene been for their.		
	are doing today, not no the obtainal acts or memorizons of parasets long goar boost for ched.		
	"Twoold news look at Chicage and say, "Look, they had AI Capone," helefold Gary Bours, chairman of the Menomines Konsola Gaming Automity, "What the book is		





• Lands acquired post-IGRA

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- Management Contracts
 IGRA requires NIGC approval before a tribe can enter into a management contract for the operation and management of Class II or III gaming activities
 Contract must provide
 Accounting procedures and financial reports for the tribe
 Tribal access to daily operations
 Minimum guaranteed payments to the tribe before reimbursement of development costs
 Celling on development and construction costs
 Term not to exceed 5 (or 7) years

Management Contracts

- Management fees generally cannot exceed 30% of net gaming revenues
 NIGC Chair has 180 days (with 1-90 day extension) to approve the contract

- Such contract is disapproved if, among others
 Felony or gaming offense
 Make false statements to the NIGC or tribe
 Prior activities, criminal record or associations pose a threat to the public interest

Consulting Agreement
 No NIGC approval require
 No IGRA mandated elements

- NIGC issued bulletins to address consulting agreements that were truly management agreements
 Consulting agreements should
 Finite task/asignment
 Dates for completion
 Compensation on a hourly, daily or fixed rate
- NIGC provides an 'advance determination' process to assist in determining whether the proposed agreement is a management or consulting contract

- The tribal-state compact is a contract between the tribe and the state regarding the conduct of Class III gaming
- As such it is the result of a negotiating process
- Scope of compacts can vary but there are now general areas that compacts will address
- All compacts when approved by the Secretary of the Interior are published in the Federal Register

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Licensing of mana Regulations of casi

- Authorize gaming
 Identify the tribal lands and
 casino locations
 Construction requirements
 Inspection rights by the state
 Information exchanges
 Workplace health and safety
 Taxation/costs
 Insurance
 Employment law protections



Significant Issues

- Eligible Tribes Carrier v. Salazar 555 U.S. 397 (2009)
 Only tribes recognized under the Indian Reorganization Act of 1934
 Impacts go far beyond gaming
 Visleta Del Sur Pueblo v. Texas (6/16/2022)
 Reaffirmed the notion that Class II Gaming can occur on tribal land under IGRA even if the state in which the reservation is located limits bings to chartable operations only
 Oklahoma v. Castro-Huerta (6/29/2022)
 State Sovergingty does not end at a reservation's border. States have jurisdiction to prosecute crimes committed in indian country unless preempted.
 Carearelling Cathera be excited in a failed.
- Competiting States to negotiate in good faith
 States as sovereigns cannot be compelled to negotiate in good faith Seminole v. Butterworth 517 US
 44 (1996) State taxation
- States cannot disguise taxation as exclusivity revenue sharing when revenue ends up in the state's general fund. Rincon v. Schwarzenegger 602 F.3d 1019 (9th Cir. 2010)

• Top Issues

- What Tribes can engage in gaming

- What Thus suit engage in portion
 Carlei
 Online Gaming
 Where does tribal sovereignty end?
 Dees (GAA protect off-Indian Lands gaming?
 Reinvestment and Diversification
 Sports Wagering
 Competition
- Competition
- Federal Representation
 Debra Haaland (Laguna Pueblo) Secretary of the Interior

Questions