

POKAGON BAND – INDIANA CLASS III GAMING COMPACT

Executive Summary

The overall purpose of the Compact is to authorize the Pokagon Band to conduct “Class III” gaming (full-scale, including tables) at Four Winds South Bend (“FWSB”) on tribal trust land. The executed compact is presented to the General Assembly for ratification in accordance with IC § 4-29.

Management, Types of Games & Administration and Regulation of Gaming (Compact Secs. 3, 4 and 10; IC § 4-29-3-4(a)(1); (4); and (5))

The FWSB facility is owned and managed by the Pokagon Band. FWSB is permitted to offer all games allowed at Indiana’s state-licensed casinos. The Indiana Gaming Commission has oversight functions to ensure compliance with the Compact provisions and will be reimbursed for costs incurred. Signage will be prominently placed to ensure patrons understand the State is not providing direct regulatory oversight. FWSB must meet certain minimum standards, including standards for background investigations and licensing of gaming employees and gaming suppliers, internal controls, accounting and financial activities, and minimum age for gambling. Parity with state-licensed casino practices was agreed to, such as: child support withholdings; tax withholdings from employees and patrons; contracting with minority and women owned businesses; voluntary exclusion plan and exclusion list patrons; prohibition on political donations; emergency response plans; and complimentary alcohol sales at events so long as done in conformity with Indiana law.

Revenue Sharing with the State and Local Units of Government (Compact Sec. 17(B) and Sec. 19; IC § 4-29-3-4(a)(2))

Total revenue share would be 10% to the State and Local Government. The Pokagon Band must make annual gaming revenue sharing payments to the State in the amount of 8% of the “Net Win” from all slot machines. The Compact defers to the Pokagon Band and the City of South Bend regarding any gaming revenue sharing arrangements for local units of government; the current local agreement provides for payments of 2% to the City.

Because federal law only allows revenue sharing in exchange for negotiated benefits, the Pokagon Band’s revenue sharing would cease in the event Indiana authorized an expansion of new “games” in a new competitive facility, meaning 15 machines or more, within a specified 16-county area (roughly a 50 mile radius) around FWSB. Existing commercial facilities, charitable gaming, Type II, lottery and horseracing/off-track betting facilities are exempted from exclusivity considerations.

The Compact does not address “off-reservation” sports wagering or i-gaming. The extension of these activities to the Pokagon Band would be at the discretion of the General Assembly and separate from the Compact.

\$1M of the revenue sharing monies will be placed into the Pokagon Indiana Education Fund for use by eligible Band citizens to attend Indiana public community colleges, colleges, universities, and workforce development and training programs. The remaining revenue sharing funds will be utilized by the State in the following program areas: economic and workforce development, tourism, public health and education.

Infrastructure and Site Improvements (Compact Sec. 9; IC § 4-29-3-4(a)(3))

Unless the Pokagon Band is able to provide utility services and other infrastructure to serve FWSB, such services shall be supplied through public or private providers on such terms and at such costs as would apply to other similar customers under applicable law. Building code and fire safety requirements applicable to FWSB must be at least as rigorous as corresponding Indiana laws and compliance with environmental standards shall be coordinated with the Indiana Department of Environmental Management.

Ratification of the Compact and any Amendments by the Indiana General Assembly (Compact Sec. 11(B), Sec. 12; Sec. 16(C); IC § 4-29-3-5)

The Compact, and any amendments thereto, will not become effective unless it is ratified by the Indiana General Assembly, as required by Indiana law. The initial compact term is 20 years with a renewal term of 10 years.