



PUEBLO OF ISLETA
P.O. BOX 1270, ISLETA, NM 87022

October 16, 2020

Chairman Antonio Maestas
Interim Economic and Rural Development Committee
N.M. State Capitol
Santa Fe, New Mexico

Re: Gaming Recovery Act

Dear Chairman Maestas

I write as the Governor of the Pueblo of Isleta to express our opposition to the Gaming Recovery Act. We are concerned over how this legislation has been presented to the Legislature as well as the lack of thorough analysis on the economic impact this proposal would have on the state as well as tribal governments and economies.

While I cannot speak for other Tribal governments, our government was not contacted about this matter directly until September 30, one day prior to the presentation by representatives from Sunland Park to the Legislative Finance Committee. Only the tribal government is authorized to make statements on such matters. This is a well known and established fact and we are surprised that racino operators did not follow this protocol and contact tribal government sooner.

Additionally, we have concerns over the study provided to the state by the racino operators. First, this study was conducted in 2019 and does not take into account current world conditions that have impacted the gaming industry, namely COVID-19. It also does not address the impact it would have on existing tribal gaming operations in terms of shifting the market away from those operations, essentially cannibalizing the market in most areas of the state. Finally, by its own admission, the study concedes, and the Legislative Finance Committee analysis confirms, that new tax revenue generated by the changes in the Gaming Recovery Act would not replace nor exceed that which the state currently receives from tribal revenue sharing under the existing tribal-state gaming compacts. At a time when the state and tribes are both facing deficits due to COVID-19, this is not the time to cause further disruptions.

COVID-19 has impacted all of us, both as governments and enterprises. This has had a twofold impact on tribal governments, both with the loss of business due to closures and limited re-openings as well as the corresponding lack of payments by the enterprise to our tribal government. Again, tribal gaming is government gaming, not for-profit. It goes directly to tribal governments to pay for essential health and welfare of our members as required by the Indian Gaming Regulatory Act. Additionally, tribal enterprises are 100% New Mexico businesses. No profits go out of state to other corporations, investors, or family members.

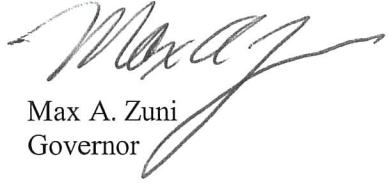
We also are concerned that the adoption of this act would require tribal governments to go back into negotiations with the state to gain other benefits granted to racinos not covered in our current compacts. So on the one hand it would give a perceived benefit to the tribes by eliminating revenue sharing, it would take away with the other by granting extra benefits to the racinos and putting tribes and the state back at the negotiating table for another round of costly and lengthy negotiations.



We appreciate your time and consideration of our concerns. With COVID-19 still ravaging the state and tribes and without a thorough analysis of the true impact of the proposed legislation, now is simply not the time for this type of sweeping change. Do not hesitate to contact me with any questions or concerns.

Sincerely,

PUEBLO OF ISLETA



Max A. Zuni
Governor

cc: Members of the Economic and Rural Development Committee

