

**February 2, 2021**  
**SB 2314-Exclusively by Tribes**

**Good morning, Madam Chair Bell and the members of the Committee**

My name is Collette Brown from Warwick, representing the Spirit Lake Tribe (where I am a tribal member). My professional title in the gaming industry is, Gaming Commission Executive Director of the Gaming Regulations and Compliance Department, our casino is located seven miles south of Devils Lake. Today I come to support SB 2314.

As some of you may know the Spirit Lake Tribe has expressed serious concerns about the electronic pull tabs since 2019 because the electronic pull tabs have a tendency to transform into slot machines. Right now, the etabs are far removed from actual pull tabs because there is no requirement to read the pull-tab, cash out prizes or actually play the game of pull-tabs.

With the large influx of etabs throughout North Dakota, reaching a billion dollars in gross gaming revenues, that has undermined Indian gaming, reducing our revenues substantially and undercutting our ability to provide jobs and generate essential government revenues.

Online gaming and online sports betting are already legal in jurisdictions with experienced, professional regulatory systems, like New Jersey. Tribes and the state would be able to use the regulatory examples set in other states to craft an effective regulatory regime in the amended tribal-state gaming compacts. With this exclusivity option for my Tribe, it will be a beneficial economic engine to regain some of the revenue we loss.

Now there are a myriad of technical and operational areas that must be considered to ensure the integrity of an online wagering operation and we have to protect the public because there are so many configurations, options, and decisions that take place. Our tribe understands the importance of effective and strong regulation, and how it plays a vital role in the protection of the honesty, integrity, and public image of gaming overall in the industry.

**Background:**

Indian gaming is the Native American success story. Indian gaming is working in rural areas of America. Indian tribes that faced 50, 60, and even 70 percent unemployment are now generating jobs not only for their own tribal members, but for neighboring non-Indians as well.

In North Dakota, Indian gaming has been a great success. In terms of direct hires, Indian gaming has created 2,500 jobs in our most rural cities and towns. Today, we have jobs where there were no jobs before. Welfare to work. 70% of Indian gaming jobs are held by tribal members. 30% are held by non-members, many of whom are rural agricultural families. What other program or economic activity has that kind of record and we have invested in resorts, restaurants and tourism and our Indian tribes created another 2,000 ancillary jobs through resort activities and our purchases of goods and services, which are local purchases made in North Dakota.

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And, we are good neighbors, with clean, well-regulated operations. Popular buffets, popular entertainment, and some of the best hunting and fishing in America. Spirit Lake is the premier destination in North Dakota. We are an Indian success story, but in fact, we are a true North Dakota success story. ~~In North Dakota, every morning, the Indian gaming industry~~

### **Regulation of Tribal Gaming**

In the 1970s and '80s, Indian nations and tribes turned to Indian gaming to generate essential government revenue for tribal programs and services, including education, health care, police and fire protection, elder and child care, cultural revitalization, water, sewer and sanitation services. In Indian country there is manifest social and political acceptance of gambling as an essential source of governmental revenue, which Congress acknowledged recently with the enactment of State-Local-and-Tribal Government Coronavirus Relief Funding, when our Indian nations and tribes were forced to close and restrict our Resorts, Restaurants, Hotels, and Casinos due to the National COVID-19 Public Health Emergency.

In 1987, the Supreme Court decided the *Cabazon* case and clarified that tribes had the right to regulate gambling on their reservations, provided that the states wherein they were located did not criminally prohibit that activity. At that time, large-scale casino gaming operations existed only in Nevada and New Jersey. The Indian Gaming Regulatory Act was passed in 1988 and established the framework for the regulation of tribal gaming.

IGRA mandates that tribes may conduct Class III gaming in states where such activity is permissible under state law and where the tribes enter into compacts with states relating to this activity, which require approval of the Secretary of the Interior. Tribal-State Class III Compacts include specific regulatory structures and give regulatory responsibility to the tribe and the state to regulate Class III Indian gaming.

In addition, Indian nations and tribes are assisted by the Federal Government with Indian gaming regulation. The National Indian Gaming Commission oversees Tribal Gaming Regulatory Ordinances, Background Checks, Audits, and Gaming Player Station Compliance. The IRS provides oversight of prizes and reporting of income. The Treasury Financial Crimes Enforcement Network provides oversight of financial transactions to prevent money laundering at Indian casinos. The FBI and the U.S. Attorneys investigate and prosecute theft, cheating and other crimes at Indian casinos under the Indian Gaming Regulatory Act and other Federal laws. Indian gaming is strongly and thoroughly regulated by our Indian nations and the United States with the assistance and oversight of the North Dakota State Attorney General.

### **Tribal, State & Federal Regulation of Indian Gaming in North Dakota**

Our Tribal nations are ready to regulate Online Internet Gaming and Sports Betting because we have an established strong, comprehensive regulatory system in place with:



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- Tribal Gaming Regulatory Agencies that conduct Day-to-Day Oversight;
- Management and Key Employee Criminal Background Checks, Fingerprinting through FBI;
- Vendor Background Checks;
- Facility Licensing, that requires approval from the national Indian gaming commission (NIGC);
- Monthly Attorney General state inspections
- Gaming Machines Independent Lab Tested;
- Environment, Public Health and Safety Reviews;
- Federal Regulation through the National Indian Gaming Commission;
- Annual Audits under Tribal and Federal Regulatory Oversight;
- ~~Unannounced Tribal and State Inspections~~
- ~~Tribal Gaming Regulatory Agencies that conduct Day-to-Day Oversight~~
- ~~Unannounced Tribal and State Inspections~~
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- Know Your Customer (KYC) program
- Payment Processing regulations that will not allow for credit card payments
- A robust geo-comply program for geo fencing, and age verification
- Lastly a transparent Responsible Gambling Program

That was long list of regulations we must abide by and adhere too. Now I've been in Indian Gaming since 1996, I joined the regulations department in 2001. I have grown up in this industry. I am an expert and a leader in the Indian Gaming Industry. I am the Great Plains representative for the National Indian Gaming Association, I also represent the Great Plains Region on the National Tribal Gaming Commissioners and Regulator's board. I can truly assure you that our highly regulated gaming industry are prepared and market ready for our next evolution of Indian gaming. I hope the State is agreeable in joining us on this new adventure. My Tribe is in full support of SB2314, we want unity and need this exclusivity. Thank you for allowing me time to speak. I do strongly encourage a do pass on SB 2314.