

TRIBAL CASINO GAMING

FREQUENTLY ASKED QUESTIONS AND ANSWERS

How many tribes are there in Michigan?

Answer: There are 12 federally recognized Indian tribes operating 19 casino locations.

They are:

- Bay Mills Indian Community
- Grand Traverse Band
- Gun Lake Tribe
- Hannahville Tribe
- Keweenaw Bay Band
- Lac Vieux Desert Band
- Little River Band
- Little Traverse Bay Band
- Nottawaseppi Huron Potawatomi
- Pokagon Band
- Saginaw Chippewa Indian Tribe
- Sault Ste. Marie Tribe

What are Native American Casinos?

Answer: Native American tribes are sovereign nations. As such, neither the State of Michigan nor the MGCB has regulatory authority over tribal casinos. They are regulated by the National Indian Gaming Commission and/or the government of the appropriate tribal community. There are 19 casinos owned and operated by Native American tribes throughout the state of Michigan in both the upper and lower peninsulas.

Why can Indians conduct gambling activities?

Answer: Tribal land is not under State law unless a Federal law places it under State law. The Supreme Court held that even if a tribe is under State law the State gaming regulations do not apply on Indian trust land. In 1988, Congress passed the Indian Gaming Regulatory Act permitting federally recognized Indian tribes the ability to conduct gaming activities under certain circumstances. This law allows traditional Tribal gaming, bingo, pull-tabs, lotto, punchboards, tip jars, and certain card games on tribal land. However, it requires a Tribal/State compact for all other forms of gaming.

Congress specifies that "Indian tribes have the exclusive right to regulate gaming activity on Indian lands if the gaming activity is not specifically prohibited by Federal law and is conducted within a State which does not, as a matter of criminal law and public policy, prohibit such gaming activity. Congress then went on to define, in Section 2703, certain games as Class I, II, or III.

Who governs an Indian Tribe?

Answer: Indian Tribes are independent entities with powers of self-government that predate the establishment of the United States.

Michigan tribal casinos are operated under the authority of the Tribal-State Compacts mutually entered into between the Tribes and the State of Michigan, as well as the federal Indian Gaming Regulatory Act (IGRA). The Michigan Tribal-State Compacts do not provide a resolution process for problems and issues that may arise between a patron and a tribal casino, i.e., a dispute over slot machine payouts or malfunctions.

What exactly is sovereignty?

Answer: Sovereignty refers to the absolute power to govern; the tribes enjoy the same status as another state government or foreign country. Sovereignty as it applies to tribal governments is the authority to govern within territorial jurisdictions called "reservation trust land."

What are Tribal-State Gaming Compacts?

Answer: They are written agreements between the tribal communities and the State of Michigan signed by the Governor and give the MGCB staff oversight responsibility for the state's Native American casinos. There are currently 12 State-Tribal Compacts signed in 1993, 1998, & 2007.

What are MGCB's responsibilities under the Tribal-State Compacts?

Answer: The MGCB Tribal Gaming Section is charged with inspecting tribal facilities and documents to assure compliance with Tribal-State

Gaming Compacts and related agreements. The Tribal Gaming Section may examine casinos' electronic games of chance (slot machines, video poker, etc.) to assure that devices are operating in accordance with terms of Compacts. They may also conduct financial audits to assure that tribes are properly making payments to Local Units of Government/Local Revenue Sharing Boards and the Michigan Economic Development Corporation in accordance with Compacts and related Consent Judgments.

What is a Federally recognized Indian Tribe?

Answer: There are about 562 federally recognized Tribes in the United States. "Federally recognized" means these tribes and groups have a special, legal relationship with the United States government. This relationship is referred to as a government-to-government relationship. This recognition establishes a tribe as an entity with the capacity to engage in government-to-government relations with the United States or individual states and as one eligible to receive federal services.

Can Tribal Casinos be taxed?

Answer: No. States by federal law **may not** tax the tribes. However, a Tribal-State Compact may contain a fee or annual payment agreed upon by the State and the Tribes.

What is the role of the Federal government with regard to Indian Tribes?

Answer: The United States has what federal courts have described as plenary power to regulate Indian affairs. The United States, through its various departments within the Executive branch, stands in the role of trustee for Indian tribes in many matters. Indian tribes are subject to federal laws of general application unless a specific law provides otherwise.

What Tribal Payments are made to the State?

Answer: The Michigan Tribal Casinos make both 2% payments Local Units of State Government/Local Revenue Sharing Boards and payments to the Michigan Economic Development

Corporation. The payments are based on the "net win," which is the total amount wagered on each electronic game of chance, minus the total amount paid to players for winning wagers at such machines.

Payments are required to be made by each Michigan Tribe operating a casino. These payments are paid directly to the Michigan Economic Development Corporation and/or local government pursuant to the terms of either the 1993 Federal Court Consent Judgment between the State and the Tribes, or subsequent respective 1998 and 2007 Tribal-State Compacts. The payments are calculated based on the total net win from electronic games of chance for each tribe. Net win is defined as the total amount wagered on each electronic game of chance, minus the total amount paid to players for winning wagers at such machine.

The tribes operating under the 1993 Federal Court Consent Judgment between the State and the Tribes (1993 Tribal-State Compact) are required to make semi-annual two percent (2%) payments directly to local units of government. Currently, only one (1) of the tribes under the 1993 Tribal-State Compact (there are seven tribes) is required to make a payment to the Michigan Economic Development Corporation due to a land agreement.

The tribes operating under the 1998 and 2007 Tribal-State Compacts are required to make two percent payments to a designated Local Revenue Sharing Board. There are three Local Revenue Sharing Boards (Manistee, Emmet, & Berrien Counties) that disburse two percent funds. These tribes are also required to make a separate payment pursuant the terms of their respective Compacts to the Michigan Economic Development Corporation.

What are Class I Games?

Answer: Class I games are 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. These games are regulated solely by the tribes.

What are Class II Games?

Answer: Class II games as defined in the Indian Gaming Regulatory Act and consist of bingo played for monetary prizes, including pull-tabs, lotto, and instant bingo. Class II games also include card games that are not prohibited by the laws of the state and are played at any location in the state.

What are Class III Games?

Answer: Class III means all forms of gaming that are not class I gaming or class II gaming.

What Class III Games are authorized in Michigan?

Answer: The Tribe may lawfully conduct the following Class III games on eligible Indian lands:

- Craps and related dice games;
- Wheel games, including "Big Wheel" and related games;
- Roulette;
- Banking card games that are not otherwise treated as Class II gaming in Michigan pursuant to 25 U.S.C. 2703(7)(C), and non-banking card games played by any Michigan tribe on or before May 1, 1988;
- Slots & Electronic games;
- Keno

Can Tribal casinos serve alcoholic beverages?

Answer: Yes. Tribal-State Compacts provide for the sale of alcoholic beverages on tribe premises.

How do I file a patron complaint against a tribal casino?

Answer: The Tribal-State compacts require a patron file their complaint with the Indian Casino's tribal government (usually the tribal gaming commission) or with National Indian Gaming Commission, an agency of the U.S. Government, to resolve any issues or disputes with respect to the operations of the establishment(s).

To contact the National Indian Gaming Commission Regional Office:

Call (651) 290-4004 or write:

**Mr. John Guerber, Regional Director National Indian Gaming Commission
380 Jackson Street
Suite 420
St. Paul, MN 55101**

Note: The State of Michigan cannot become involved with the resolution of specific patron-tribal casino disputes. The State of Michigan cannot represent the interests of either the patron or the tribal gaming casino. The patron should first attempt to resolve disputes with the tribal government, which owns the particular casino. If you have any questions concerning the filing of a patron complaint, you may contact the Michigan Gaming Control Board Tribal Gaming Section at (517) 241- 0136.

For more information contact:

Mr. Eric T. Bush,
Administrative Manager
Tribal Gaming Section
Michigan Gaming Control Board
Lottery Building
101 East Hillsdale
Lansing, MI 48909
Telephone (517) 241-0136

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State of Michigan



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