

State of New Mexico Tribal Gaming Compact

Overview of the 2015 Tribal-State Gaming Compact and key policy considerations



Why the Compact Exists

Required under the Indian Gaming Regulatory Act (IGRA)

Establishes a government-to-government agreement between New Mexico and tribal nations

Authorizes and regulates Class III gaming on tribal lands

Supports tribal self-sufficiency and economic development



Indian Gaming Regulatory Act

Enacted by Congress in 1988 to create a regulatory structure for Indian gaming

Creates the National Indian Gaming Commission

Prohibits gaming on tribal lands acquired after 1988 with limited exceptions

Requires tribes to enter into gaming compacts with their respective state governments in order to offer Class III gaming

- Class III gaming includes table games and games where the player plays against the house (Class I = traditional games; Class II = bingo & games where player plays against other players)
- Compacts are intended to address the impacts of gaming on surrounding communities
- Where a tribe shares revenue with the state under a compact, the compact must protect tribal *exclusivity*
- Compacts must be approved by the Secretary of Interior (through the SOI's designee, the Assistance Secretary of Indian Affairs)

New Mexico Gaming Compact

In NM, pursuant to the Compact Negotiation Act, the Governor and tribes negotiate, then the compact must be approved by the NM legislature

The current compact was approved in 2015 (after almost 4 years of negotiation) and expires in 2037

17 tribes/pueblos in New Mexico have a compact; only 14 currently operate Class III gaming

Key Goals of the Gaming Compact

Promote tribal economic development

Ensure fair and honest gaming

Protect patrons and employees

Establish regulatory oversight

Provide revenue sharing and state regulatory funding



Who Regulates Gaming?

Tribal Gaming Agencies are the primary regulators

New Mexico Gaming Control Board designates the State Gaming Representative to ensure compliance with the compact

National Indian Gaming Commission provides federal oversight

Annual audits, compliance reports, and inspections are required



Authorized Gaming

Class III gaming authorized on tribal lands

Gaming machines, table games, and other Class III games

Most tribes may operate up to two gaming facilities

Certain larger tribes may qualify for a third facility

Legacy facility provisions apply to some tribes



Revenue Sharing Framework

Revenue sharing based on Adjusted Net Win from gaming machines

Payments deposited into New Mexico General Fund

Rates vary by revenue tier

Tribes also reimburse state regulatory costs

New Mexico Gaming Compact

Revenue Sharing

| Annual Adjusted Net Win | July 1, 2015 – June 30, 2018 | July 1, 2018 – June 30, 2030 | July 1, 2030 – June 30, 2037 |
|-------------------------|--|--|--|
| Under \$20 million: | 2% of the first \$6 million, and 8.50% on the rest | 2% of the first \$6 million, and 8.75% on the rest | 2% of the first \$6 million, and 9.50% on the rest |
| \$20-\$40 million: | 8.50% | 8.75% | 9.50% |
| \$40-\$80 million: | 9.00% | 9.50% | 10.25% |
| More than \$80 million: | 9.00% | 10.00% | 10.75% |

State Concessions

In exchange for revenue sharing:

- Tribes receive exclusive rights to most Class III gaming in New Mexico
- Limited exceptions exist for racetrack gaming machines, the New Mexico Lottery, and certain charitable gaming

Consumer Protections

Minimum age: 21

Employee licensing
and background
checks

Public health and
safety standards

Food safety
inspections

Alcohol service
restrictions

Problem Gambling Requirements

Responsible gaming signage

Statewide self-exclusion
program

Funding for treatment and
prevention programs

Reporting and
accountability requirements



Patron Protections

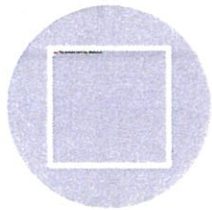
\$10 million liability insurance requirement

Limited waiver of sovereign immunity for visitor injury/property claims

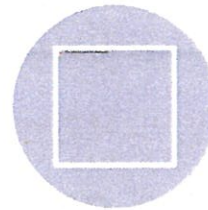
Arbitration or court remedies available

Building, fire, electrical, and safety standards

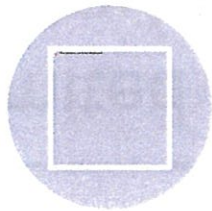
Compliance & Accountability



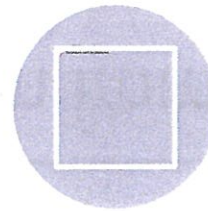
Annual independent audits



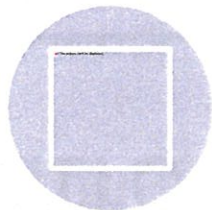
Quarterly revenue reports



State access to gaming data



Compliance certifications



Arbitration process for disputes

Economic Impact

- Major source of tribal governmental revenue
- Supports jobs and local economies
- Funds tribal government services including: healthcare, infrastructure, fire and emergency response services, education, etc.
- Generates revenue sharing payments to the State

Takeaways

- Compact balances tribal sovereignty and state interests
- Strong regulatory and consumer protection framework
- Significant economic impact for tribes and New Mexico
- Current compact remains in effect through June 30, 2037

Questions

