

(S) Business, Labor, and Economic Affairs Committee
Hon. Jon Sonju
63rd Montana State Legislature
Capitol Building
Helena, Montana

February 8, 2013

RE: Senate Bill No. 244 “Specify state/tribal compact negotiations for Class III gaming”

Chairman Sonju and Committee Members:

The Confederated Salish and Kootenai Tribes (“CSKT” or “Tribes”) support the passage of Senate Bill 244, a bill that has the potential to improve economic conditions across Montana Indian reservations, produce jobs and self-sufficiency among tribal members, reduce reliance on limited state programs and resources, and benefit the State’s economy.

In order to dispel some common misconceptions, it is first important to specify what this bill does *not* do. SB 244 does *not* automatically authorize Montana Indian tribes to offer Class III gaming on their reservations. Rather, this SB 244 simply gives Montana’s governor the authority to negotiate compacts with tribes who would seek to offer Class III gaming on their reservations. The specific details and conditions of these compacts, such as game types, payout maximums, and revenue sharing, are a separate issue and not within the scope of this bill’s authorizations or limitations. In fact, current federal law provides the major safeguards in the compacting process that cannot be abrogated by any state measure such as SB 244. Before any Class III gaming activities occur on a reservation, the federal Indian Gaming Regulatory Act requires that (1) the gaming activities are authorized under state law, (2) a tribal-state gaming compact is negotiated and concluded between a federally recognized tribe and the state, and (3) the Secretary of the Interior approves the tribal-state compact.

The economic benefits that this bill will provide, and their broad importance, cannot be understated. Indian gaming helps Indian tribes and Indian people grow stronger and more self-sufficient, and helps many tribes rebuild their reservation communities. It also brings significant economic benefits to non-Indians. These benefits are not speculative. Other states have conducted studies measuring the impact of tribal government gaming on the state and local economies, and the numbers are encouraging.

Oregon¹:

- From: The Contributions of Indian Gaming to Oregon's Economy in 2010 and 2011.
- "The casinos are major sources of employment in their communities and provide revenue to tribal governments to help pay for healthcare, schools, housing, and other social needs."
- The direct economic contributions of tribal gaming were \$561.2 million in casino output, of which 79.8 percent came from gaming, and \$142.1 million in tribal government activities. These impacts stimulated additional employment and economic output as their effects filtered through the state economy.
- For the fifth straight year, more than \$1.4 billion in economic output was attributable to tribal gaming operations statewide.
- Casinos and the tribal government supported by gaming collectively had an economic impact totaling \$1,506 billion in output, 13,153 jobs, and \$506.9 million in wages and benefits in Oregon.
- As a result of those economic impacts, local, state, and federal governments collected a total of \$141.0 million in taxes and other revenues.
- The casinos also spent \$15,810,626 on regulation for gaming commissions, to the Oregon State Police Tribal Gaming Section, and the National Indian Gaming Commission. Tribal gaming is highly regulated in Oregon. Almost 70 percent of all the money spent in the state on gaming regulation is for tribal casinos, even though the casinos account for only a third of all the gaming done in Oregon.
- Tribes spent over \$55 million on new casino facility construction, which was over 25 percent of all the spending in Oregon on hotels, recreational, leisure, and amusement buildings.
- Tribal casinos paid 5,056 workers an average of \$29,772 in wages and salaries plus another \$12,105 in benefits and payroll taxes.

Washington²:

Here are the results of a study of the economic impacts of tribal gaming from the 29 tribes in Washington state:

- Tribes collectively paid \$1.3 billion in wages and benefits
- Tribes employed 27,376 employees, 66 percent of whom are non-tribal members
- Tribes purchased \$2.4 billion in goods and services from local businesses
- Tribes made one-time capital investments totaling more than \$259 million
- Altogether, tribes boosted the state economy by roughly \$3.5 billion in 2010

¹ <http://www.umatilla.nsn.us/gaming%20impact%20study.pdf>

² <http://www.theheraldbusinessjournal.com/article/20120301/SCBJ02/703019881/-1/SCBJ>

Arizona³:

From: The Economic Impact of Tribal Government Gaming in Arizona.

“The agreements struck between Arizona and the Indian governments within its borders helped to create one of the top-ranked industries in the state—one which produces what is certain to be more than a billion dollars’ worth of gross state product and beneficial jobs, taxes, and revenues.... More importantly, Indian gaming brings economic development to Arizona reservations, helping tribes meet longstanding deficits in social and economic conditions. In doing so, it also engenders net new economic activity for the households and businesses that supply labor, goods, and services to Indian casinos and governments, helping especially the economies of remote and rural counties.”

California⁴:

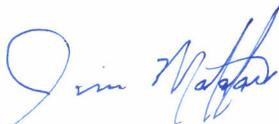
From: Economic Impact Study: Tribal Gaming a Powerful Economic Engine for California, Generating \$7.5 Billion for State's Economy.

- Tribal gaming generates \$7.5 billion for California's Economy.
- California tribal gaming creates more than fifty-two thousand jobs and \$2.7 billion in income for Californians.
- Tribal gaming generates \$467 million in revenues supporting essential local and state services.
- Tribal government gaming has provided \$818 million in critical support to non-gaming tribes.
- California gaming tribes foster safe and healthy communities, active philanthropic giving.

So while tribal class III gaming in Montana would be limited to the exterior boundaries of Montana Indian reservations, the tribal gaming economic engine would extend well beyond the gaming operations themselves. Dollars would be spent at non-tribal businesses throughout the state. Boosting the economies of Montana Indian tribes by increasing business within the State’s Indian reservations and creating jobs on the reservations will ultimately reduce tribal members’ dependency on State benefits, such as Medicare and TANF, and should also decrease the number of tribal members who owe child support arrears.

For the reasons discussed above, the Confederated Salish and Kootenai Tribes support SB 244 and strongly encourage this Committee to pass this bill to the Senate floor.

Sincerely,



Jim Malatare

Tribal Council, Confederated Salish and Kootenai Tribes

³ <http://www.azindiangaming.org/pdf/ATGG%20Impact%20Report%202012-11-15%20%281%29.pdf>

⁴ <http://www.prnewswire.com/news-releases/economic-impact-study-tribal-gaming-a-powerful-economic-engine-for-california-generating-75-billion-for-states-economy-165465816.html>