

1 STATE OF OKLAHOMA

2 2nd Session of the 49th Legislature (2004)

3 FLOOR SUBSTITUTE

4 FOR

SENATE BILL NO. 1252

By: Hobson of the Senate

5 and

6 Adair of the House

7
8
9 FLOOR SUBSTITUTE

10 An Act relating to amusements and sports; amending
11 Sections 2, 9, 10, 13, 14, 15, 20 and 21 of Enrolled
12 Senate Bill No. 553 of the 2nd Session of the 49th
13 Oklahoma Legislature, which relate to the State-
14 Tribal Gaming Act; expanding number of authorized
15 gaming machines; modifying definitions; modifying
16 specifications of certain gaming devices; making
17 certain requirement optional; requiring payment of
18 certain fines as condition of entering certain
19 compact; and setting aside certain funds for the
20 treatment of compulsive gambling disorder.

21 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

22 SECTION 1. AMENDATORY Section 2 of Enrolled Senate Bill
23 No. 553 of the 2nd Session of the 49th Oklahoma Legislature, is
24 amended to read as follows:

25 Section 2. A. If at least four (4) Indian tribes enter into
26 the model tribal-state compact set forth in Section 21 of ~~this act~~
27 Enrolled Senate Bill No. 553 of the 2nd Session of the 49th Oklahoma
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1 Legislature, and such compacts are approved by the Secretary of the
2 Interior and notice of such approval is published in the Federal
3 Register, the Oklahoma Horse Racing Commission (the "Commission")
4 shall license organization licensees which are licensed pursuant to
5 Section 205.2 of Title 3A of the Oklahoma Statutes to conduct

6 authorized gaming as that term is defined by this act pursuant to
7 this act utilizing gaming machines or devices authorized by this act
8 subject to the limitations of subsection C of this section. No fair
9 association or organization licensed pursuant to Section 208.2 of
10 Title 3A of the Oklahoma Statutes or a city, town or municipality
11 incorporated or otherwise, or an instrumentality thereof, may
12 conduct authorized gaming as that term is defined by this act.

13 Notwithstanding the provisions of Sections 941 through 988 of
14 Title 21 of the Oklahoma Statutes, the conducting of and
15 participation in gaming in accordance with the provisions of this
16 act or the model compact set forth in Section 21 of this act
17 Enrolled Senate Bill No. 553 of the 2nd Session of the 49th Oklahoma
18 Legislature is lawful and shall not be subject to any criminal
19 penalties.

20 B. Authorized gaming may only be conducted by an organization
21 licensee on days when the licensee is either conducting live racing
22 or is accepting wagers on simulcast races at the licensee's racing
23 facilities. In any week, authorized gaming may be conducted for not
24 more than one hundred six (106) total hours, with not more than

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1 | eighteen (18) hours in any twenty-four-hour period. Authorized

2 | gaming may only be conducted by organization licensees at enclosure

3 | locations where live racing is conducted. Under no circumstances

4 | shall authorized gaming be conducted by an organization licensee at

5 | any facility outside the organization licensee's racing enclosure.

6 | No person who would not be eligible to be a patron of a pari-mutuel

7 | system of wagering pursuant to the provisions of subsection B of

8 | Section 208.4 of Title 3A of the Oklahoma Statutes shall be admitted

9 | into any area of a facility when authorized games are played nor be

10 | permitted to operate, or obtain a prize from, or in connection with,

11 | the operation of any authorized game, directly or indirectly.

12 | C. In order to encourage the growth, sustenance and development

13 | of live horse racing in this state and of the state's agriculture

14 | and horse industries, the Commission is hereby authorized to issue

15 | licenses to conduct authorized gaming to no more than three (3)

16 | organization licensees operating racetrack locations at which horse

17 | race meetings with pari-mutuel wagering, as authorized by the

18 | Commission pursuant to the provisions of Title 3A of the Oklahoma

19 | Statutes, occurred in calendar year 2001, as follows:

20 | 1. An organization licensee operating a racetrack location at

21 | which an organization licensee is licensed to conduct a race meeting

22 | pursuant to the provisions of Section 205.2 of Title 3A of the

23 | Oklahoma Statutes located in a county with a population exceeding

24 | six hundred thousand (600,000) persons, according to the most recent

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1 federal decennial census, shall be licensed to operate not more than
2 six hundred fifty (650) player terminals in any year. Provided,
3 beginning with the third year after an organization licensee is
4 licensed pursuant to this paragraph to operate such player terminals
5 such licensee may be licensed to operate an additional fifty (50)
6 player terminals in a nonsmoking area. Provided further, beginning
7 with the fifth year after an organization licensee is licensed
8 pursuant to this paragraph to operate such player terminals, such
9 licensee may be licensed to operate a further additional fifty (50)
10 player terminals in a nonsmoking area; and

11 2. Two organization licensees operating racetrack locations at
12 which the organization licensees are licensed to conduct race
13 meetings pursuant to the provisions of Section 205.2 of Title 3A of
14 the Oklahoma Statutes located in counties with populations not
15 exceeding four hundred thousand (400,000) persons, according to the
16 most recent federal decennial census, may each be licensed to
17 operate not more than two hundred fifty (250) player terminals in
18 any year.

19 Subject to the limitations on the number of player terminals
20 permitted to each organization licensee, an organization licensee
21 may utilize electronic amusement games as defined in this act,
22 electronic bonanza-style bingo games as defined in this act and
23 electronic instant bingo games as defined in this act, and any type
24 of gaming machine or device that is specifically allowed by law and

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1 that an Indian tribe in this state is authorized to utilize pursuant
2 to a compact entered into between the state and the tribe in
3 accordance with the provisions of the Indian Gaming Regulatory Act
4 and any other machine or device that an Indian tribe in this state
5 is lawfully permitted to operate pursuant to the Indian Gaming
6 Regulatory Act, referred to collectively as "authorized games". An
7 organization licensee's utilization of such machines or devices
8 shall be subject to the regulatory control and supervision of the
9 Commission; provided, the Commission shall have no role in oversight
10 and regulation of gaming conducted by a tribe subject to a compact.
11 The Commission shall promulgate rules to regulate the operation and
12 use of authorized gaming by organization licensees. In promulgating
13 such rules, the Commission shall consider the provisions of any
14 compact which authorizes electronic gaming which is specifically
15 authorized by law by an Indian tribe. For the purpose of ~~paragraph~~
16 paragraphs 1 and 2 of this subsection, the number of player
17 terminals in an authorized game that permits multiple players shall
18 be determined by the maximum number of players that can participate
19 in that game at any given time; provided, however, that nothing in
20 this act prohibits the linking of player terminals for progressive
21 jackpots, so long as the limitations on the number of permitted
22 player terminals at each organization licensee are not exceeded.
23 Each organization licensee shall keep a record of, and shall report
24 at least quarterly to the Oklahoma Horse Racing Commission, the

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1 number of games authorized by this section utilized in the
2 organization licensee's facility, by the name or type of each and
3 its identifying number.

4 D. No zoning or other local ordinance may be adopted or amended
5 by a political subdivision where an organization licensee conducts
6 live horse racing with the intent to restrict or prohibit an
7 organization licensee's right to conduct authorized gaming at such
8 location.

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9 E. For purposes of this act, "adjusted gross revenues" means
10 the total receipts received by an organization licensee from the
11 play of all authorized gaming minus all monetary payouts.

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12 F. The Oklahoma Horse Racing Commission shall promulgate rules
13 to regulate, implement and enforce the provisions of this act with
14 regard to the conduct of authorized gaming by organization
15 licensees; provided, regulation and oversight of games covered by a
16 compact and operated by an Indian tribe shall be conducted solely
17 pursuant to the requirements of the compact.

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Deleted: may offer any electronic gaming or types of games specifically allowed by law conducted by an organization licensee which are authorized by this act, whereby such regulation and enforcement shall include the obligation to promulgate any rules necessary to implement and enforce the provisions of this act

18 G. If an organization licensee operates or attempts to operate
19 more player terminals which offer authorized games than it is
20 authorized to offer to the public by this act or the terms of its
21 license, upon written notice from the Commission, such activity
22 shall cease forthwith. Such activity shall constitute a basis upon
23 which the Commission may suspend or revoke the licensee's license.

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1 The Commission shall promulgate any rules and regulations necessary
2 to enforce the provisions of this subsection.

3 H. This act is game-specific and shall not be construed to
4 allow the operation of any other form of gaming unless specifically
5 allowed by this act. This act shall not permit the operation of
6 slot machines, dice games, roulette wheels, house-banked card games
7 or games where winners are determined by the outcome of a sports
8 contest.

9 SECTION 2. AMENDATORY Section 9 of Enrolled Senate Bill
10 No. 553 of the 2nd Session of the 49th Oklahoma Legislature, is
11 amended to read as follows:

12 Section 9. As used in Sections 1 through 19 of ~~this act~~
13 Enrolled Senate Bill No. 553 of the 2nd Session of the 49th Oklahoma
14 Legislature:

15 1. "Authorized games" means the games that organizational
16 licensees are authorized to conduct pursuant to this act Enrolled
17 Senate Bill No. 553 of the 2nd Session of the 49th Oklahoma
18 Legislature, as more specifically described in paragraph 2 of
19 subsection C of Section 2 of this act Enrolled Senate Bill No. 553
20 of the 2nd Session of the 49th Oklahoma Legislature;

21 2. "Central computer" means a computer or computers to which
22 player terminals may be linked to allow competition in electronic
23 bonanza-style bingo games;

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1 3. "Compact" means a model tribal-state compact between the
2 state and a Tribe entered into pursuant to Sections 20 and 21 of
3 this act Enrolled Senate Bill No. 553 of the 2nd Session of the 49th
4 Oklahoma Legislature;

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5 4. "Electronic accounting system" means an electronic system
6 that provides a secure means to receive, store and access data and
7 record critical functions and activities, as set forth in this act;

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8 5. "Electronic amusement game" means a game that is played in
9 an electronic environment in which a player's performance and
10 opportunity for success can be improved by skill that conforms to
11 the standards set forth in this act;

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12 6. "Electronic bonanza-style bingo game" means a game played in
13 an electronic environment in which some or all of the numbers or
14 symbols are drawn or electronically determined before the bingo
15 cards for that game are sold that conforms with the standards set
16 forth in this act;

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17 7. "Electronic instant bingo game" means a game played in an
18 electronic environment in which a player wins if his or her
19 electronic instant bingo card contains a combination of numbers or
20 symbols that was designated in advance of the game as a winning
21 combination. There may be multiple winning combinations in each
22 game and multiple winning cards;

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23 8. "Electronic gaming" means the electronic amusement game, the
24 electronic bonanza-style bingo game and the electronic instant bingo

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1 game described in this act, which are included in the authorized
2 gaming available to be offered by organization licensees;

3 9. "Game play credits" means a method of representing value
4 obtained from the exchange of cash or cash equivalents, or earned as
5 a prize, in connection with electronic gaming. Game play credits
6 may be redeemed for cash or a cash equivalent;

7 10. "Independent testing laboratory" means a laboratory of
8 national reputation that is demonstrably competent and qualified to
9 scientifically test and evaluate devices for compliance with this
10 act and to otherwise perform the functions assigned to it in this
11 act. An independent testing laboratory shall not be owned or
12 controlled by an organizational licensee, an Indian Tribe, the
13 state, or any manufacturer, supplier or operator of gaming devices.
14 The use of an independent testing laboratory for any purposes
15 related to the conduct of electronic gaming by an organization
16 licensee under this act shall be made from a list of one or more
17 laboratories approved by the Commission;

18 11. "Player terminals" means electronic terminals housed in
19 cabinets with input devices and video screens or electromechanical
20 displays on which players play authorized gaming; and

21 12. "Standards" means the descriptions and specifications of
22 electronic games or components thereof as set forth in this act,
23 including technical specifications for component parts, requirements
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1 for cashless transaction systems, software tools for security and
2 audit purposes, and procedures for operation of such games.

3 SECTION 3. AMENDATORY Section 10 of Enrolled Senate Bill
4 No. 553 of the 2nd Session of the 49th Oklahoma Legislature, is
5 amended to read as follows:

6 Section 10. A. Electronic amusement games shall be played
7 through the employment of player terminals which, following the
8 payment of a fee, present games in which the player can win prizes
9 in a format in which a player's performance can be improved by
10 skill.

11 B. A player may purchase an opportunity to play an electronic
12 amusement game at a player terminal, either through the insertion of
13 coins or currency, or through the use of a cashless transaction
14 system. The available games are displayed on the player terminal's
15 video screen or otherwise prominently displayed on the terminal.

16 The rules of the game are also displayed either prominently on the
17 terminal or on a help screen, and include sufficient information to
18 alert novice players on the concept of the game so that a novice
19 player can understand how to improve his or her performance.

20 Depending on the game selected, the player must physically interact
21 with the screen (through touch screen technology) or by depressing
22 or activating buttons or other input devices, to cause an intended
23 result.

1 C. Following play on a player terminal, the result shall be
2 displayed and prizes awarded. Prizes may be dispensed in the form
3 of cash, coin, merchandise or through a cashless transaction system.

4 D. Every play of the game shall be recorded, monitored and
5 regulated to ensure full accountability and integrity of play, in
6 accordance with the provisions of this act.

7 SECTION 4. AMENDATORY Section 13 of Enrolled Senate Bill
8 No. 553 of the 2nd Session of the 49th Oklahoma Legislature, is
9 amended to read as follows:

10 Section 13. A. Electronic bonanza-style bingo games authorized
11 by this act shall only be conducted using a system which utilizes
12 linked player terminals which allow players to purchase and play
13 electronic bonanza-style bingo cards. Players compete, following
14 the payment of a fee, to be the first player to cover a previously
15 designated bingo pattern using a set of numbers or symbols at least
16 some of which were drawn or electronically determined before the
17 sale of bingo cards began. The first player to cover the game-
18 winning pattern wins the game-winning prize. Interim and
19 consolation prizes also may be awarded.

20 B. A player may purchase an opportunity to play an electronic
21 bonanza-style bingo game at a player terminal, either through the
22 insertion of coins or currency, or through the use of a cashless
23 transaction system. The available games are displayed on the player
24 terminal's video screen or otherwise prominently displayed on the

1 terminal. The rules of the game are also displayed either
2 prominently on the terminal or a help screen.

3 C. After the player purchases a bingo card, the player terminal
4 must cover any numbers on the player's bingo card that match numbers
5 previously drawn or electronically determined for that game.

6 D. Although the results of the bingo game may be shown using
7 entertaining video and/or mechanical displays, the player ~~must at~~
8 ~~all times~~ may have the option to view the electronic bingo card and
9 current ball draw on the video screen of the player terminal.

10 E. Following play on a player terminal, the result shall be
11 displayed and prizes awarded. Prizes may be dispensed in the form
12 of cash, coin, merchandise or through a cashless transaction system.

13 SECTION 5. AMENDATORY Section 14 of Enrolled Senate Bill
14 No. 553 of the 2nd Session of the 49th Oklahoma Legislature, is
15 amended to read as follows:

16 Section 14. A. Electronic instant bingo games authorized by
17 this act shall only utilize player terminals which allow players to
18 purchase and play electronic instant bingo cards. Players receive,
19 after the payment of a fee, an electronic instant bingo card. A
20 player wins if his or her card contains a combination of numbers
21 which was designated in advance of the game as a winning
22 combination. There may be multiple winning combinations in each
23 game and multiple winning cards.

1 B. A player may purchase an opportunity to play an electronic
2 instant bingo game at a player terminal, either through the
3 insertion of coins or currency, or through the use of a cashless
4 transaction system. The available games are displayed on the player
5 terminal's video screen or otherwise prominently displayed on the
6 terminal. The rules of the game are also displayed either
7 prominently on the terminal or on a help screen.

8 C. After the player purchases an electronic instant bingo card,
9 the combination of numbers on that card is revealed to the player.

10 D. Although the results of the electronic instant bingo card
11 may be shown using entertaining video and/or mechanical displays,
12 the player ~~must at all times~~ may have the option to view the
13 electronic instant bingo card on the video screen of the player
14 terminal.

15 E. Following play on a player terminal, the result shall be
16 displayed and prizes awarded. Prizes may be dispensed in the form
17 of cash, coin, merchandise or through a cashless transaction system.

18 SECTION 6. AMENDATORY Section 15 of Enrolled Senate Bill
19 No. 553 of the 2nd Session of the 49th Oklahoma Legislature, is
20 amended to read as follows:

21 Section 15. A. Player terminals used in connection with
22 electronic games shall conform to the following standards:
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1 1. No player terminal shall be capable of being used as a
2 stand-alone unit for the purposes of engaging in any game not
3 permitted by this act;

4 2. In addition to a video monitor or other electromechanical
5 display, each player terminal may have one or more of the following:
6 ~~an electro-mechanical display~~, a printer, graphics and signage;

7 3. Each player terminal may have one or more of the following:
8 electronic buttons, touch screen capability, and a mechanical,
9 ~~electro-mechanical~~ electromechanical or electronic means of
10 activating the game and providing player input, including a means
11 for making player selections and choices in games;

12 4. Each player terminal shall have a nonvolatile backup memory
13 or its equivalent, which shall be maintained in a secure compartment
14 on each player terminal for the purpose of storing and preserving a
15 redundant set of critical data which has been error checked in
16 accordance with this act, and which data shall include, at a
17 minimum, the following player terminal information:

- 18 a. electronic meters required by paragraph 7 of this
19 subsection,
- 20 b. recall of all wagers and other information associated
21 with the last ten (10) plays, and
- 22 c. error conditions that may have occurred on the player
23 terminal;

1 5. An on/off switch that controls the electrical current that
2 supplies power to the player terminal, which must be located in a
3 secure place that is readily accessible within the interior of the
4 player terminal;

5 6. The operation of each player terminal must not be adversely
6 compromised or affected by static discharge, liquid spills, or
7 electromagnetic interference;

8 7. A player terminal must have electronic accounting meters
9 which have tally totals to a minimum of eight (8) digits and be
10 capable of rolling over when the maximum value of at least
11 99,999,999 is reached. The player terminal must provide a means for
12 on-demand display of the electronic meters via a key switch or other
13 secure method on the exterior of the machine. Electronic meters on
14 each player terminal for each of the following data categories are
15 required:

- 16 a. credits, or equivalent monetary units, deposited on a
17 cumulative basis on that terminal,
- 18 b. if a player terminal offers more than one electronic
19 bonanza-style bingo game or electronic amusement game
20 for play, then for each game, the meter shall record
21 the number of credits, or equivalent monetary units,
22 wagered and won for each game,
- 23 c. hand-paid and progressive jackpots paid for that
24 terminal, which must include the cumulative amounts

1 paid by an attendant for any such jackpot not
2 otherwise metered pursuant to subparagraph b of this
3 paragraph,

- 4 d. the number of electronic games played on the terminal,
- 5 and
- 6 e. the number of times the cabinet door is opened or
- 7 accessed;

8 8. Under no circumstances shall the player terminal electronic
9 accounting meters be capable of being automatically reset or
10 cleared, whether due to an error in any aspect of its or a game's
11 operation or otherwise. All meter readings must be recorded and
12 dated both before and after an electronic accounting meter is
13 cleared;

14 9. At a minimum, each player terminal shall have the following
15 game information available for display on the video screen and/or
16 displayed on the player terminal itself, in a location conspicuous
17 to the player:

- 18 a. the rules of the game being played,
- 19 b. the maximum and minimum cost of a wager, purchase or
- 20 play activation and the amount of credits, or cash
- 21 equivalents, which may be won for each game offered
- 22 through that terminal,
- 23 c. the player's credit balance,
- 24 d. the outcome of the game then being played, and

1 e. any prize won on the game then being played;

2 10. The video screen or other means for displaying game rules,
3 outcomes and other game information shall be kept under a glass or
4 other transparent substance which places a barrier between the
5 player and the actual surface of the display. At no time may
6 stickers or other removable media be placed on the player terminal's
7 face for purposes of displaying rules or payouts;

8 11. No hardware switches may be installed on a player terminal
9 or any associated equipment which may affect the outcome or payout
10 of any game for which the player terminal is used. Switches may be
11 installed to control the ergonomics of the player terminal; and

12 12. Where the electronic game system or components are linked
13 with one another in a local network for progressive jackpot,
14 function sharing, aggregate prizes or other purposes, communication
15 protocols must be used which ensure that erroneous data or signals
16 will not adversely affect the operations of any such system or
17 components.

18 SECTION 7. AMENDATORY Section 20 of Enrolled Senate Bill
19 No. 553 of the 2nd Session of the 49th Oklahoma Legislature, is
20 amended to read as follows:

21 Section 20. The State of Oklahoma through the concurrence of
22 the Governor after considering the executive prerogatives of that
23 office and the power to negotiate the terms of a compact between the
24 state and a tribe, and by means of the execution of this act, and

1 with the concurrence of the State Legislature through the enactment
2 of this act, hereby makes the following offer of a model tribal
3 gaming compact regarding gaming to all federally recognized Indian
4 tribes as identified in the Federal Register within this state that
5 own or are the beneficial owners of Indian Lands as defined by the
6 Indian Gaming Regulatory Act, 25 U.S.C., Section 2703(4), and over
7 which the tribe has jurisdiction as recognized by the Secretary of
8 the Interior and is a part of the tribe's "Indian Reservation" as
9 defined in 25 CFR Part 151.2 or has been acquired pursuant to 25 CFR
10 Part 151, which, if accepted, shall constitute a gaming compact
11 between this state and the accepting tribe for purposes of the
12 Indian Gaming Regulatory Act. Acceptance of the offer contained in
13 this section shall be through the signature of the chief executive
14 officer of the tribal government whose authority to enter into the
15 compact shall be set forth in an accompanying law or ordinance or
16 resolution by the governing body of the tribe, a copy of which shall
17 be provided by the tribe to the Governor. No further action by the
18 Governor or the state is required before the compact can take
19 effect. A tribe accepting this model tribal gaming compact is
20 responsible for submitting a copy of the compact executed by the
21 tribe to the Secretary of the Interior for approval and publication
22 in the Federal Register. The tribe shall provide a copy of the
23 executed compact to the Governor. No tribe shall be required to
24 agree to terms different than the terms set forth in the model

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1 tribal gaming compact, which is set forth in Section 21 of ~~this act~~
2 Enrolled Senate Bill No. 553 of the 2nd Session of the 49th Oklahoma
3 Legislature. As a precondition to execution of the Model Tribal
4 Gaming Compact by any tribe, the tribe must have paid or entered
5 into a written agreement for payment of any fines assessed prior to
6 the effective date of the State-Tribal Gaming Act by the federal
7 government with respect to the tribe's gaming activities pursuant to
8 the Indian Gaming Regulatory Act.

9 Notwithstanding the provisions of Sections 941 through 988 of
10 Title 21 of the Oklahoma Statutes, the conducting of and
11 participation in any game authorized by the model compact set forth
12 in Section 21 of ~~this act~~ Enrolled Senate Bill No. 553 of the 2nd
13 Session of the 49th Oklahoma Legislature is lawful when played
14 pursuant to a compact which has become effective.

15 Twelve percent (12%) of all fees received by the state pursuant
16 to subsection A of Part 11 of the Model Tribal Gaming Compact set
17 forth in Section 21 of ~~this act~~ Enrolled Senate Bill No. 553 of the
18 2nd Session of the 49th Oklahoma Legislature shall be deposited in
19 the Oklahoma Higher Learning Access Trust Fund and eighty-eight
20 percent (88%) of such fees shall be deposited in the Education
21 Reform Revolving Fund. The first Twenty Thousand Eight Hundred
22 Thirty-three Dollars and thirty-three cents (\$20,833.33) of all fees
23 received each month by the state pursuant to subsection A of Part 11
24 of the Model Tribal Gaming Compact set forth in Section 21 of

1 Enrolled Senate Bill No. 553 of the 2nd Session of the 49th Oklahoma
2 Legislature shall be transferred to the Department of Mental Health
3 and Substance Abuse Services for the treatment of compulsive
4 gambling disorder and educational programs related to such disorder.

5 SECTION 8. AMENDATORY Section 21 of Enrolled Senate Bill
6 No. 553 of the 2nd Session of the 49th Oklahoma Legislature, is
7 amended to read as follows:

8 Section 21. This section sets forth the provisions of the Model
9 Tribal Gaming Compact.

10 MODEL TRIBAL GAMING COMPACT

11 Between the [Name of Tribe]

12 and the STATE OF OKLAHOMA

13 This ~~compact~~ Compact is made and entered into by and between the
14 [Name of Tribe], a federally recognized Indian Tribe ("Tribe"), and
15 the State of Oklahoma ("state"), with respect to the operation of
16 covered games (as defined herein) on the Tribe's Indian lands as
17 defined by the Indian Gaming Regulatory Act, 25 U.S.C., Section
18 2703(4).

19 Part 1. TITLE

20 This document shall be referred to as "The [Name of Tribe] and
21 State of Oklahoma Gaming Compact".

22 Part 2. RECITALS

23 1. The Tribe is a federally recognized tribal government
24 possessing sovereign powers and rights of self-government.

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1 2. The State of Oklahoma is a state of the United States of
2 America possessing the sovereign powers and rights of a state.

3 3. The state and the Tribe maintain a government-to-government
4 relationship, and this ~~compact~~ Compact will help to foster mutual
5 respect and understanding among Indians and nonIndians non-Indians.

6 4. The United States Supreme Court has long recognized the
7 right of an Indian Tribe to regulate activity on lands within its
8 jurisdiction.

9 5. The Tribe desires to offer the play of covered games, as
10 hereinafter defined in paragraphs 5, 10, 11, and 12 of Part 3 of
11 this ~~compact~~ Compact, as a means of generating revenues for purposes
12 authorized by the Indian Gaming Regulatory Act, 25, U.S.C., Section
13 2701, et seq., including without limitation the support of tribal
14 governmental programs, such as health care, housing, sewer and water
15 projects, police, corrections, fire, judicial services, highway and
16 bridge construction, general assistance for tribal elders, day care
17 for the children, economic development, educational opportunities
18 and other typical and valuable governmental services and programs
19 for tribal members.

20 6. The state recognizes that the positive effects of this
21 ~~compact~~ Compact will extend beyond the Tribe's lands to the Tribe's
22 neighbors and surrounding communities and will generally benefit all
23 of Oklahoma. These positive effects and benefits may include not
24 only those described in paragraph 5 of this ~~part~~ Part, but also may

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1 include increased tourism and related economic development
2 activities.

3 7. The Tribe and the state jointly wish to protect their
4 citizens from any criminal involvement in the gaming operations
5 regulated under this compact Compact.

6 Part 3. DEFINITIONS

7 As used in this ~~compact~~ Compact:

8 1. "Adjusted Gross Revenues" means the total receipts received
9 from the play of all covered games minus all prize payouts;

10 2. "Annual Oversight Assessment" means the assessment described
11 in subsection B of Part 11 of this Compact;

12 3. "Central computer" means a computer to which player
13 terminals are linked to allow competition in electronic bonanza-
14 style bingo games;

15 4. "Compact" means this Tribal Gaming Compact between the state
16 and the Tribe, entered into pursuant to sections 20 and 21 of the
17 State-Tribal Gaming Act;

18 5. "Covered game" means ~~the following games conducted in~~
19 ~~accordance with the standards, as applicable, set forth in sections~~
20 ~~10 through 17 of the State-Tribal Gaming Act:~~ an electronic
21 bonanza-style bingo game, an electronic amusement game, an
22 electronic instant bingo game, nonhouse-banked card games; any other
23 game, if the operation of such game by a tribe would require a
24 compact and if such game has been: (i) approved by the Oklahoma
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Deleted: conducted in accordance with the standards set forth in Sections 9 through 17 of the State-Tribal Gaming Act

Deleted: conducted in accordance with the standards set forth in Sections 10 through 17 of the State-Tribal Gaming Act

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1 Horse Racing Commission for use by an organizational licensee, (ii)
2 approved by state legislation for use by any person or entity, or
3 (iii) approved by amendment of the State-Tribal Gaming Act; and upon
4 election by the Tribe by written supplement to this Compact, any
5 class II game in use by the Tribe, provided that no exclusivity
6 payments shall be required for the operation of such class II game;

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7 6. "Covered game employee" means any individual employed by the
8 enterprise or a third party providing management services to the
9 enterprise, whose responsibilities include the rendering of services
10 with respect to the operation, maintenance or management of covered
11 games. The term "covered game employee" includes, but is not
12 limited to, the following: managers and assistant managers;
13 accounting personnel; surveillance and security personnel; cashiers,
14 supervisors, and floor personnel; cage personnel; and any other
15 person whose employment duties require or authorize access to areas
16 of the facility related to the conduct of covered games or the
17 maintenance or storage of covered game components. This shall not
18 include upper level Tribal employees or Tribe's elected officials so
19 long as such individuals are not directly involved in the operation,
20 maintenance, or management of covered game components. The
21 enterprise may, at its discretion, include other persons employed at
22 or in connection with the enterprise within the definition of
23 covered game employee;

1 7. "Documents" means books, records, electronic, magnetic and
2 computer media documents and other writings and materials, copies
3 thereof, and information contained therein;

4 8. "Effective Date" means the date on which the last of the
5 conditions set forth in subsection A of Part 15 of this compact
6 Compact have been met;

7 9. "Electronic accounting system" means an electronic system
8 that provides a secure means to receive, store and access data and
9 record critical functions and activities, as set forth in the State-
10 Tribal Gaming Act;

11 10. "Electronic amusement game" means a game that is played in
12 an electronic environment in which a player's performance and
13 opportunity for success can be improved by skill that conforms to
14 the standards set forth in the State-Tribal Gaming Act;

15 11. "Electronic bonanza-style bingo game" means a game played
16 in an electronic environment in which some or all of the numbers or
17 symbols are drawn or electronically determined before the electronic
18 bingo cards for that game are sold that conforms to the standards
19 set forth in the State-Tribal Gaming Act;

20 12. "Electronic instant bingo game" means a game played in an
21 electronic environment in which a player wins if his or her
22 electronic instant bingo card contains a combination of numbers that
23 was designated in advance of the game as a winning combination.
24 There may be multiple winning combinations in each game and multiple

1 winning cards that conform to the standards set forth in the State-
2 Tribal Gaming Act;

3 13. "Enterprise" means the Tribe or the Tribal agency or
4 section of Tribal management with direct responsibility for the
5 conduct of covered games, the Tribal business enterprise that
6 conducts covered games, or a person, corporation or other entity
7 that has entered into a management contract with the Tribe to
8 conduct covered games, in accordance with IGRA. The names,
9 addresses and identifying information of any covered game employees
10 shall be forwarded to the SCA at least annually. In any event, the
11 Tribe shall have the ultimate responsibility for ensuring that the
12 Tribe or enterprise fulfills the responsibilities under this
13 Compact. For purposes of enforcement, the Tribe is deemed to have
14 made all promises for the enterprise;

15 14. "Facility" means any building of the Tribe in which the
16 covered games authorized by this Compact are conducted by the
17 enterprise, located on Indian lands as defined by IGRA. The Tribe
18 shall have the ultimate responsibility for ensuring that a facility
19 conforms to the Compact as required herein;

20 15. "Game play credits" means a method of representing value
21 obtained from the exchange of cash or cash equivalents, or earned as
22 a prize, in connection with electronic gaming. Game play credits
23 may be redeemed for cash or a cash equivalent;

1 16. "Player terminals" means electronic or electromechanical
2 terminals housed in cabinets with input devices and video screens or
3 electromechanical displays on which players play electronic bonanza-
4 style bingo games, electronic instant bingo games or electronic
5 amusement games;

6 17. "Independent testing laboratory" means a laboratory of
7 national reputation that is demonstrably competent and qualified to
8 scientifically test and evaluate devices for compliance with this
9 Compact and to otherwise perform the functions assigned to it in
10 this Compact. An independent testing laboratory shall not be owned
11 or controlled by the Tribe, the enterprise, an organizational
12 licensee as defined in the State-Tribal Gaming Act, the state, or
13 any manufacturer, supplier or operator of gaming devices. The
14 selection of an independent testing laboratory for any purpose under
15 this Compact shall be made from a list of one or more laboratories
16 mutually agreed upon by the parties; provided that the parties
17 hereby agree that any laboratory upon which the National Indian
18 Gaming Commission has relied for such testing may be utilized for
19 testing required by this Compact;

20 18. "IGRA" means the Indian Gaming Regulatory Act, Pub. L. 100-
21 497, Oct. 17, 1988, 102 Stat. 2467, codified at 25 U.S.C., Section
22 2701 et seq. and 18 U.S.C., Sections 1166 to 1168;

23 19. "Nonhouse-banked card games" means any card game in which
24 the Tribe has no interest in the outcome of the game, including

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1 games played in tournament formats and games in which the Tribe
2 collects a fee from the player for participating, and all bets are
3 placed in a common pool or pot from which all player winnings,
4 prizes and direct costs are paid. As provided herein,
5 administrative fees may be charged by the Tribe against any common
6 pool in an amount equal to any fee paid the state; provided that the
7 Tribe may seed the pool as it determines necessary from time to
8 time;

9 20. "Patron" means any person who is on the premises of a
10 gaming facility, for the purpose of playing, covered games authorized
11 by this ~~compact~~ Compact;

12 21. "Principal" means, with respect to any entity, its sole
13 proprietor or any partner, trustee, beneficiary or shareholder
14 holding five percent (5%) or more of its beneficial or controlling
15 ownership, either directly or indirectly, or any officer, director,
16 principal management employee, or key employee thereof;

17 22. "Rules and regulations" means the rules and regulations
18 promulgated by the Tribal Compliance Agency for implementation of
19 this Compact;

20 23. "Standards" means the descriptions and specifications of
21 electronic amusement games, electronic bonanza-style bingo games and
22 electronic instant bingo games or components thereof as set forth in
23 Sections 10 through 17 of the State-Tribal Gaming Act as enacted in
24 2004 or as amended pursuant to ~~part 3, paragraph 30 or section 13.D~~

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1 paragraph 27 of this Part or subsection D of Part 13 of this
2 Compact, including technical specifications for component parts,
3 requirements for cashless transaction systems, software tools for
4 security and audit purposes, and procedures for operation of such
5 games;

6 24. "State" means the State of Oklahoma;

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7 25. "State Compliance Agency" ("SCA") means the state agency

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8 that has the authority to carry out the state's oversight
9 responsibilities under this Compact, which shall be the Office of
10 State Finance or its successor agency. Nothing herein shall
11 supplant the role or duties of the Oklahoma State Bureau of
12 Investigation under state law. The Oklahoma Horse Racing Commission
13 and the Oklahoma Tax Commission shall have no role in regulating or
14 oversight of any gaming conducted by a Tribe;

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15 26. "Tribal Compliance Agency" ("TCA") means the Tribal

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16 governmental agency that has the authority to carry out the Tribe's
17 regulatory and oversight responsibilities under this Compact.
18 Unless and until otherwise designated by Tribe, the TCA shall be the
19 [Name of Tribe] Gaming Commission. No covered game employee may be
20 a member or employee of the TCA. The Tribe shall have the ultimate
21 responsibility for ensuring that the TCA fulfills its
22 responsibilities under this Compact. The members of the TCA shall
23 be subject to background investigations and licensed to the extent
24 required by any Tribal or federal law, and in accordance with

1 subsection B of Part 7 of this Compact. The Tribe shall ensure that
2 all TCA officers and agents are qualified for such position and
3 receive ongoing training to obtain and maintain skills that are
4 sufficient to carry out their responsibilities in accordance with
5 industry standards;

6 27. "State-Tribal Gaming Act" means the legislation in which
7 this Model Tribal Gaming Compact is set forth and, at the Tribe's
8 option, amendments or successor statutes thereto;

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9 28. "Tribal law enforcement agency" means a police or security
10 force established and maintained by the Tribe pursuant to the
11 Tribe's powers of self-government to carry out law enforcement
12 duties at or in connection with a facility; and

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13 29. "Tribe" means the [Name of Nation].

14 Part 4. AUTHORIZATION OF COVERED GAMES

Deleted: 30. "Tribal-State Gaming Act" means the legislation in which this model Tribal Gaming Compact is set forth and, at the Tribe's option, amendments or successor statutes thereto.

15 A. The Tribe and state agree that the Tribe is authorized to
16 operate covered games only in accordance with this Compact.
17 However, nothing in this Compact shall limit the Tribe's right to
18 operate any game that is Class II under IGRA and no Class II games
19 shall be subject to the exclusivity payments set forth in Part 11 of
20 this Compact. In the case of electronic bonanza-style bingo games,
21 there have been disagreements between tribes and federal regulators
22 as to whether or not such games are Class II. Without conceding
23 that such games are Class III, the Tribe has agreed to compact with
24 the state to operate the specific type of electronic bonanza-style

1 bingo game described in this ~~compact~~ Compact to remove any legal
2 uncertainty as to the Tribe's right to lawfully operate the game.
3 Should the electronic bonanza-style bingo game or the electronic
4 instant bingo game described in this act be determined to be Class
5 II by the NIGC or a federal court, then the Tribe shall have the
6 option to operate such games outside of this Compact; provided, any
7 obligations pursuant to subsection F of Part 11 of this ~~compact~~
8 Compact shall not be affected thereby.

9 B. A Tribe shall not operate an electronic bonanza-style bingo
10 game, an electronic instant bingo game or an electronic amusement
11 game pursuant to this Compact until such game has been certified by
12 an independent testing laboratory and the TCA as meeting the
13 standards set out in the State-Tribal Gaming Act for electronic
14 bonanza-style bingo games, electronic instant bingo games or
15 electronic amusement games, as applicable or any standards contained
16 in the Oklahoma Horse Racing Commission rules issued pursuant to
17 subsection B of Section 8 of the State-Tribal Gaming Act that modify
18 the standards for such games that may be conducted by organizational
19 licensees. Provided, the Tribe may rely on any certification of an
20 electronic bonanza-style bingo game, an electronic instant bingo, or
21 electronic amusement games by the Oklahoma Horse Racing Commission
22 which was obtained by an organization licensee pursuant to the
23 State-Tribal Gaming Act to establish certification compliance under
24 this Compact. The Tribe may also rely on any certification of an

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1 electronic bonanza-style bingo game, electronic instant bingo or an
2 electronic amusement game by the TCA obtained by another Tribe which
3 has entered into the model compact to establish certification
4 compliance under this Compact.

5 Part 5. RULES AND REGULATIONS; MINIMUM REQUIREMENTS FOR
6 OPERATIONS

7 A. Regulations. At all times during the Term of this Compact,
8 the Tribe shall be responsible for all duties which are assigned to
9 it, the enterprise, the facility, and the TCA under this Compact.
10 The Tribe shall promulgate any rules and regulations necessary to
11 implement this Compact, which at a minimum shall expressly include
12 or incorporate by reference all provisions of Part 5 and the
13 procedural requirements of Part 6 of this Compact. Nothing in this
14 Compact shall be construed to affect the Tribe's right to amend its
15 rules and regulations, provided that any such amendment shall be in
16 conformity with this Compact. The SCA may propose additional rules
17 and regulations related to implementation of this Compact to the TCA
18 at any time, and the TCA shall give good faith consideration to such
19 suggestions and shall notify the SCA of its response or action with
20 respect thereto.

21 B. Compliance; Internal Control Standards. All enterprises and
22 facilities shall comply with, and all covered games approved under
23 the procedures set forth in this compact Compact shall be operated
24 in accordance with the requirements set forth in this ~~compact~~

1 Compact, including, but not limited to, those set forth in
2 subsections C and D of this Part. In addition, all enterprises and
3 facilities shall comply with tribal internal control standards that
4 provide a level of control that equals or exceeds those set forth in
5 the National Indian Gaming Commission's Minimum Internal Control
6 Standards (25 C.F.R., Part 542).

7 C. Records. In addition to other records required to be
8 maintained herein, the enterprise or Tribe shall maintain the
9 following records related to implementation of this Compact in
10 permanent form and as written or entered, whether manually or by
11 computer, and which shall be maintained by the enterprise and made
12 available for inspection by the SCA for no less than three (3) years
13 from the date generated:

14 1. A log recording all surveillance activities in the
15 monitoring room of the facility, including, but not limited to,
16 surveillance records kept in the normal course of enterprise
17 operations and in accordance with industry standards; provided,
18 notwithstanding anything to the contrary herein, surveillance
19 records may, at the discretion of the enterprise, be destroyed if no
20 incident has been reported within one (1) year following the date
21 such records were made. Records, as used in this Compact, shall
22 include video tapes and any other storage media;

23 2. Payout from the conduct of all covered games;
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1 3. Maintenance logs for all covered games gaming equipment used
2 by the enterprise;

3 4. Security logs as kept in the normal course of conducting and
4 maintaining security at the facility, which at a minimum shall
5 conform to industry practices for such reports. The security logs
6 shall document any unusual or nonstandard activities, occurrences or
7 events at or related to the facility or in connection with the
8 enterprise. Each incident, without regard to materiality, shall be
9 assigned a sequential number for each such report. At a minimum,
10 the security logs shall consist of the following information, which
11 shall be recorded in a reasonable fashion noting:

- 12 a. the assigned number of the incident,
- 13 b. the date of the incident,
- 14 c. the time of the incident,
- 15 d. the location of the incident,
- 16 e. the nature of the incident,
- 17 f. the identity, including identification information, of
18 any persons involved in the incident and any known
19 witnesses to the incident, and
- 20 g. the Tribal compliance officer making the report and
21 any other persons contributing to its preparation;

22 5. Books and records on all covered game activities of the
23 enterprise shall be maintained in accordance with generally accepted
24 accounting principles (GAAP); and

1 6. All documents generated in accordance with this Compact.

2 D. Use of Net Revenues. Net revenues that the Tribe receives
3 from covered games are to be used for any one or more of those
4 purposes permitted under IGRA:

5 1. To fund tribal government operations or programs;

6 2. To provide for the general welfare of the Tribe and its
7 members;

8 3. To promote tribal economic development;

9 4. To donate to charitable organizations; or

10 5. To help fund operations of local government agencies.

11 E. 1. The Tribe's rules and regulations shall require the
12 enterprise at a minimum to bar persons based on their prior conduct
13 at the facility or who, because of their criminal history or
14 association with criminal offenders, pose a threat to the integrity
15 of the conduct of covered games.

16 2. The TCA shall establish a list of the persons barred from
17 the facility.

18 3. The enterprise shall employ its best efforts to exclude
19 persons on such list from entry into its facility; provided, neither
20 persons who are barred but gain access to the facility, nor any
21 other person, shall have any claim against the state, the Tribe or
22 the enterprise or any other person for failing to enforce such bar.

23 4. Patrons who believe they may be playing covered games on a
24 compulsive basis may request that their names be placed on the list.

1 All covered game employees shall receive training on identifying
2 players who have a problem with compulsive playing and shall be
3 instructed to ask them to leave. Signs and other materials shall be
4 readily available to direct such compulsive players to agencies
5 where they may receive counseling.

6 F. Audits. 1. Consistent with 25 C.F.R., Section 571.12,
7 Audit Standards, the TCA shall ensure that an annual independent
8 financial audit of the enterprise's conduct of covered games subject
9 to this Compact is secured. The audit shall, at a minimum, examine
10 revenues and expenses in connection with the conduct of covered
11 games in accordance with generally accepted auditing standards and
12 shall include, but not be limited to, those matters necessary to
13 verify the determination of Adjusted Gross Revenues and the basis of
14 the payments made to the state pursuant to Part 11 of this compact
15 Compact.

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16 2. The auditor selected by the TCA shall be a firm of known and
17 demonstrable experience, expertise and stature in conducting audits
18 of this kind and scope.

19 3. The audit shall be concluded within five (5) months
20 following the close of each calendar year, provided that extensions
21 may be requested by the Tribe and shall not be refused by the state
22 where the circumstances justifying the extension request are beyond
23 the Tribe's control.

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1 4. The audit of the conduct of covered games may be conducted
2 as part of or in conjunction with the audit of the enterprise, but
3 if so conducted shall be separately stated for the reporting
4 purposes required herein.

5 5. The audit shall conform to generally accepted auditing
6 standards. As part of the audit report, the auditor shall certify
7 to the TCA that, in the course of the audit, the auditor discovered
8 no matters within the scope of the audit which were determined or
9 believed to be in violation of any provision of this Compact.

10 6. The enterprise shall assume all costs in connection with the
11 audit.

12 7. The audit report for the conduct of covered games shall be
13 submitted to the SCA within thirty (30) days of completion. The
14 auditor's work papers concerning covered games shall be made
15 available to the SCA upon request.

16 8. Representatives of the SCA may, upon request, meet with the
17 auditors to discuss the work papers, the audit or any matters in
18 connection therewith; provided, such discussions are limited to
19 covered games information and pursue legitimate state covered games
20 interests.

21 G. Rules for Play of and Prizes for Covered Games. Summaries
22 of the rules for playing covered games and winning prizes shall be
23 visibly displayed in the facility. Complete sets of rules shall be
24 available in pamphlet form in the facility.

1 H. Supervisory Line of Authority. The enterprise shall provide
2 the TCA and SCA with a chart of the supervisory lines of authority
3 with respect to those directly responsible for the conduct of
4 covered games, and shall promptly notify those agencies of any
5 material changes thereto.

6 I. Sale of Alcoholic Beverages. The sale and service of
7 alcoholic beverages in a facility shall be in compliance with state,
8 federal and tribal law in regard to the licensing and sale of such
9 beverages.

10 J. Age Restrictions. No person who would not be eligible to be
11 a patron of a pari-mutuel system of wagering pursuant to the
12 provisions of subsection B of Section 208.4 of Title 3A of the
13 Oklahoma Statutes shall be admitted into any area in a facility
14 where covered games are played, nor be permitted to operate, or
15 obtain a prize from or in connection with the operation of, any
16 covered game, directly or indirectly.

17 K. Destruction of Documents. Enterprise books, records and
18 other materials documenting the conduct of covered games shall be
19 destroyed only in accordance with rules and regulations adopted by
20 the TCA, which at a minimum shall provide as follows:

21 1. Material that might be utilized in connection with a
22 potential tort claim pursuant to Part 6 of this ~~compact~~ Compact,
23 including, but not limited to, incident reports, surveillance
24 records, statements, and the like, shall be maintained at least one
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1 (1) year beyond the time which a claim can be made under Part 6 of
2 this Compact or, if a tort claim is made, beyond the final
3 disposition of such claim;

4 2. Material that might be utilized in connection with a prize
5 claim, including but not limited to incident reports, surveillance
6 records, statements, and the like, shall be maintained at least one
7 hundred eighty (180) days beyond the time which a claim can be made
8 under Part 6 of this Compact or, if a prize claim is made, beyond
9 the final disposition of such claim; and

10 3. Notwithstanding anything herein to the contrary, all
11 enterprise books and records with respect to the conduct of covered
12 games or the operation of the enterprise, including, but not limited
13 to, all interim and final financial and audit reports and materials
14 related thereto which have been generated in the ordinary course of
15 business, shall be maintained for the minimum period of three (3)
16 years.

17 L. Location. The Tribe may establish and operate enterprises
18 and facilities that operate covered games only on its Indian lands
19 as defined by IGRA. The Tribe shall notify the SCA of the operation
20 of any new facility following the effective date of this Compact.
21 Nothing herein shall be construed as expanding or otherwise altering
22 the term "Indian lands", as that term is defined in the IGRA, nor
23 shall anything herein be construed as altering the federal process
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1 governing the tribal acquisition of "Indian lands" for gaming
2 purposes.

3 M. Records of Covered Games. The TCA shall keep a record of,
4 and shall report at least quarterly to the SCA, the number of
5 covered games in each facility, by the name or type of each and its
6 identifying number.

7 PART 6. TORT CLAIMS; PRIZE CLAIMS; LIMITED CONSENT TO SUIT

8 A. Tort Claims. The enterprise shall ensure that patrons of a
9 facility are afforded due process in seeking and receiving just and
10 reasonable compensation for a tort claim for personal injury or
11 property damage against the enterprise arising out of incidents
12 occurring at a facility, hereinafter "tort claim", as follows:

13 1. During the term of this Compact, the enterprise shall
14 maintain public liability insurance for the express purposes of
15 covering and satisfying tort claims. The insurance shall have
16 liability limits of not less than Two Hundred Fifty Thousand Dollars
17 (\$250,000.00) for any one person and Two Million Dollars
18 (\$2,000,000.00) for any one occurrence for personal injury, and One
19 Million Dollars (\$1,000,000.00) for any one occurrence for property
20 damage, hereinafter the Limit of Liability, or the corresponding
21 limits under The Governmental Tort Claims Act, whichever is greater.
22 No tort claim shall be paid, or be the subject of any award, in
23 excess of the Limit of Liability;

1 2. The Tribe consents to suit on a limited basis with respect
2 to tort claims subject to the limitations set forth in this
3 subsection and subsection C of this Part of this Compact. No
4 consents to suit with respect to tort claims, or as to any other
5 claims against the Tribe shall be deemed to have been made under
6 this Compact, except as provided in subsections B and C of this
7 Part;

8 3. The enterprise's insurance policy shall include an
9 endorsement providing that the insurer may not invoke tribal
10 sovereign immunity in connection with any claim made within the
11 Limit of Liability if the claim complies with the limited consent
12 provisions of subsection C of this Part ~~of this Compact~~. Copies of
13 all such insurance policies shall be forwarded to the SCA;

14 4. Any patron having a tort claim shall file a written tort
15 claim notice by delivery to the enterprise or the TCA. The date the
16 tort claim notice is filed with the enterprise or the TCA shall be
17 deemed the official date of filing the tort claim notice. The tort
18 claim notice shall be filed within one (1) year of the date of the
19 event which allegedly caused the claimed loss. Failure to file the
20 tort claim notice during such period of time shall forever bar such
21 tort claim; provided that a tort claim notice filed with the
22 enterprise or the TCA more than ninety (90) days, but within one (1)
23 year, after the event shall be deemed to be timely filed, but any
24 judgment thereon shall be reduced by ten percent (10%).

1 5. If the tort claim notice is filed with the TCA, the TCA
2 shall forward a copy of the tort claim to the enterprise and the SCA
3 within forty-eight (48) hours of filing, and if the tort claim
4 notice is filed with the enterprise, the enterprise shall forward a
5 copy of the tort claim to the TCA and the SCA within forty-eight
6 (48) hours of filing;

7 6. The tort claim notice shall state the date, time, place and
8 circumstances of the incident upon which the tort claim is based,
9 the identity of any persons known to have information regarding the
10 incident, including employees or others involved in or who witnessed
11 the incident, the amount of compensation and the basis for said
12 relief; the name, address and telephone number of the claimant, and
13 the name, address and telephone number of any representative
14 authorized to act or settle the claim on behalf of the claimant;

15 7. All tort claim notices shall be signed by the claimant. The
16 rules and regulations may additionally require that the tort claim
17 notices be signed under oath. The rules and regulations may also
18 require that as a condition of prosecuting tort claims, the claimant
19 shall appear to be interviewed or deposed at least once under
20 reasonable circumstances, which shall include the attendance of the
21 claimant's legal counsel if requested; provided that the enterprise
22 shall afford claimant at least thirty (30) days' written notice of
23 the interview or deposition; and provided further that the
24 claimant's failure to appear without cause for any interview or
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1 deposition properly noticed pursuant to this paragraph shall be
2 deemed a voluntary withdrawal of the tort claim;

3 8. The enterprise shall promptly review, investigate, and make
4 a determination regarding the tort claim. Any portion of a tort
5 claim which is unresolved shall be deemed denied if the enterprise
6 fails to notify the claimant in writing of its approval within
7 ninety (90) days of the filing date, unless the parties by written
8 agreement extend the date by which a denial shall be deemed issued
9 if no other action is taken. Each extension shall be for no more
10 than ninety (90) days, but there shall be no limit on the number of
11 written agreements for extensions, provided that no written
12 agreement for extension shall be valid unless signed by the claimant
13 and an authorized representative of the enterprise. The claimant
14 and the enterprise may continue attempts to settle a claim beyond an
15 extended date; provided, settlement negotiations shall not extend
16 the date of denial in the absence of a written agreement for
17 extension as required by this paragraph;

18 9. A judicial proceeding for any cause arising from a tort
19 claim may be maintained in accordance with and subject to the
20 limitations of subsection C of this Part only if the following
21 requirements have been met:

- 22 a. the claimant has followed all procedures required by
23 this Part, including, without limitation, the delivery
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1 of a valid and timely written tort claim notice to the
2 enterprise,

3 b. the enterprise has denied the tort claim, and

4 c. the claimant has filed the judicial proceeding no
5 later than the one-hundred-eightieth day after denial
6 of the claim by the enterprise; provided, that neither
7 the claimant nor the enterprise may agree to extend
8 the time to commence a judicial proceeding; and

9 10. Notices explaining the procedure and time limitations with
10 respect to making a tort claim shall be prominently posted in the
11 facility. Such notices shall explain the method and places for
12 making a tort claim, that this procedure is the exclusive method of
13 making a tort claim, and that claims that do not follow these
14 procedures shall be forever barred. The enterprise shall make
15 pamphlets containing the requirements in this subsection readily
16 available to all patrons of the facility and shall provide such
17 pamphlets to a claimant within five (5) days of the filing of a
18 claim

19 B. Prize Claims. The enterprise shall ensure that patrons of a
20 facility are afforded due process in seeking and receiving just and
21 reasonable compensation arising from a patron's dispute, in
22 connection with his or her play of any covered game, the amount of
23 any prize which has been awarded, the failure to be awarded a prize,
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1 or the right to receive a refund or other compensation, hereafter
2 "prize claim", as follows:

3 1. The Tribe consents to suit on a limited basis with respect
4 to prize claims against the enterprise only as set forth in
5 subsection C of this Part of this Compact; no consents to suit with
6 respect to prize claims, or as to any other claims against the Tribe
7 shall be deemed to have been made under this Compact, except as
8 provided in subsections A and C of this Part;

9 2. The maximum amount of any prize claim shall be the amount of
10 the prize which the claimant establishes he or she was entitled to
11 be awarded, hereafter "Prize Limit";

12 3. Any patron having a prize claim shall file a written prize
13 claim notice by delivery to the enterprise or the TCA. The date the
14 prize claim is filed with the enterprise or the TCA shall be deemed
15 the official date of filing the prize claim notice. The prize claim
16 notice shall be filed within ten (10) days of the event which is the
17 basis of the claim. Failure to file the prize claim notice during
18 such period of time shall forever bar such prize claim;

19 4. If the prize claim notice is filed with the TCA, the TCA
20 shall forward a copy of the prize claim to the enterprise and the
21 SCA within forty-eight (48) hours of its filing; and if the prize
22 claim notice is filed with the enterprise, the enterprise shall
23 forward a copy of the tort claim to the TCA and the SCA within
24 forty-eight (48) hours of filing;

1 5. The written prize claim notice shall state the date, time,
2 place and circumstances of the incident upon which the prize claim
3 is based, the identity of any persons known to have information
4 regarding the incident, including employees or others involved in or
5 who witnessed the incident, the amount demanded and the basis for
6 said amount, the name, address and telephone number of the claimant,
7 and the name, address and telephone number of any representative
8 authorized to act or settle the claim on behalf of the claimant;

9 6. All notices of prize claims shall be signed by the claimant.
10 The rules and regulations may additionally require that the prize
11 claim notices be signed under oath;

12 7. The enterprise shall promptly review, investigate and make a
13 determination regarding the prize claim. Claimants shall cooperate
14 in providing information, including personal sworn statements and
15 agreeing to be interviewed, as the enterprise shall reasonably
16 request. The claimant is permitted to have counsel present during
17 any such interview;

18 8. If the prize claim is not resolved within seventy-two (72)
19 hours from the time of filing the claim in accordance with paragraph
20 5 of this subsection, the TCA shall immediately notify the SCA in
21 writing that the claim has not been resolved;

22 9. In the event the claim is resolved, the TCA shall not be
23 obligated to report that fact to the SCA, but shall make TCA reports
24 available for review;

1 10. Any portion of a prize claim which is unresolved shall be
2 deemed denied if the enterprise fails to notify the claimant in
3 writing of its approval within thirty (30) days of the filing date,
4 unless the parties agree by written agreement to extend the date.
5 Each extension shall be for no more than thirty (30) days, but there
6 shall be no limit on the number of written agreements for
7 extensions; provided, that no written agreements for extension shall
8 be valid unless signed by the claimant and an authorized
9 representative of the TCA. The claimant and the enterprise may
10 continue attempts to settle a claim beyond an extended date;
11 provided, settlement negotiations shall not extend the date of
12 denial in the absence of a written extension required by this
13 paragraph;

14 11. A judicial proceeding for any cause arising from a prize
15 claim may be maintained in accordance with and subject to the
16 limitations of subsection C of this Part only if the following
17 requirements have been met:

- 18 a. the claimant has followed all procedures required by
19 this Part, including without limitation, the delivery
20 of a valid and timely written prize claim notice to
21 the enterprise,
- 22 b. the enterprise has denied the prize claim, and
- 23 c. the claimant has filed the judicial proceeding no
24 later than one hundred eighty (180) days after denial

1 of the claim by the enterprise; provided that neither
2 the claimant nor the enterprise may extend the time to
3 commence a judicial proceeding; and

4 12. Notices explaining the procedure and time limitations with
5 respect to making a prize claim shall be prominently posted in the
6 facility. Such notices shall explain the method and places for
7 making claims, that this procedure is the exclusive method of making
8 a prize claim, and that claims that do not follow this procedure
9 shall be forever barred. The enterprise shall make pamphlets
10 containing the requirements in this subsection readily available to
11 all patrons of the facility and shall provide such pamphlets to a
12 claimant by the TCA within five (5) days of the filing date of a
13 claim.

14 C. Limited Consent to Suit for Tort Claims and Prize Claims.

15 The Tribe consents to suit against the enterprise in a court of
16 competent jurisdiction with respect to a tort claim or prize claim
17 if all requirements of paragraph 9 of subsection A or all
18 requirements of paragraph 11 of subsection B of this Part have been
19 met; provided that such consent shall be subject to the following
20 additional conditions and limitations:

21 1. For tort claims, consent to suit is granted only to the
22 extent such claim or any award or judgment rendered thereon does not
23 exceed the Limit of Liability. Under no circumstances shall any
24 consent to suit be effective as to any award which exceeds such

1 applicable amounts. This consent shall only extend to the patron
2 actually claiming to have been injured. A tort claim shall not be
3 assignable. In the event any assignment of the tort claim is made
4 in violation of this Compact, or any person other than the patron
5 claiming the injury becomes a party to any action hereunder, this
6 consent shall be deemed revoked for all purposes. Notwithstanding
7 the foregoing, consent to suit shall not be revoked if an action on
8 a tort claim is filed by (i) a court appointed representative of a
9 claimant's estate, (ii) an indispensable party, or (iii) a health
10 provider or other party subrogated to the claimant's rights by
11 virtue of any insurance policy; provided, that nothing herein is
12 intended to, or shall constitute a consent to suit against the
13 enterprise as to such party except to the extent such party's claim
14 is:

- 15 a. in lieu of and identical to the claim that would have
16 been made by the claimant directly but for the
17 appointment of said representative or indispensable
18 party, and participation of such other party is in
19 lieu of and not in addition to pursuit of the claim by
20 the patron, and
21 b. the claim of such other party would have been subject
22 to a consent to suit hereunder if it had been made by
23 the claimant directly; and
24

1 2. For prize claims, consent is granted only to the extent such
2 claim does not exceed the prize limit. Under no circumstances shall
3 any award exceed the prize limit. This consent shall only extend to
4 the patron actually claiming to have engaged in the play of a
5 covered game on which the claim is based. Prize claims shall not be
6 assignable. In the event any assignment of the prize claim is made,
7 or any person other than the claimant entitled to make the claim
8 becomes a party to any action hereunder, this consent shall be
9 deemed revoked for all purposes. Notwithstanding the foregoing,
10 consent to suit shall not be revoked if an action on a prize claim
11 is filed by (i) a court-appointed representative of a claimant's
12 estate, or (ii) an indispensable party, provided that nothing herein
13 is intended to, or shall constitute a consent to suit against the
14 enterprise as to such party except to the extent such party's claim
15 is:

- 16 a. in lieu of and identical to the claim that would have
17 been made by the claimant directly but for the
18 appointment of said representative or indispensable
19 party, and participation of such other party is in
20 lieu of and not in addition to pursuit of the claim by
21 the patron, and
22 b. the claim of such other party would have been subject
23 to a consent to suit hereunder if it had been made by
24 the claimant directly.

1 D. Remedies In The Event Of No Or Inadequate Insurance For Tort
2 Claim. In the event a tort claim is made and there is no, or
3 inadequate, insurance in effect as required under this Compact, the
4 enterprise shall be deemed to be in default hereunder unless, within
5 ten (10) days of a demand by the SCA or a claimant to do so, the
6 enterprise has posted in an irrevocable escrow account at a state or
7 federally chartered bank which is not owned or controlled by the
8 Tribe, sufficient cash, a bond or other security sufficient to cover
9 any award that might be made within the limits set forth in
10 paragraph 1 of subsection A of this ~~section of this Compact~~ part,
11 and informs the claimant and the state of:

12 1. The posting of the cash or bond;

13 2. The means by which the deposit can be independently verified
14 as to the amount and the fact that it is irrevocable until the
15 matter is finally resolved;

16 3. The right of the claimant to have this claim satisfied from
17 the deposit if the claimant is successful on the claim; and

18 4. The notice and hearing opportunities in accordance with the
19 Tribe's Tort Law, if any, otherwise in accordance with principles of
20 due process, which will be afforded to the claimant so that the
21 intent of this Compact to provide claimants with a meaningful
22 opportunity to seek a just remedy under fair conditions will be
23 fulfilled.

24 Part 7. ENFORCEMENT OF COMPACT PROVISIONS

1 A. The Tribe and TCA shall be responsible for regulating
2 activities pursuant to this Compact. As part of its
3 responsibilities, the Tribe shall require the enterprise do the
4 following:

5 1. Operate the conduct of covered games in compliance with this
6 ~~compact~~ Compact, including, but not limited to, the standards and
7 the Tribe's rules and regulations;

8 2. Take reasonable measures to assure the physical safety of
9 enterprise patrons and personnel, prevent illegal activity at the
10 facility, and protect any rights of patrons under the Indian Civil
11 Rights Act, 25 U.S.C., Sec. 1302-1303;

12 3. Promptly notify appropriate law enforcement authorities of
13 persons who may be involved in illegal acts in accordance with
14 applicable law;

15 4. Assure that the construction and maintenance of the facility
16 meets or exceeds federal and Tribal standards for comparable
17 buildings; and

18 5. Prepare adequate emergency access plans to ensure the health
19 and safety of all covered game patrons. Upon the finalization of
20 emergency access plans, the TCA or enterprise shall forward copies
21 of such plans to the SCA.

22 B. All licenses for members and employees of the TCA shall be
23 issued according to the same standards and terms applicable to
24 facility employees. The TCA shall employ qualified compliance

1 officers under the authority of the TCA. The compliance officers
2 shall be independent of the enterprise, and shall be supervised and
3 accountable only to the TCA. A TCA compliance officer shall be
4 available to the facility during all hours of operation upon
5 reasonable notice, and shall have immediate access to any and all
6 areas of the facility for the purpose of ensuring compliance with
7 the provisions of this Compact. The TCA shall investigate any such
8 suspected or reported violation of this Compact and shall require
9 the enterprise to correct such violations. The TCA shall officially
10 enter into its files timely written reports of investigations and
11 any action taken thereon, and shall forward copies of such reports
12 to the SCA within fifteen (15) days of such filing. Any such
13 violations shall be reported immediately to the TCA, and the TCA
14 shall immediately forward the same to the SCA. In addition, the TCA
15 shall promptly report to the SCA any such violations which it
16 independently discovers.

17 C. In order to develop and foster a positive and effective
18 relationship in the enforcement of the provisions of this Compact,
19 representatives of the TCA and the SCA shall meet, not less than on
20 an annual basis, to review past practices and examine methods to
21 improve the regulatory scheme created by this Compact. The meetings
22 shall take place at a location mutually agreed to by the TCA and the
23 SCA. The SCA, prior to or during such meetings, shall disclose to
24 the TCA any concerns, suspected activities, or pending matters

1 reasonably believed to possibly constitute violations of this
2 Compact by any person, organization or entity, if such disclosure
3 will not compromise the interest sought to be protected.

4 Part 8. STATE MONITORING OF COMPACT

5 A. The SCA shall, pursuant to the provisions of this Compact,
6 have the authority to monitor the conduct of covered games to ensure
7 that the covered games are conducted in compliance with the
8 provisions of this Compact. In order to properly monitor the
9 conduct of covered games, agents of the SCA shall have reasonable
10 access to all areas of the facility related to the conduct of
11 covered games as provided herein:

12 1. Access to the facility by the SCA shall be during the
13 facility's normal operating hours only; provided that to the extent
14 such inspections are limited to areas of the facility where the
15 public is normally permitted, SCA agents may inspect the facility
16 without giving prior notice to the enterprise;

17 2. Any suspected or claimed violations of this Compact or of
18 law shall be directed in writing to the TCA; SCA agents shall not
19 interfere with the functioning of the enterprise; and

20 3. Before SCA agents enter any nonpublic area of the facility,
21 they shall provide proper photographic identification to the TCA.
22 SCA agents shall be accompanied in nonpublic areas of the facility
23 by a TCA agent. A one-hour notice by SCA to the TCA may be required
24

1 to assure that a TCA officer is available to accompany SCA agents at
2 all times.

3 B. Subject to the provisions herein, agents of the SCA shall
4 have the right to review and copy documents of the enterprise
5 related to its conduct of covered games. The review and copying of
6 such documents shall be during normal business hours or hours
7 otherwise at Tribe's discretion. However, the SCA shall not be
8 permitted to copy those portions of any documents of the enterprise
9 related to its conduct of covered games that contain business or
10 marketing strategies or other proprietary and confidential
11 information of the enterprise, including, but not limited to,
12 customer lists, business plans, advertising programs, marketing
13 studies, and customer demographics or profiles. No documents of the
14 enterprise related to its conduct of covered games or copies thereof
15 shall be released to the public by the state under any
16 circumstances. All such documents shall be deemed confidential
17 documents owned by the Tribe and shall not be subject to public
18 release by the state.

19 C. At the completion of any SCA inspection or investigation,
20 the SCA shall forward a written report thereof to the TCA. The TCA
21 shall be apprised on a timely basis of all pertinent,
22 nonconfidential information regarding any violation of federal,
23 state, or tribal laws, the rules or regulations, or this Compact.
24 Nothing herein prevents the SCA from contacting Tribal or federal

1 law enforcement authorities for suspected criminal wrongdoing
2 involving the TCA. TCA may interview SCA inspectors upon reasonable
3 notice and examine work papers and SCA in the same fashion that SCA
4 inspectors may examine auditors' notes and make auditor inquiry
5 unless providing such information to the TCA will compromise the
6 interests sought to be protected. If the SCA determines that
7 providing the information to the TCA will compromise the interests
8 sought to be protected, then the SCA shall provide such information
9 to the Tribe in accordance with Part 13 of this Compact.

10 D. Nothing in this Compact shall be deemed to authorize the
11 state to regulate the Tribe's government, including the TCA, or to
12 interfere in any way with the Tribe's selection of its governmental
13 officers, including members of the TCA; provided, however, the SCA
14 and the Tribe, upon request of the Tribe, shall jointly employ, at
15 the Tribe's expense, an independent firm to perform on behalf of the
16 SCA the duties set forth in subsections A and B of this Part.

17 Part 9. JURISDICTION

18 This Compact shall not alter tribal, federal or state civil
19 adjudicatory or criminal jurisdiction.

20 Part 10. LICENSING

21 A. 1. Except as provided in paragraph 4 of Part 3 of this
22 Compact, no covered game employee shall be employed at a facility or
23 by an enterprise unless such person is licensed in accordance with
24 this Compact. In addition to the provisions of this Part ~~of this~~

1 ~~Compact~~ which are applicable to the licensing of all covered game
2 employees, the requirements of 25 C.F.R., Part 556, Background
3 Investigations for Primary Management Officials and Key Employees,
4 and 25 C.F.R., Part 558, Gaming Licenses for Key Employees and
5 Primary Management Officials, apply to Key Employees and Primary
6 Management Officials of the facility and enterprise.

7 2. All prospective covered game employees shall apply to the
8 TCA for a license. Licenses shall be issued for periods of no more
9 than two (2) years, after which they may be renewed only following
10 review and update of the information upon which the license was
11 based; provided, the TCA may extend the period in which the license
12 is valid for a reasonable time pending the outcome of any
13 investigation being conducted in connection with the renewal of such
14 license. In the event the SCA contends that any such extension is
15 unreasonable, it may seek resolution of that issue pursuant to Part
16 11 of this Compact.

17 3. The application process shall require the TCA to obtain
18 sufficient information and identification from the applicant to
19 permit a background investigation to determine if a license should
20 be issued in accordance with this Part ~~of this Compact~~ and the rules
21 and regulations. The TCA shall obtain information about a
22 prospective Covered Employee that includes:

- 23 a. full name, including any aliases by which applicant
24 has ever been known,

- b. social security number,
- c. date and place of birth,
- d. residential addresses for the past five (5) years,
- e. employment history for the past five (5) years,
- f. driver license number,
- g. all licenses issued and disciplinary charges filed, whether or not discipline was imposed, by any state or tribal regulatory authority,
- h. all criminal arrests and proceedings, except for minor traffic offenses, to which the applicant has been a party,
- i. a set of fingerprints,
- j. a current photograph,
- k. military service history, and
- l. any other information the TCA determines is necessary to conduct a thorough background investigation.

4. Upon obtaining the required initial information from a prospective covered game employee, the TCA shall forward a copy of such information to the SCA, along with any determinations made with respect to the issuance or denial of a temporary or permanent license. The SCA may conduct its own background investigation of the applicant at SCA expense, shall notify the TCA of such investigation within a reasonable time from initiation of the investigation, and shall provide a written report to the TCA of the

1 outcome of such investigation within a reasonable time from the
2 receipt of a request from the TCA for such information. SCA
3 inspector field notes and SCA inspector shall be available upon
4 reasonable notice for TCA review and inquiry.

5 5. The TCA may issue a temporary license for a period not to
6 exceed ninety (90) days, and the enterprise may employ on a
7 probationary basis, any prospective covered game employee who
8 represents in writing that he or she meets the standards set forth
9 in this Part ~~of this Compact~~, provided the TCA or enterprise is not
10 in possession of information to the contrary. The temporary license
11 shall expire at the end of the ninety-day period or upon issuance or
12 denial of a permanent license, whichever event occurs first.
13 Provided that the temporary license period may be extended at the
14 discretion of the TCA so long as good faith efforts are being made
15 by the applicant to provide required information, or the TCA is
16 continuing to conduct its investigation or is waiting on information
17 from others, and provided further that in the course of such
18 temporary or extended temporary licensing period, no information has
19 come to the attention of the TCA which, in the absence of
20 countervailing information then in the record, would otherwise
21 require denial of license. A permanent license shall be issued or
22 denied within a reasonable time following the completion of the
23 applicant's background investigation.

1 6. In covered gaming the Tribe shall not employ and shall
2 terminate, and the TCA shall not license and shall revoke a license
3 previously issued to, any covered game employee who:

- 4 a. has been convicted of any felony or an offense related
5 to any covered games or other gaming activity,
6 b. has knowingly and willfully provided false material,
7 statements or information on his or her employment
8 application, or
9 c. is a person whose prior activities, criminal record,
10 or reputation, habits, and associations pose a threat
11 to the public interest or to the effective regulation
12 and control of the conduct of covered games, or create
13 or enhance the dangers of unsuitable, unfair, or
14 illegal practices, methods, and activities in the
15 conduct of covered games or the carrying on of the
16 business and financial arrangements incidental
17 thereto.

18 7. The SCA may object to the employment of any individual by
19 the enterprise based upon the criteria set forth in paragraph 6 of
20 subsection A of this Part ~~of the Compact~~. Such objection shall be
21 in writing setting forth the basis of the objection. The SCA
22 inspector's work papers, notes and exhibits which formed the SCA
23 conclusion shall be available upon reasonable notice for TCA review.
24

1 The enterprise shall have discretion to employ an individual over
2 the objection of the SCA.

3 8. The TCA shall have the discretion to initiate or continue a
4 background investigation of any licensee or license applicant and to
5 take appropriate action with respect to the issuance or continued
6 validity of any license at any time, including suspending or
7 revoking such license.

8 9. The TCA shall require all covered game employees to wear, in
9 plain view, identification cards issued by the TCA which include a
10 photograph of the employee, his or her first name, a four-digit
11 identification number unique to the license issued to the employee,
12 a Tribal seal or signature verifying official issuance of the card,
13 and a date of expiration, which shall not extend beyond such
14 employee's license expiration date.

15 B. 1. Any person or entity who, directly or indirectly,
16 provides or is likely to provide at least Twenty-five Thousand
17 Dollars (\$25,000.00) in goods or services to the enterprise in any
18 twelve-month period, or who has received at least Twenty-five
19 Thousand Dollars (\$25,000.00) for goods or services provided to the
20 enterprise in any consecutive twelve-month period within the
21 immediately preceding twenty-four-month period, or any person or
22 entity who provides through sale, lease, rental or otherwise covered
23 games, or parts, maintenance or service in connection therewith to
24 the Tribe or the enterprise at any time and in any amount, shall be

1 licensed by the TCA prior to the provision thereof. Provided, that
2 attorneys or certified public accountants and their firms shall be
3 exempt from the licensing requirement herein to the extent that they
4 are providing services covered by their professional licenses.

5 2. Background investigations and licensing shall follow the
6 same process and apply the same criteria as for covered game
7 employees set forth in paragraph 6 of subsection A of this Part ~~of~~
8 ~~this Compact.~~

9 3. In the case of a license application of any entity, all
10 principals thereof shall be subjected to the same background
11 investigation required for the licensing of a covered game employee,
12 but no license as such need be issued; provided, no license shall be
13 issued to the entity if the TCA determines that one or more of its
14 principals will be persons who would not be qualified to receive a
15 license if they applied as covered game employees.

16 4. Nothing herein shall prohibit the TCA from processing and
17 issuing a license to a principal in his or her own name.

18 5. Licenses issued under this subsection shall be reviewed at
19 least every two (2) years for continuing compliance, and shall be
20 promptly revoked if the licensee is determined to be in violation of
21 the standards set forth in paragraph 6 of subsection A of this Part
22 ~~of this Compact.~~ In connection with such a review, the TCA shall
23 require the person or entity to update all information provided in
24 the previous application.

1 6. The enterprise shall not enter into, or continue to make
2 payments pursuant to, any contract or agreement for the provision of
3 goods or services with any person or entity who does not meet the
4 requirements of this Part ~~of this Compact~~ including, but not limited
5 to, any person or entity whose application to the TCA for a license
6 has been denied, or whose license has expired or been suspended or
7 revoked.

8 7. Pursuant to 25 C.F.R., Part 533, all management contracts
9 must be approved by the Chair of the National Indian Gaming
10 Commission. The SCA shall be notified promptly after any such
11 approval.

12 8. In addition to any licensing criteria set forth above, if
13 any person or entity seeking licensing under this subsection is to
14 receive any fee or other payment based on the revenues or profits of
15 the enterprise, the TCA may take into account whether or not such
16 fee or other payment is fair in light of market conditions and
17 practices.

18 C. 1. Subject to the exceptions set forth in paragraph 4 of
19 this subsection, any person or entity extending financing, directly
20 or indirectly, to the facility or enterprise in excess of Fifty
21 Thousand Dollars (\$50,000.00) in any twelve-month period shall be
22 licensed prior to providing such financing. Principals thereof
23 shall be subjected to background investigations and determinations
24 in accordance with the procedures and standards set forth in

1 subsection A of this Part of ~~this compact~~. Licenses issued under
2 this section shall be reviewed at least every two (2) years for
3 continuing compliance, and shall be promptly revoked if the licensee
4 is determined to be in violation of the standards set forth in
5 paragraph 6 of subsection A of this Part of this compact. In
6 connection with such a review, the TCA shall require the person or
7 entity to update all information provided in the previous
8 application.

9 2. The SCA shall be notified of all financing and loan
10 transactions with respect to covered games or supplies in which the
11 amount exceeds Fifty Thousand Dollars (\$50,000.00) in any twelve-
12 month period, and shall be entitled to review copies of all
13 agreements and documents in connection therewith.

14 3. A supplier of goods or services who provides financing
15 exclusively in connection with the sale or lease of covered games
16 equipment or supplies shall be licensed solely in accordance with
17 licensing procedures applicable, if at all, to such suppliers
18 herein.

19 4. Financing provided by a federally regulated or state-
20 regulated bank, savings and loan, or trust, or other federally or
21 state-regulated lending institution; any agency of the federal,
22 state, tribal or local government; or any person or entity,
23 including, but not limited to, an institutional investor who, alone
24 or in conjunction with others, lends money through publicly or
25

1 commercially traded bonds or other commercially traded instruments,
2 including but not limited to the holders of such bonds or
3 instruments or their assignees or transferees, or which bonds or
4 commercially traded instruments are underwritten by any entity whose
5 shares are publicly traded or which underwriter, at the time of the
6 underwriting, has assets in excess of One Hundred Million Dollars
7 (\$100,000,000.00), shall be exempt from the licensing and background
8 investigation requirements in subsection B or subsection C of this
9 Part.

10 D. In the event the SCA objects to a lender, vendor or any
11 other person or entity within subsection B or C of this Part ~~of this~~
12 ~~Compact~~ seeking to do business with the enterprise, or to the
13 continued holding of a license by such person or entity, it may
14 notify the TCA of its objection. The notice shall set forth the
15 basis of the objection with sufficient particularity to enable the
16 TCA to investigate the basis of the objection. The SCA inspector
17 and SCA inspector field notes shall be available for TCA review and
18 inquiry. Within a reasonable time after such notification, the TCA
19 shall report to the SCA on the outcome of its investigation and of
20 any action taken or decision not to take action.

21 Part 11. EXCLUSIVITY AND FEES

22 A. The parties acknowledge and recognize that this Compact
23 provides tribes with substantial exclusivity and, consistent with
24 the goals of IGRA, special opportunities for tribal economic
25

1 opportunity through gaming within the external boundaries of
2 Oklahoma in respect to the covered games. In consideration thereof,
3 so long as the state does not change its laws after the effective
4 date of this Compact to permit the operation of any additional form
5 of gaming by any such organization licensee, or change its laws to
6 permit any additional electronic or machine gaming within Oklahoma,
7 the Tribe agrees to pay the following fees:

8 1. The Tribe covenants and agrees to pay to the state a fee
9 derived from covered game revenues calculated as set forth in
10 paragraph 2 of this subsection. Such fee shall be paid no later
11 than the twentieth day of the month for revenues received by the
12 Tribe in the preceding month; and

13 2. The fee shall be:

- 14 a. four percent (4%) of the first Ten Million Dollars
15 (\$10,000,000.00) of Adjusted Gross Revenues received
16 by a Tribe in a calendar year from the play of
17 electronic amusement games, electronic bonanza-style
18 bingo games and electronic instant bingo games,
19 b. five percent (5%) of the next Ten Million Dollars
20 (\$10,000,000.00) of Adjusted Gross Revenues received
21 by a Tribe in a calendar year from the play of
22 electronic amusement games, electronic bonanza-style
23 bingo games and electronic instant bingo games,
24

- 1 c. six percent (6%) of all subsequent Adjusted Gross
2 Revenues received by a Tribe in a calendar year from
3 the play of electronic amusement games, electronic
4 bonanza-style bingo games and electronic instant bingo
5 games, and
6 d. ten percent (10%) of the monthly net win of the common
7 pool(s) or pot(s) from which prizes are paid for
8 nonhouse banked card games. The Tribe is entitled to
9 keep an amount equal to state payments from the common
10 pool(s) or pot(s) as part of its cost of operating the
11 games.

12 Payments of such fees shall be made to the Treasurer of the
13 State of Oklahoma. Nothing herein shall require the allocation of
14 such fees to particular state purposes, including, but not limited
15 to, the actual costs of performing the state's regulatory
16 responsibilities hereunder.

17 B. Annual Oversight Assessment. In addition to the fee
18 provided for in subsection A of this Part, the state shall be
19 entitled to payment for its costs incurred in connection with the
20 oversight of covered games to the extent provided herein, "Annual
21 Oversight Assessment". The Annual Oversight Assessment, which shall
22 be Thirty-five Thousand Dollars (\$35,000.00), shall be determined
23 and paid in advance on a fiscal year basis for each twelve (12)
24 months ending on June 30 of each year.

1 C. Upon the effective date the Tribe shall deposit with the SCA
2 the sum of Fifty Thousand Dollars (\$50,000.00) ("Start-Up
3 Assessment"). The purpose of the Start-Up Assessment shall be to
4 assist the state in initiating its administrative and oversight
5 responsibilities hereunder, and shall be a one-time payment to the
6 state for such purposes.

7 D. Nothing in this Compact shall be deemed to authorize the
8 state to impose any tax, fee, charge or assessment upon the Tribe or
9 enterprise except as expressly authorized pursuant to this ~~compact~~
10 Compact; provided, that to the extent that the Tribe is required
11 under federal law to report prizes awarded, the Tribe agrees to copy
12 such reports to the SCA.

13 E. In consideration for the covenants and agreements contained
14 herein, the state agrees that it will not, during the term of this
15 ~~compact~~ Compact, permit the nontribal operation of any machines or
16 devices to play covered games or electronic or mechanical gaming
17 devices otherwise presently prohibited by law within the state in
18 excess of the number and outside of the designated locations
19 authorized by the State-Tribal Gaming Act. The state recognizes the
20 importance of this provision to the Tribe and agrees, in the event
21 of a breach of this provision by the state, to require any nontribal
22 entity which operates any such devices or machines in excess of such
23 number or outside of the designated location to remit to the state
24 at least quarterly no less than fifty percent (50%) of any increase

1 in the entities' adjusted gross revenues following the addition of
2 such excess machines. The state further agrees to remit at least
3 quarterly to Eligible Tribes, as liquidated damages, a sum equal to
4 fifty percent (50%) of any increase in the entities' adjusted gross
5 revenues following the addition of such excess machines. For
6 purposes of this ~~part~~ Part "Eligible Tribes" shall mean those tribes
7 which have entered into this Compact and are operating gaming
8 pursuant to this Compact within forty-~~five~~ (45) miles of an entity
9 which is operating covered game machines in excess of the number
10 authorized, or outside of the location designated by, the State-
11 Tribal Gaming Act. Such liquidated damages shall be allocated pro
12 rata to Eligible Tribes based on the number of covered game machines
13 operated by each Eligible Tribe in the time period when such
14 adjusted gross revenues were generated.

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15 F. In consideration for the covenants and ~~agreements~~ contained
16 herein, the Tribe agrees that in the event it has currently or
17 locates in the future a facility within a radius of twenty (20)
18 miles from a recipient licensee as that term is defined in
19 subsection K of Section 3 of the State-Tribal Gaming Act that it
20 shall comply with the requirements of Subsection K of Section 3 of
21 the State-Tribal Gaming Act.

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22 Part 12. DISPUTE RESOLUTION

23 In the event that either party to this Compact believes that the
24 other party has failed to comply with any requirement of this

1 ~~compact~~ Compact, or in the event of any dispute hereunder,
2 including, but not limited to, a dispute over the proper
3 interpretation of the terms and conditions of this Compact, the
4 following procedures may be invoked:

5 1. The goal of the parties shall be to resolve all disputes
6 amicably and voluntarily whenever possible. A party asserting
7 noncompliance or seeking an interpretation of this Compact first
8 shall serve written notice on the other party. The notice shall
9 identify the specific Compact provision alleged to have been
10 violated or in dispute and shall specify in detail the asserting
11 party's contention and any factual basis for the claim.
12 Representatives of the Tribe and state shall meet within thirty (30)
13 days of receipt of notice in an effort to resolve the dispute;

14 2. Subject to the limitation set forth in paragraph 3 of this
15 Part, either party may refer a dispute arising under this Compact to
16 arbitration under the rules of the American Arbitration Association
17 (AAA), subject to enforcement or pursuant to review as provided by
18 paragraph 3 of this Part by a federal district court. The remedies
19 available through arbitration are limited to enforcement of the
20 provisions of this Compact. The parties consent to the jurisdiction
21 of such arbitration forum and court for such limited purposes and no
22 other, and each waives immunity with respect thereto. One
23 arbitrator shall be chosen by the parties from a list of qualified
24 arbitrators to be provided by the AAA. If the parties cannot agree

1 on an arbitrator, then the arbitrator shall be named by the AAA.

2 The expenses of arbitration shall be borne equally by the parties.

3 A party asserting noncompliance or seeking an interpretation of
4 this ~~compact~~ Compact under this section shall be deemed to have
5 certified that to the best of the party's knowledge, information,
6 and belief formed after reasonable inquiry, the claim of
7 noncompliance or the request for interpretation of this Compact is
8 warranted and made in good faith and not for any improper purpose,
9 such as to harass or to cause unnecessary delay or the needless
10 incurring of the cost of resolving the dispute. If the dispute is
11 found to have been initiated in violation of this Part ~~of this~~
12 ~~Compact~~, the Arbitrator, upon request or upon his or her own
13 initiative, shall impose upon the violating party an appropriate
14 sanction, which may include an award to the other party of its
15 reasonable expenses incurred in having to participate in the
16 arbitration; and

17 3. Notwithstanding any provision of law, either party to the
18 Compact may bring an action against the other in a federal district
19 court for the de novo review of any arbitration award under
20 paragraph 2 of this Part ~~of this Compact~~. The decision of the court
21 shall be subject to appeal. Each of the parties hereto waives
22 immunity and consents to suit therein for such limited purposes, and
23 agrees not to raise the Eleventh Amendment to the United States
24 Constitution or comparable defense to the validity of such waiver.

1 Nothing herein shall be construed to authorize a money judgment
2 other than for damages for failure to comply with an arbitration
3 decision requiring the payment of monies.

4 Part 13. CONSTRUCTION OF COMPACT; FEDERAL APPROVAL

5 A. Each provision, section, and subsection of this Compact
6 shall stand separate and independent of every other provision,
7 section, or subsection. In the event that a federal district court
8 shall find any provision, section, or subsection of this Compact to
9 be invalid, the remaining provisions, sections, and subsections of
10 this Compact shall remain in full force and effect, unless the
11 invalidated provision, section or subsection is material.

12 B. Each party hereto agrees to defend the validity of this
13 Compact and the legislation in which it is embodied. This ~~compact~~
14 Compact shall constitute a binding agreement between the parties and
15 shall survive any repeal or amendment of the State-Tribal Gaming
16 Act.

17 C. The parties shall cooperate in seeking approval of this
18 Compact from an appropriate federal agency as a tribal-state compact
19 under the Indian Gaming Regulatory Act.

20 D. The standards for electronic bonanza-style bingo games,
21 electronic instant bingo games and electronic amusement games
22 established in the State-Tribal Gaming Act as enacted in 2004, and,
23 at the election of the Tribe, any standards contained in the
24 Oklahoma Horseracing Commission rules issued pursuant to subsection

1 B of Section 8 of the State-Tribal Gaming Act are hereby
2 incorporated in this Compact and shall survive any repeal of the
3 State-Tribal Gaming Act, or any games authorized thereunder. In the
4 event that any of said standards are changed by amendment of the
5 State-Tribal Gaming Act, the Tribe shall have the option to
6 incorporate said changes into this Compact by delivery of written
7 notice of said changes to the Governor and the SCA.

8 Part 14. NOTICES

9 All notices required under this Compact shall be given by
10 certified mail, return receipt requested, commercial overnight
11 courier service, or personal delivery, to the following persons:

12 Governor

13 Chair, State-Tribal Relations Committee

14 Attorney General

15 [Principal Chief, Governor or Chair]

16 [Name of Tribe]

17 [Address]

18 With copies to:

19 _____

20 _____

21 Part 15. DURATION AND NEGOTIATION

22 A. This Compact shall become effective upon the last date of
23 the satisfaction of the following requirements:

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1 1. Due execution on behalf of the Tribe, including obtaining
2 all tribal resolutions and completing other tribal procedures as may
3 be necessary to render the Tribe's execution effective;

4 2. Approval of this Compact by the Secretary of the Interior as
5 a tribal-state Compact within the meaning of IGRA and publication in
6 the Federal Register or satisfaction of any other requirement of
7 federal law; and

8 3. Payment of the start-up assessment provided for in
9 subsection C of Part 11 of this Compact.

10 B. This Compact shall have a term which will expire on January
11 1, 2020, and at that time, if organization licensees or others are
12 authorized to conduct electronic gaming in any form other than pari-
13 mutuel wagering on live horse racing pursuant to any governmental
14 action of the state or court order following the effective date of
15 this ~~compact~~ Compact, the ~~compact~~ Compact shall automatically renew
16 for successive additional fifteen (15) year terms; provided, that
17 within one hundred eighty (180) days of the expiration of this
18 Compact or any renewal thereof, either the Tribe or the state,
19 acting through its Governor, may request to renegotiate the terms of
20 subsections A and E of Part 11 of this ~~compact~~ Compact.

21 C. This ~~compact~~ Compact shall remain in full force and effect
22 until the sooner of expiration of the term or until the ~~compact~~
23 Compact is terminated by mutual consent of the parties.

Deleted: fifteen (15) years
from the date the offer by
the State to enter into this
Compact became effective

1 D. This ~~compact~~ Compact may be terminated by state upon thirty
2 (30) days' prior written notice to the Tribe in the event of either
3 (1) a material breach by the Tribe of the terms of a tobacco Compact
4 with the state as evidenced by a final determination of material
5 breach from the dispute resolution forum agreed upon therein,
6 including exhaustion of all available appellate remedies therefrom,
7 or (2) Tribe's failure to comply with the provisions of Sections 346
8 et seq. of Title 68 of the Oklahoma Statutes, provided that the
9 Tribe may cure either default within the thirty-day notice period,
10 or within such additional period as may be reasonably required to
11 cure the default, in order to preserve continuation of this Compact.

12 The state hereby agrees that subsection D of Part 15 is
13 severable from this Compact and shall automatically be severed from
14 this Compact in the event that the United States Department of the
15 Interior determines that these provisions exceed the state's
16 authority under IGRA.

17 Part 16. AUTHORITY TO EXECUTE

18 This Compact, as an enactment of the Oklahoma Legislature, is
19 deemed approved by the State of Oklahoma. No further action by the
20 state or any state official is necessary for this Compact to take
21 effect upon approval by the Secretary of the Interior and
22 publication in the Federal Register. The undersigned tribal
23 official(s) represents that he or she is duly authorized and has the
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1 authority to execute this Compact on behalf of the Tribe for whom he
2 or she is signing.

3 APPROVED:

4 [Name of Tribe]

5 _____ Date _____

6 [CHIEF EXECUTIVE OFFICER]

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