

1 ENGROSSED SENATE
2 BILL NO. 585

By: Coleman of the Senate

3 and

4 Luttrell of the House

5
6 [state-tribal gaming - license - revenue sharing -
7 exception - sports pools - event pools - regulations
8 - Gaming Compact Supplement - submissions - payment -
9 codification - effective date]

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

11 SECTION 1. AMENDATORY 3A O.S. 2021, Section 262, is
12 amended to read as follows:

13 Section 262. A. If at least four Indian tribes enter into the
14 ~~model tribal state compact~~ Model Tribal Gaming Compact set forth in
15 Section 281 of this title, and such compacts are approved by the
16 Secretary of the Interior and notice of such approval is published
17 in the Federal Register, the Oklahoma Horse Racing Commission
18 ~~("Commission")~~ shall license organization licensees which are
19 licensed pursuant to Section 205.2 of this title to conduct
20 authorized gaming as that term is defined by ~~this act~~ the State-
21 Tribal Gaming Act pursuant to ~~this act~~ the State-Tribal Gaming Act
22 utilizing gaming machines or devices authorized by ~~this act~~ the
23 State-Tribal Gaming Act subject to the limitations of subsection C
24 of this section. No fair association or organization licensed

1 pursuant to Section 208.2 of this title or a city, town or
2 municipality incorporated or otherwise, or an instrumentality
3 thereof, may conduct authorized gaming as that term is defined by
4 ~~this act~~ the State-Tribal Gaming Act.

5 Notwithstanding the provisions of Sections 941 through 988 of
6 Title 21 of the Oklahoma Statutes, the conducting of and
7 participation in gaming in accordance with the provisions of ~~this~~
8 ~~act~~ the State-Tribal Gaming Act or the model compact set forth in
9 Section 281 of this title is lawful and shall not be subject to any
10 criminal penalties. Provided further, a licensed manufacturer or
11 distributor licensed pursuant to ~~this act~~ the State-Tribal Gaming
12 Act may manufacture, exhibit or store as a lawful activity any
13 machines or devices which are capable of being used to conduct the
14 following types of gaming:

- 15 1. Gaming authorized by the State-Tribal Gaming Act; or
- 16 2. Other gaming which may be lawfully conducted by an Indian
17 tribe in this state.

18 B. Except for Christmas Day, authorized gaming may only be
19 conducted by an organization licensee on days when the licensee is
20 either conducting live racing or is accepting wagers on simulcast
21 races at the licensee's racing facilities. Authorized gaming may
22 only be conducted by organization licensees at enclosure locations
23 where live racing is conducted. Under no circumstances shall
24 authorized gaming be conducted by an organization licensee at any

1 facility outside the organization licensee's racing enclosure. No
2 person who would not be eligible to be a patron of a pari-mutuel
3 system of wagering pursuant to the provisions of subsection B of
4 Section 208.4 of this title shall be admitted into any area of a
5 facility when authorized games are played nor be permitted to
6 operate, or obtain a prize from, or in connection with, the
7 operation of any authorized game, directly or indirectly.

8 C. In order to encourage the growth, sustenance and development
9 of live horse racing in this state and of the state's agriculture
10 and horse industries, the Commission is hereby authorized to issue
11 licenses to conduct authorized gaming to no more than three
12 organization licensees operating racetrack locations at which horse
13 race meetings with pari-mutuel wagering, as authorized by the
14 Commission pursuant to the provisions of this title, occurred in
15 calendar year 2001, as follows:

16 1. An organization licensee operating a racetrack location at
17 which an organization licensee is licensed to conduct a race meeting
18 pursuant to the provisions of Section 205.2 of this title located in
19 a county with a population exceeding six hundred thousand (600,000)
20 persons, according to the most recent Federal Decennial Census,
21 shall be licensed to operate not more than six hundred fifty ~~(650)~~
22 player terminals in any year. Beginning with the third year after
23 an organization licensee is licensed pursuant to this paragraph to
24 operate such player terminals, such licensee may be licensed to

1 operate an additional fifty ~~(50)~~ player terminals. Beginning with
2 the fifth year after an organization licensee is licensed pursuant
3 to this paragraph to operate such player terminals, such licensee
4 may be licensed to operate a further additional fifty ~~(50)~~ player
5 terminals; and

6 2. Two organization licensees operating racetrack locations at
7 which the organization licensees are licensed to conduct race
8 meetings pursuant to the provisions of Section 205.2 of this title
9 located in counties with populations not exceeding four hundred
10 thousand (400,000) persons, according to the most recent Federal
11 Decennial Census, may each be licensed to operate not more than two
12 hundred fifty ~~(250)~~ player terminals in any year.

13 Subject to the limitations on the number of player terminals
14 permitted to each organization licensee, an organization licensee
15 may utilize electronic amusement games as defined in ~~this act~~ the
16 State-Tribal Gaming Act, electronic bonanza-style bingo games as
17 defined in ~~this act~~ the State-Tribal Gaming Act and electronic
18 instant bingo games as defined in ~~this act~~ the State-Tribal Gaming
19 Act, and any type of gaming machine or device that is specifically
20 allowed by law and that an Indian tribe in this state is authorized
21 to utilize pursuant to a compact entered into between the state and
22 the tribe in accordance with the provisions of the Indian Gaming
23 Regulatory Act and any other machine or device that an Indian tribe
24 in this state is lawfully permitted to operate pursuant to the

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

23 D. No zoning or other local ordinance may be adopted or amended
24 by a political subdivision where an organization licensee conducts

1 live horse racing with the intent to restrict or prohibit an
2 organization licensee's right to conduct authorized gaming at such
3 location.

4 E. For purposes of ~~this act~~ the State-Tribal Gaming Act,
5 "adjusted gross revenues" means the total receipts received by an
6 organization licensee from the play of all authorized gaming minus
7 all monetary payouts.

8 F. The Oklahoma Horse Racing Commission shall promulgate rules
9 to regulate, implement and enforce the provisions of ~~this act~~ the
10 State-Tribal Gaming Act with regard to the conduct of authorized
11 gaming by organization licensees; provided, regulation and oversight
12 of games covered by a compact and operated by an Indian tribe shall
13 be conducted solely pursuant to the requirements of the compact.

14 G. The Commission is hereby authorized to issue one license to
15 conduct event wagering on nontribal land to a professional sports
16 team in this state that is a part of the National Basketball
17 Association. Such professional sports team shall have the right to
18 sublicense the event wagering license to one tribal-approved
19 operator for mobile and in-person event wagering on nontribal land.
20 All gross gaming revenues generated from the license shall be shared
21 with all tribal entities that have entered into the Model Tribal
22 Gaming Compact.

23 H. If an organization licensee operates or attempts to operate
24 more player terminals which offer authorized games than it is

1 authorized to offer to the public by ~~this act~~ the State-Tribal
2 Gaming Act or the terms of its license, upon written notice from the
3 Commission, such activity shall cease forthwith. Such activity
4 shall constitute a basis upon which the Commission may suspend or
5 revoke the licensee's license. The Commission shall promulgate any
6 rules and regulations necessary to enforce the provisions of this
7 subsection.

8 H. I. ~~This act~~ The State-Tribal Gaming Act is game-specific and
9 shall not be construed to allow the operation of any other form of
10 gaming unless specifically allowed by ~~this act~~ the State-Tribal
11 Gaming Act. ~~This act~~ The State-Tribal Gaming Act shall not permit
12 the operation of slot machines, house-banked card games, or house-
13 banked table games involving dice or roulette wheels, except when
14 expressly permitted in Section 4 of this act, or ~~games where winners~~
15 ~~are determined by~~ wagering on the outcome of a sports contest,
16 except as provided for in Section 4 of this act.

17 SECTION 2. AMENDATORY 3A O.S. 2021, Section 280, is
18 amended to read as follows:

19 Section 280. The State of Oklahoma through the concurrence of
20 the Governor after considering the executive prerogatives of that
21 office and the power to negotiate the terms of a compact between the
22 state and a tribe, and by means of the execution of the State-Tribal
23 Gaming Act, and with the concurrence of the ~~State~~ Legislature
24 through the enactment of the State-Tribal Gaming Act, hereby makes

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

1 Section 281 of this title. As a precondition to execution of the
2 Model Tribal Gaming Compact by any tribe, the tribe must have paid
3 or entered into a written agreement for payment of any fines
4 assessed prior to the effective date of the State-Tribal Gaming Act
5 by the federal government with respect to the tribe's gaming
6 activities pursuant to the Indian Gaming Regulatory Act.

7 Notwithstanding the provisions of Sections 941 through 988 of
8 Title 21 of the Oklahoma Statutes, the conducting of and the
9 participation in any game authorized by the ~~model compact~~ Model
10 Tribal Gaming Compact set forth in Section 281 of this title are
11 lawful when played pursuant to a compact which has become effective.

12 1. Prior to July 1, 2008, of all fees received by the state
13 pursuant to subsection A of Part 11 of the Model Tribal Gaming
14 Compact set forth in Section 281 of this title:

- 15 a. twelve percent (12%) shall be deposited in the
16 Oklahoma Higher Learning Access Trust Fund, and
17 b. eighty-eight percent (88%) of such fees shall be
18 deposited in the Education Reform Revolving Fund.

19 2. On or after July 1, 2008, of all fees received by the state
20 pursuant to subsection A of Part 11 of the Model Tribal Gaming
21 Compact set forth in Section 281 of this title and Gaming Compact
22 Supplements offered pursuant to Section ~~2~~ 280.1 of this title and
23 Section 4 of this act:

24

1 a. twelve percent (12%) shall be deposited in the General
2 Revenue Fund, and

3 b. eighty-eight percent (88%) of such fees shall be
4 deposited in the Education Reform Revolving Fund.

5 Provided, the first Twenty Thousand Eight Hundred Thirty-three
6 Dollars and thirty-three cents (\$20,833.33) of all fees received
7 each month by the state pursuant to subsection A of Part 11 of the
8 Model Tribal Gaming Compact set forth in Section 281 of this title
9 and Gaming Compact Supplements offered pursuant to Section ~~2~~ 280.1
10 of this title and Section 4 of this act shall be transferred to the
11 Department of Mental Health and Substance Abuse Services for the
12 treatment of compulsive gambling disorder and educational programs
13 related to such disorder.

14 SECTION 3. AMENDATORY 3A O.S. 2021, Section 281, is
15 amended to read as follows:

16 Section 281. This section sets forth the provisions of the
17 Model Tribal Gaming Compact.

18 MODEL TRIBAL GAMING COMPACT

19 Between the [Name of Tribe]

20 and the STATE OF OKLAHOMA

21 This Compact is made and entered into by and between the [Name
22 of Tribe], a federally recognized Indian tribe ("tribe"), and the
23 State of Oklahoma ("state"), with respect to the operation of
24 covered games (as defined herein) on the tribe's Indian lands as

1 defined by the Indian Gaming Regulatory Act, 25 U.S.C., Section
2 2703(4).

3 Part 1. TITLE

4 This document shall be referred to as the "[Name of Tribe] and
5 State of Oklahoma Gaming Compact".

6 Part 2. RECITALS

7 1. The tribe is a federally recognized tribal government
8 possessing sovereign powers and rights of self-government.

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

11 3. The state and the tribe maintain a government-to-government
12 relationship, and this Compact will help to foster mutual respect
13 and understanding among Indians and non-Indians.

14 4. The United States Supreme Court has long recognized the
15 right of an Indian tribe to regulate activity on lands within its
16 jurisdiction.

17 5. The tribe desires to offer the play of covered games, as
18 defined in paragraphs 5, 10, 11 and 12 of Part 3 of this Compact, as
19 a means of generating revenues for purposes authorized by the Indian
20 Gaming Regulatory Act, 25 U.S.C., Section 2701, et seq., including
21 without limitation the support of tribal governmental programs, such
22 as health care, housing, sewer and water projects, police,
23 corrections, fire, judicial services, highway and bridge
24 construction, general assistance for tribal elders, day care for the

1 children, economic development, educational opportunities and other
2 typical and valuable governmental services and programs for tribal
3 members.

4 6. The state recognizes that the positive effects of this
5 Compact will extend beyond the tribe's lands to the tribe's
6 neighbors and surrounding communities and will generally benefit all
7 of Oklahoma. These positive effects and benefits may include not
8 only those described in paragraph 5 of this Part, but also may
9 include increased tourism and related economic development
10 activities.

11 7. The tribe and the state jointly wish to protect their
12 citizens from any criminal involvement in the gaming operations
13 regulated under this Compact.

14 Part 3. DEFINITIONS

15 As used in this Compact:

16 1. "Adjusted gross revenues" means the total receipts received
17 from the play of all covered games minus all prize payouts;

18 2. "Annual oversight assessment" means the assessment described
19 in subsection B of Part 11 of this Compact;

20 3. "Central computer" means a computer to which player
21 terminals are linked to allow competition in electronic bonanza-
22 style bingo games;

23

24

1 4. "Compact" means this Model Tribal Gaming Compact between the
2 state and the tribe, entered into pursuant to Section 280 of this
3 title;

4 5. "Covered game" means the following games conducted in
5 accordance with the standards, as applicable, set forth in Sections
6 270 through 277 of this title: an electronic bonanza-style bingo
7 game, an electronic amusement game, an electronic instant bingo
8 game, nonhouse-banked card games; any other game, if the operation
9 of such game by a tribe would require a compact and if such game has
10 been: (i) approved by the Oklahoma Horse Racing Commission for use
11 by an organizational licensee, (ii) approved by state legislation
12 for use by any person or entity, or (iii) approved by amendment of
13 the State-Tribal Gaming Act; and upon election by the tribe by
14 written supplement to this Compact, any Class II game in use by the
15 tribe, provided that no exclusivity payments shall be required for
16 the operation of such Class II game;

17 6. "Covered game employee" means any individual employed by the
18 enterprise or a third party providing management services to the
19 enterprise, whose responsibilities include the rendering of services
20 with respect to the operation, maintenance or management of covered
21 games. The term "covered game employee" includes, but is not
22 limited to, the following: managers and assistant managers;
23 accounting personnel; surveillance and security personnel; cashiers,
24 supervisors, and floor personnel; cage personnel; and any other

1 person whose employment duties require or authorize access to areas
2 of the facility related to the conduct of covered games or the
3 maintenance or storage of covered game components. This shall not
4 include upper level tribal employees or tribe's elected officials so
5 long as such individuals are not directly involved in the operation,
6 maintenance, or management of covered game components. The
7 enterprise may, at its discretion, include other persons employed at
8 or in connection with the enterprise within the definition of
9 covered game employee;

10 7. "Documents" means books, records, electronic, magnetic and
11 computer media documents and other writings and materials, copies
12 thereof, and information contained therein;

13 8. "Effective date" means the date on which the last of the
14 conditions set forth in subsection A of Part 15 of this Compact have
15 been met;

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

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

24

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

6 12. "Electronic instant bingo game" means a game played in an
7 electronic environment in which a player wins if his or her
8 electronic instant bingo card contains a combination of numbers or
9 symbols that was designated in advance of the game as a winning
10 combination. There may be multiple winning combinations in each
11 game and multiple winning cards that conform to the standards set
12 forth in the State-Tribal Gaming Act;

13 13. "Enterprise" means the tribe or the tribal agency or
14 section of tribal management with direct responsibility for the
15 conduct of covered games, the tribal business enterprise that
16 conducts covered games, or a person, corporation or other entity
17 that has entered into a management contract with the tribe to
18 conduct covered games, in accordance with IGRA. The names,
19 addresses and identifying information of any covered game employees
20 shall be forwarded to the SCA at least annually. In any event, the
21 tribe shall have the ultimate responsibility for ensuring that the
22 tribe or enterprise fulfills the responsibilities under this
23 Compact. For purposes of enforcement, the tribe is deemed to have
24 made all promises for the enterprise;

1 14. "Facility" means any building of the tribe in which the
2 covered games authorized by this Compact are conducted by the
3 enterprise, located on Indian lands as defined by IGRA. The tribe
4 shall have the ultimate responsibility for ensuring that a facility
5 conforms to the Compact as required herein;

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

10 16. "Player terminals" means electronic or electromechanical
11 terminals housed in cabinets with input devices and video screens or
12 electromechanical displays on which players play electronic bonanza-
13 style bingo games, electronic instant bingo games or electronic
14 amusement games;

15 17. "Independent testing laboratory" means a laboratory of
16 national reputation that is demonstrably competent and qualified to
17 scientifically test and evaluate devices for compliance with this
18 Compact and to otherwise perform the functions assigned to it in
19 this Compact. An independent testing laboratory shall not be owned
20 or controlled by the tribe, the enterprise, an organizational
21 licensee as defined in the State-Tribal Gaming Act, the state, or
22 any manufacturer, supplier or operator of gaming devices. The
23 selection of an independent testing laboratory for any purpose under
24 this Compact shall be made from a list of one or more laboratories

1 mutually agreed upon by the parties; provided that the parties
2 hereby agree that any laboratory upon which the National Indian
3 Gaming Commission (NIGC) has relied for such testing may be utilized
4 for testing required by this Compact;

5 18. "IGRA" means the Indian Gaming Regulatory Act, Pub. L. 100-
6 497, ~~Oct.~~ October 17, 1988, 102 Stat. 2467, codified at 25 U.S.C.,
7 Section 2701 et seq. and 18 U.S.C., Sections 1166 to 1168;

8 19. "Nonhouse-banked card games" means any card game in which
9 the tribe has no interest in the outcome of the game, including
10 games played in tournament formats and games in which the tribe
11 collects a fee from the player for participating, and all bets are
12 placed in a common pool or pot from which all player winnings,
13 prizes and direct costs are paid. As provided herein,
14 administrative fees may be charged by the tribe against any common
15 pool in an amount equal to any fee paid the state; provided that the
16 tribe may seed the pool as it determines necessary from time to
17 time;

18 20. "Patron" means any person who is on the premises of a
19 gaming facility, for the purpose of playing covered games authorized
20 by this Compact;

21 21. "Principal" means, with respect to any entity, its sole
22 proprietor or any partner, trustee, beneficiary or shareholder
23 holding five percent (5%) or more of its beneficial or controlling
24

1 ownership, either directly or indirectly, or any officer, director,
2 principal management employee, or key employee thereof;

3 22. "Rules and regulations" means the rules and regulations
4 promulgated by the Tribal Compliance Agency for implementation of
5 this Compact;

6 23. "Standards" means the descriptions and specifications of
7 electronic amusement games, electronic bonanza-style bingo games and
8 electronic instant bingo games or components thereof as set forth in
9 Sections 270 through 277 of this title as enacted in 2004 or as
10 amended pursuant to paragraph 27 of this Part or subsection D of
11 Part 13 of this Compact, including technical specifications for
12 component parts, requirements for cashless transaction systems,
13 software tools for security and audit purposes, and procedures for
14 operation of such games;

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

16 25. "State Compliance Agency" ("SCA") means the state agency
17 that has the authority to carry out the state's oversight
18 responsibilities under this Compact, which shall be the Office of
19 Management and Enterprise Services or its successor agency. Nothing
20 herein shall supplant the role or duties of the Oklahoma State
21 Bureau of Investigation under state law. The Oklahoma Horse Racing
22 Commission and the Oklahoma Tax Commission shall have no role in
23 regulating or oversight of any gaming conducted by a tribe;

24

1 26. "Tribal Compliance Agency" ("TCA") means the tribal
2 governmental agency that has the authority to carry out the tribe's
3 regulatory and oversight responsibilities under this Compact.
4 Unless and until otherwise designated by the tribe, the TCA shall be
5 the [Name of Tribe] Gaming Commission. No covered game employee may
6 be a member or employee of the TCA. The tribe shall have the
7 ultimate responsibility for ensuring that the TCA fulfills its
8 responsibilities under this Compact. The members of the TCA shall
9 be subject to background investigations and licensed to the extent
10 required by any tribal or federal law, and in accordance with
11 subsection B of Part 7 of this Compact. The tribe shall ensure that
12 all TCA officers and agents are qualified for such position and
13 receive ongoing training to obtain and maintain skills that are
14 sufficient to carry out their responsibilities in accordance with
15 industry standards;

16 27. "State-Tribal Gaming Act" means the legislation in which
17 this Model Tribal Gaming Compact is set forth and, at the tribe's
18 option, amendments or successor statutes thereto;

19 28. "Tribal law enforcement agency" means a police or security
20 force established and maintained by the tribe pursuant to the
21 tribe's powers of self-government to carry out law enforcement
22 duties at or in connection with a facility; and

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

24 Part 4. AUTHORIZATION OF COVERED GAMES

1 A. The tribe and state agree that the tribe is authorized to
2 operate covered games only in accordance with this Compact.
3 However, nothing in this Compact shall limit the tribe's right to
4 operate any game that is Class II under IGRA and no Class II games
5 shall be subject to the exclusivity payments set forth in Part 11 of
6 this Compact. In the case of electronic bonanza-style bingo games,
7 there have been disagreements between tribes and federal regulators
8 as to whether or not such games are Class II. Without conceding
9 that such games are Class III, the tribe has agreed to compact with
10 the state to operate the specific type of electronic bonanza-style
11 bingo game described in this Compact to remove any legal uncertainty
12 as to the tribe's right to lawfully operate the game. Should the
13 electronic bonanza-style bingo game or the electronic instant bingo
14 game described in this act be determined to be Class II by the NIGC
15 or a federal court, then the tribe shall have the option to operate
16 such games outside of this Compact; provided, any obligations
17 pursuant to subsection F of Part 11 of this Compact shall not be
18 affected thereby.

19 B. A tribe shall not operate an electronic bonanza-style bingo
20 game, an electronic instant bingo game or an electronic amusement
21 game pursuant to this Compact until such game has been certified by
22 an independent testing laboratory and the TCA as meeting the
23 standards set out in the State-Tribal Gaming Act for electronic
24 bonanza-style bingo games, electronic instant bingo games or

1 electronic amusement games, as applicable or any standards contained
2 in the Oklahoma Horse Racing Commission rules issued pursuant to
3 subsection B of Section 268 of this title that modify the standards
4 for such games that may be conducted by organizational licensees.
5 Provided, the tribe may rely on any certification of an electronic
6 bonanza-style bingo game, an electronic instant bingo, or electronic
7 amusement games by the Oklahoma Horse Racing Commission which was
8 obtained by an organization licensee pursuant to the State-Tribal
9 Gaming Act to establish certification compliance under this Compact.
10 The tribe may also rely on any certification of an electronic
11 bonanza-style bingo game, electronic instant bingo or an electronic
12 amusement game by the TCA obtained by another tribe which has
13 entered into the model compact to establish certification compliance
14 under this Compact.

15 Part 5. RULES AND REGULATIONS; MINIMUM REQUIREMENTS FOR
16 OPERATIONS

17 A. Regulations. At all times during the Term of this Compact,
18 the tribe shall be responsible for all duties which are assigned to
19 it, the enterprise, the facility, and the TCA under this Compact.
20 The tribe shall promulgate any rules and regulations necessary to
21 implement this Compact, which at a minimum shall expressly include
22 or incorporate by reference all provisions of this Part 5 and the
23 procedural requirements of Part 6 of this Compact. Nothing in this
24 Compact shall be construed to affect the tribe's right to amend its

1 rules and regulations, provided that any such amendment shall be in
2 conformity with this Compact. The SCA may propose additional rules
3 and regulations related to implementation of this Compact to the TCA
4 at any time, and the TCA shall give good faith consideration to such
5 suggestions and shall notify the SCA of its response or action with
6 respect thereto.

7 B. Compliance; Internal Control Standards. All enterprises and
8 facilities shall comply with, and all covered games approved under
9 the procedures set forth in this Compact shall be operated in
10 accordance with the requirements set forth in this Compact,
11 including, but not limited to, those set forth in subsections C and
12 D of this Part. In addition, all enterprises and facilities shall
13 comply with tribal internal control standards that provide a level
14 of control that equals or exceeds those set forth in the National
15 Indian Gaming Commission's Minimum Internal Control Standards (25
16 C.F.R., Part 542), except as provided in Section 4 of this act.

17 C. Records. In addition to other records required to be
18 maintained herein, the enterprise or tribe shall maintain the
19 following records related to implementation of this Compact in
20 permanent form and as written or entered, whether manually or by
21 computer, and which shall be maintained by the enterprise and made
22 available for inspection by the SCA for no less than three (3) years
23 from the date generated:

24

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

10 2. Payout from the conduct of all covered games;

11 3. Maintenance logs for all covered games gaming equipment used
12 by the enterprise;

13 4. Security logs as kept in the normal course of conducting and
14 maintaining security at the facility, which at a minimum shall
15 conform to industry practices for such reports. The security logs
16 shall document any unusual or nonstandard activities, occurrences or
17 events at or related to the facility or in connection with the
18 enterprise. Each incident, without regard to materiality, shall be
19 assigned a sequential number for each such report. At a minimum,
20 the security logs shall consist of the following information, which
21 shall be recorded in a reasonable fashion noting:

- 22 a. the assigned number of the incident,
- 23 b. the date of the incident,
- 24 c. the time of the incident,

- d. the location of the incident,
- e. the nature of the incident,
- f. the identity, including identification information, of any persons involved in the incident and any known witnesses to the incident, and
- g. the tribal compliance officer making the report and any other persons contributing to its preparation;

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

6. All documents generated in accordance with this Compact.

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

1. To fund tribal government operations or programs;
2. To provide for the general welfare of the tribe and its members;
3. To promote tribal economic development;
4. To donate to charitable organizations; or
5. To help fund operations of local government agencies.

E. 1. The tribe's rules and regulations shall require the enterprise at a minimum to bar persons based on their prior conduct at the facility or who, because of their criminal history or

1 association with criminal offenders, pose a threat to the integrity
2 of the conduct of covered games.

3 2. The TCA shall establish a list of the persons barred from
4 the facility.

5 3. The enterprise shall employ its best efforts to exclude
6 persons on such list from entry into its facility; provided, neither
7 persons who are barred but gain access to the facility, nor any
8 other person, shall have any claim against the state, the tribe or
9 the enterprise or any other person for failing to enforce such bar.

10 4. Patrons who believe they may be playing covered games on a
11 compulsive basis may request that their names be placed on the list.
12 All covered game employees shall receive training on identifying
13 players who have a problem with compulsive playing and shall be
14 instructed to ask them to leave. Signs and other materials shall be
15 readily available to direct such compulsive players to agencies
16 where they may receive counseling.

17 F. Audits. 1. Consistent with 25 C.F.R., Section 571.12,
18 Audit Standards, the TCA shall ensure that an annual independent
19 financial audit of the enterprise's conduct of covered games subject
20 to this Compact is secured. The audit shall, at a minimum, examine
21 revenues and expenses in connection with the conduct of covered
22 games in accordance with generally accepted auditing standards and
23 shall include, but not be limited to, those matters necessary to
24

1 verify the determination of adjusted gross revenues and the basis of
2 the payments made to the state pursuant to Part 11 of this Compact.

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

6 3. The audit shall be concluded within five (5) months
7 following the close of each calendar year, provided that extensions
8 may be requested by the tribe and shall not be refused by the state
9 where the circumstances justifying the extension request are beyond
10 the tribe's control.

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

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

20 6. The enterprise shall assume all costs in connection with the
21 audit.

22 7. The audit report for the conduct of covered games shall be
23 submitted to the SCA within thirty (30) days of completion. The
24

1 auditor's work papers concerning covered games shall be made
2 available to the SCA upon request.

3 8. Representatives of the SCA may, upon request, meet with the
4 auditors to discuss the work papers, the audit or any matters in
5 connection therewith; provided, such discussions are limited to
6 covered games information and pursue legitimate state covered games
7 interests.

8 G. Rules for Play of and Prizes for Covered Games. Summaries
9 of the rules for playing covered games and winning prizes shall be
10 visibly displayed in the facility. Complete sets of rules shall be
11 available in pamphlet form in the facility.

12 H. Supervisory Line of Authority. The enterprise shall provide
13 the TCA and SCA with a chart of the supervisory lines of authority
14 with respect to those directly responsible for the conduct of
15 covered games, and shall promptly notify those agencies of any
16 material changes thereto.

17 I. Sale of Alcoholic Beverages. The sale and service of
18 alcoholic beverages in a facility shall be in compliance with state,
19 federal and tribal law in regard to the licensing and sale of such
20 beverages.

21 J. Age Restrictions. No person who would not be eligible to be
22 a patron of a pari-mutuel system of wagering pursuant to the
23 provisions of subsection B of Section 208.4 of this title shall be
24 admitted into any area in a facility where covered games are played,

1 nor be permitted to operate, or obtain a prize from or in connection
2 with the operation of, any covered game, directly or indirectly.

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

7 1. Material that might be utilized in connection with a
8 potential tort claim pursuant to Part 6 of this Compact, including,
9 but not limited to, incident reports, surveillance records,
10 statements, and the like, shall be maintained at least one (1) year
11 beyond the time which a claim can be made under Part 6 of this
12 Compact or, if a tort claim is made, beyond the final disposition of
13 such claim;

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

20 3. Notwithstanding anything herein to the contrary, all
21 enterprise books and records with respect to the conduct of covered
22 games or the operation of the enterprise, including, but not limited
23 to, all interim and final financial and audit reports and materials
24 related thereto which have been generated in the ordinary course of

1 business, shall be maintained for the minimum period of three (3)
2 years.

3 L. Location. The tribe may establish and operate enterprises
4 and facilities that operate covered games only on its Indian lands
5 as defined by IGRA. The tribe shall notify the SCA of the operation
6 of any new facility following the effective date of this Compact,
7 except as provided in Section 4 of this act. Nothing herein shall
8 be construed as expanding or otherwise altering the term "Indian
9 lands", as that term is defined in the IGRA, nor shall anything
10 herein be construed as altering the federal process governing the
11 tribal acquisition of "Indian lands" for gaming purposes.

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

16 ~~PART~~ Part 6. TORT CLAIMS; PRIZE CLAIMS; LIMITED CONSENT TO SUIT

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

22 1. During the term of this Compact, the enterprise shall
23 maintain public liability insurance for the express purposes of
24 covering and satisfying tort claims. The insurance shall have

1 liability limits of not less than Two Hundred Fifty Thousand Dollars
2 (\$250,000.00) for any one person and Two Million Dollars
3 (\$2,000,000.00) for any one occurrence for personal injury, and One
4 Million Dollars (\$1,000,000.00) for any one occurrence for property
5 damage, hereinafter the "limit of liability", or the corresponding
6 limits under ~~the~~ The Governmental Tort Claims Act, whichever is
7 greater. No tort claim shall be paid, or be the subject of any
8 award, in excess of the limit of liability;

9 2. The tribe consents to suit on a limited basis with respect
10 to tort claims subject to the limitations set forth in this
11 subsection and subsection C of this Part. No consents to suit with
12 respect to tort claims, or as to any other claims against the tribe
13 shall be deemed to have been made under this Compact, except as
14 provided in subsections B and C of this Part;

15 3. The enterprise's insurance policy shall include an
16 endorsement providing that the insurer may not invoke tribal
17 sovereign immunity in connection with any claim made within the
18 limit of liability if the claim complies with the limited consent
19 provisions of subsection C of this Part. Copies of all such
20 insurance policies shall be forwarded to the SCA;

21 4. Any patron having a tort claim shall file a written tort
22 claim notice by delivery to the enterprise or the TCA. The date the
23 tort claim notice is filed with the enterprise or the TCA shall be
24 deemed the official date of filing the tort claim notice. The tort

1 claim notice shall be filed within one (1) year of the date of the
2 event which allegedly caused the claimed loss. Failure to file the
3 tort claim notice during such period of time shall forever bar such
4 tort claim; provided that a tort claim notice filed with the
5 enterprise or the TCA more than ninety (90) days, but within one (1)
6 year, after the event shall be deemed to be timely filed, but any
7 judgment thereon shall be reduced by ten percent (10%)~~;~~;

8 5. If the tort claim notice is filed with the TCA, the TCA
9 shall forward a copy of the tort claim to the enterprise and the SCA
10 within forty-eight (48) hours of filing, and if the tort claim
11 notice is filed with the enterprise, the enterprise shall forward a
12 copy of the tort claim to the TCA and the SCA within forty-eight
13 (48) hours of filing;

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

22 7. All tort claim notices shall be signed by the claimant. The
23 rules and regulations may additionally require that the tort claim
24 notices be signed under oath. The rules and regulations may also

1 require that as a condition of prosecuting tort claims, the claimant
2 shall appear to be interviewed or deposed at least once under
3 reasonable circumstances, which shall include the attendance of the
4 claimant's legal counsel if requested; provided that the enterprise
5 shall afford claimant at least thirty (30) days' written notice of
6 the interview or deposition; and provided further that the
7 claimant's failure to appear without cause for any interview or
8 deposition properly noticed pursuant to this paragraph shall be
9 deemed a voluntary withdrawal of the tort claim;

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

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

5 a. the claimant has followed all procedures required by
6 this Part, including, without limitation, the delivery
7 of a valid and timely written tort claim notice to the
8 enterprise,

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

10 c. the claimant has filed the judicial proceeding no
11 later than the one-hundred-eightieth day after denial
12 of the claim by the enterprise; provided, that neither
13 the claimant nor the enterprise may agree to extend
14 the time to commence a judicial proceeding; and

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

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

8 1. The tribe consents to suit on a limited basis with respect
9 to prize claims against the enterprise only as set forth in
10 subsection C of this Part; no consents to suit with respect to prize
11 claims, or as to any other claims against the tribe shall be deemed
12 to have been made under this Compact, except as provided in
13 subsections A and C of this Part;

14 2. The maximum amount of any prize claim shall be the amount of
15 the prize which the claimant establishes he or she was entitled to
16 be awarded, ~~hereafter~~ hereinafter "prize limit";

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

24

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

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

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

18 7. The enterprise shall promptly review, investigate and make a
19 determination regarding the prize claim. Claimants shall cooperate
20 in providing information, including personal sworn statements and
21 agreeing to be interviewed, as the enterprise shall reasonably
22 request. The claimant is permitted to have counsel present during
23 any such interview;

24

1 8. If the prize claim is not resolved within seventy-two (72)
2 hours from the time of filing the claim in accordance with paragraph
3 5 of this subsection, the TCA shall immediately notify the SCA in
4 writing that the claim has not been resolved;

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

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

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

- 1 a. the claimant has followed all procedures required by
2 this Part, including without limitation, the delivery
3 of a valid and timely written prize claim notice to
4 the enterprise,
- 5 b. the enterprise has denied the prize claim, and
- 6 c. the claimant has filed the judicial proceeding no
7 later than one hundred eighty (180) days after denial
8 of the claim by the enterprise; provided that neither
9 the claimant nor the enterprise may extend the time to
10 commence a judicial proceeding; and

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

21 C. Limited Consent to Suit for Tort Claims and Prize Claims.
22 The tribe consents to suit against the enterprise in a court of
23 competent jurisdiction with respect to a tort claim or prize claim
24 if all requirements of paragraph 9 of subsection A of this Part or

1 all requirements of paragraph 11 of subsection B of this Part have
2 been met; provided that such consent shall be subject to the
3 following additional conditions and limitations:

4 1. For tort claims, consent to suit is granted only to the
5 extent such claim or any award or judgment rendered thereon does not
6 exceed the limit of liability. Under no circumstances shall any
7 consent to suit be effective as to any award which exceeds such
8 applicable amounts. This consent shall only extend to the patron
9 actually claiming to have been injured. A tort claim shall not be
10 assignable. In the event any assignment of the tort claim is made
11 in violation of this Compact, or any person other than the patron
12 claiming the injury becomes a party to any action hereunder, this
13 consent shall be deemed revoked for all purposes. Notwithstanding
14 the foregoing, consent to suit shall not be revoked if an action on
15 a tort claim is filed by (i) a court appointed representative of a
16 claimant's estate, (ii) an indispensable party, or (iii) a health
17 provider or other party subrogated to the claimant's rights by
18 virtue of any insurance policy; provided, that nothing herein is
19 intended to, or shall constitute a consent to suit against the
20 enterprise as to such party except to the extent such party's claim
21 is:

22 a. in lieu of and identical to the claim that would have
23 been made by the claimant directly but for the
24 appointment of said representative or indispensable

1 party, and participation of such other party is in
2 lieu of and not in addition to pursuit of the claim by
3 the patron, and

4 b. the claim of such other party would have been subject
5 to a consent to suit hereunder if it had been made by
6 the claimant directly; and

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

22 a. in lieu of and identical to the claim that would have
23 been made by the claimant directly but for the
24 appointment of said representative or indispensable

1 party, and participation of such other party is in
2 lieu of and not in addition to pursuit of the claim by
3 the patron, and

4 b. the claim of such other party would have been subject
5 to a consent to suit hereunder if it had been made by
6 the claimant directly.

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

18 1. The posting of the cash or bond;

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

22 3. The right of the claimant to have this claim satisfied from
23 the deposit if the claimant is successful on the claim; and
24

1 4. The notice and hearing opportunities in accordance with the
2 tribe's tort law, if any, otherwise in accordance with principles of
3 due process, which will be afforded to the claimant so that the
4 intent of this Compact to provide claimants with a meaningful
5 opportunity to seek a just remedy under fair conditions will be
6 fulfilled.

7 Part 7. ENFORCEMENT OF COMPACT PROVISIONS

8 A. The tribe and TCA shall be responsible for regulating
9 activities pursuant to this Compact. As part of its
10 responsibilities, the tribe shall require the enterprise do the
11 following:

12 1. Operate the conduct of covered games in compliance with this
13 Compact, including, but not limited to, the standards and the
14 tribe's rules and regulations;

15 2. Take reasonable measures to assure the physical safety of
16 enterprise patrons and personnel, prevent illegal activity at the
17 facility, and protect any rights of patrons under the Indian Civil
18 Rights Act of 1968, 25 U.S.C., ~~Sec. 1302-1303~~ Sections 1302 through
19 1303;

20 3. Promptly notify appropriate law enforcement authorities of
21 persons who may be involved in illegal acts in accordance with
22 applicable law;

23
24

1 4. Assure that the construction and maintenance of the facility
2 meets or exceeds federal and tribal standards for comparable
3 buildings; and

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

8 B. All licenses for members and employees of the TCA shall be
9 issued according to the same standards and terms applicable to
10 facility employees. The TCA shall employ qualified compliance
11 officers under the authority of the TCA. The compliance officers
12 shall be independent of the enterprise, and shall be supervised and
13 accountable only to the TCA. A TCA compliance officer shall be
14 available to the facility during all hours of operation upon
15 reasonable notice, and shall have immediate access to any and all
16 areas of the facility for the purpose of ensuring compliance with
17 the provisions of this Compact. The TCA shall investigate any such
18 suspected or reported violation of this Compact and shall require
19 the enterprise to correct such violations. The TCA shall officially
20 enter into its files timely written reports of investigations and
21 any action taken thereon, and shall forward copies of such reports
22 to the SCA within fifteen (15) days of such filing. Any such
23 violations shall be reported immediately to the TCA, and the TCA
24 shall immediately forward the same to the SCA. In addition, the TCA

1 shall promptly report to the SCA any such violations which it
2 independently discovers.

3 C. In order to develop and foster a positive and effective
4 relationship in the enforcement of the provisions of this Compact,
5 representatives of the TCA and the SCA shall meet, not less than on
6 an annual basis, to review past practices and examine methods to
7 improve the regulatory scheme created by this Compact. The meetings
8 shall take place at a location mutually agreed to by the TCA and the
9 SCA. The SCA, prior to or during such meetings, shall disclose to
10 the TCA any concerns, suspected activities, or pending matters
11 reasonably believed to possibly constitute violations of this
12 Compact by any person, organization or entity, if such disclosure
13 will not compromise the interest sought to be protected.

14 Part 8. STATE MONITORING OF COMPACT

15 A. The SCA shall, pursuant to the provisions of this Compact,
16 have the authority to monitor the conduct of covered games to ensure
17 that the covered games are conducted in compliance with the
18 provisions of this Compact. In order to properly monitor the
19 conduct of covered games, agents of the SCA shall have reasonable
20 access to all areas of the facility related to the conduct of
21 covered games as provided herein:

22 1. Access to the facility by the SCA shall be during the
23 facility's normal operating hours only; provided that to the extent
24 such inspections are limited to areas of the facility where the

1 public is normally permitted, SCA agents may inspect the facility
2 without giving prior notice to the enterprise;

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

6 3. Before SCA agents enter any nonpublic area of the facility,
7 they shall provide proper photographic identification to the TCA.
8 SCA agents shall be accompanied in nonpublic areas of the facility
9 by a TCA agent. A one-hour notice by SCA to the TCA may be required
10 to assure that a TCA officer is available to accompany SCA agents at
11 all times.

12 B. Subject to the provisions herein, agents of the SCA shall
13 have the right to review and copy documents of the enterprise
14 related to its conduct of covered games. The review and copying of
15 such documents shall be during normal business hours or hours
16 otherwise at tribe's discretion. However, the SCA shall not be
17 permitted to copy those portions of any documents of the enterprise
18 related to its conduct of covered games that contain business or
19 marketing strategies or other proprietary and confidential
20 information of the enterprise, including, but not limited to,
21 customer lists, business plans, advertising programs, marketing
22 studies, and customer demographics or profiles. No documents of the
23 enterprise related to its conduct of covered games or copies thereof
24 shall be released to the public by the state under any

1 circumstances. All such documents shall be deemed confidential
2 documents owned by the tribe and shall not be subject to public
3 release by the state.

4 C. At the completion of any SCA inspection or investigation,
5 the SCA shall forward a written report thereof to the TCA. The TCA
6 shall be apprised on a timely basis of all pertinent,
7 nonconfidential information regarding any violation of federal,
8 state, or tribal laws, the rules or regulations, or this Compact.
9 Nothing herein prevents the SCA from contacting tribal or federal
10 law enforcement authorities for suspected criminal wrongdoing
11 involving the TCA. TCA may interview SCA inspectors upon reasonable
12 notice and examine work papers and SCA in the same fashion that SCA
13 inspectors may examine auditors' notes and make auditor inquiry
14 unless providing such information to the TCA will compromise the
15 interests sought to be protected. If the SCA determines that
16 providing the information to the TCA will compromise the interests
17 sought to be protected, then the SCA shall provide such information
18 to the tribe in accordance with Part ~~13~~ 14 of this Compact.

19 D. Nothing in this Compact shall be deemed to authorize the
20 state to regulate the tribe's government, including the TCA, or to
21 interfere in any way with the tribe's selection of its governmental
22 officers, including members of the TCA; provided, however, the SCA
23 and the tribe, upon request of the tribe, shall jointly employ, at
24

1 the tribe's expense, an independent firm to perform on behalf of the
2 SCA the duties set forth in subsections A and B of this Part.

3 Part 9. JURISDICTION

4 This Compact shall not alter tribal, federal or state civil
5 adjudicatory or criminal jurisdiction.

6 Part 10. LICENSING

7 A. 1. Except as provided in paragraph 6 of Part 3 of this
8 Compact, no covered game employee shall be employed at a facility or
9 by an enterprise unless such person is licensed in accordance with
10 this Compact. In addition to the provisions of this Part which are
11 applicable to the licensing of all covered game employees, the
12 requirements of 25 C.F.R., Part 556, Background Investigations for
13 Primary Management Officials and Key Employees, and 25 C.F.R., Part
14 558, Gaming Licenses for Key Employees and Primary Management
15 Officials, apply to Key Employees and Primary Management Officials
16 of the facility and enterprise.

17 2. All prospective covered game employees shall apply to the
18 TCA for a license. Licenses shall be issued for periods of no more
19 than two (2) years, after which they may be renewed only following
20 review and update of the information upon which the license was
21 based; provided, the TCA may extend the period in which the license
22 is valid for a reasonable time pending the outcome of any
23 investigation being conducted in connection with the renewal of such
24 license. In the event the SCA contends that any such extension is

1 unreasonable, it may seek resolution of that issue pursuant to Part
2 ~~11~~ 12 of this Compact.

3 3. The application process shall require the TCA to obtain
4 sufficient information and identification from the applicant to
5 permit a background investigation to determine if a license should
6 be issued in accordance with this Part and the rules and
7 regulations. The TCA shall obtain information about a prospective
8 covered game employee that includes:

- 9 a. full name, including any aliases by which applicant
10 has ever been known,
- 11 b. social security number,
- 12 c. date and place of birth,
- 13 d. residential addresses for the past five (5) years,
- 14 e. employment history for the past five (5) years,
- 15 f. driver license number,
- 16 g. all licenses issued and disciplinary charges filed,
17 whether or not discipline was imposed, by any state or
18 tribal regulatory authority,
- 19 h. all criminal arrests and proceedings, except for minor
20 traffic offenses, to which the applicant has been a
21 party,
- 22 i. a set of fingerprints,
- 23 j. a current photograph,
- 24 k. military service history, and

1 1. any other information the TCA determines is necessary
2 to conduct a thorough background investigation.

3 4. Upon obtaining the required initial information from a
4 prospective covered game employee, the TCA shall forward a copy of
5 such information to the SCA, along with any determinations made with
6 respect to the issuance or denial of a temporary or permanent
7 license. The SCA may conduct its own background investigation of
8 the applicant at SCA expense, shall notify the TCA of such
9 investigation within a reasonable time from initiation of the
10 investigation, and shall provide a written report to the TCA of the
11 outcome of such investigation within a reasonable time from the
12 receipt of a request from the TCA for such information. SCA
13 inspector field notes and the SCA inspector shall be available upon
14 reasonable notice for TCA review and inquiry.

15 5. The TCA may issue a temporary license for a period not to
16 exceed ninety (90) days, and the enterprise may employ on a
17 probationary basis, any prospective covered game employee who
18 represents in writing that he or she meets the standards set forth
19 in this Part, provided the TCA or enterprise is not in possession of
20 information to the contrary. The temporary license shall expire at
21 the end of the ninety-day period or upon issuance or denial of a
22 permanent license, whichever event occurs first. Provided that the
23 temporary license period may be extended at the discretion of the
24 TCA so long as good faith efforts are being made by the applicant to

1 provide required information, or the TCA is continuing to conduct
2 its investigation or is waiting on information from others, and
3 provided further that in the course of such temporary or extended
4 temporary licensing period, no information has come to the attention
5 of the TCA which, in the absence of countervailing information then
6 in the record, would otherwise require denial of license. A
7 permanent license shall be issued or denied within a reasonable time
8 following the completion of the applicant's background
9 investigation.

10 6. In covered gaming the tribe shall not employ and shall
11 terminate, and the TCA shall not license and shall revoke a license
12 previously issued to, any covered game employee who:

- 13 a. has been convicted of any felony or an offense related
14 to any covered games or other gaming activity,
- 15 b. has knowingly and willfully provided false material,
16 statements or information on his or her employment
17 application, or
- 18 c. is a person whose prior activities, criminal record,
19 or reputation, habits, and associations pose a threat
20 to the public interest or to the effective regulation
21 and control of the conduct of covered games, or create
22 or enhance the dangers of unsuitable, unfair, or
23 illegal practices, methods, and activities in the
24 conduct of covered games or the carrying on of the

1 business and financial arrangements incidental
2 thereto.

3 7. The SCA may object to the employment of any individual by
4 the enterprise based upon the criteria set forth in paragraph 6 of
5 this subsection ~~A of this Part~~. Such objection shall be in writing
6 setting forth the basis of the objection. The SCA inspector's work
7 papers, notes and exhibits which formed the SCA conclusion shall be
8 available upon reasonable notice for TCA review. The enterprise
9 shall have discretion to employ an individual over the objection of
10 the SCA.

11 8. The TCA shall have the discretion to initiate or continue a
12 background investigation of any licensee or license applicant and to
13 take appropriate action with respect to the issuance or continued
14 validity of any license at any time, including suspending or
15 revoking such license.

16 9. The TCA shall require all covered game employees to wear, in
17 plain view, identification cards issued by the TCA which include a
18 photograph of the employee, his or her first name, a four-digit
19 identification number unique to the license issued to the employee,
20 a tribal seal or signature verifying official issuance of the card,
21 and a date of expiration, which shall not extend beyond such
22 employee's license expiration date.

23 B. 1. Any person or entity who, directly or indirectly,
24 provides or is likely to provide at least Twenty-five Thousand

1 Dollars (\$25,000.00) in goods or services to the enterprise in any
2 twelve-month period, or who has received at least Twenty-five
3 Thousand Dollars (\$25,000.00) for goods or services provided to the
4 enterprise in any consecutive twelve-month period within the
5 immediately preceding twenty-four-month period, or any person or
6 entity who provides through sale, lease, rental or otherwise covered
7 games, or parts, maintenance or service in connection therewith to
8 the tribe or the enterprise at any time and in any amount, shall be
9 licensed by the TCA prior to the provision thereof. Provided, that
10 attorneys or certified public accountants and their firms shall be
11 exempt from the licensing requirement herein to the extent that they
12 are providing services covered by their professional licenses.

13 2. Background investigations and licensing shall follow the
14 same process and apply the same criteria as for covered game
15 employees set forth in paragraph 6 of subsection A of this Part.

16 3. In the case of a license application of any entity, all
17 principals thereof shall be subjected to the same background
18 investigation required for the licensing of a covered game employee,
19 but no license as such need be issued; provided, no license shall be
20 issued to the entity if the TCA determines that one or more of its
21 principals will be persons who would not be qualified to receive a
22 license if they applied as covered game employees.

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

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

8 6. The enterprise shall not enter into, or continue to make
9 payments pursuant to, any contract or agreement for the provision of
10 goods or services with any person or entity who does not meet the
11 requirements of this Part including, but not limited to, any person
12 or entity whose application to the TCA for a license has been
13 denied, or whose license has expired or been suspended or revoked.

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

18 8. In addition to any licensing criteria set forth above, if
19 any person or entity seeking licensing under this subsection is to
20 receive any fee or other payment based on the revenues or profits of
21 the enterprise, the TCA may take into account whether or not such
22 fee or other payment is fair in light of market conditions and
23 practices.

24

1 C. 1. Subject to the exceptions set forth in paragraph 4 of
2 this subsection, any person or entity extending financing, directly
3 or indirectly, to the facility or enterprise in excess of Fifty
4 Thousand Dollars (\$50,000.00) in any twelve-month period shall be
5 licensed prior to providing such financing. Principals thereof
6 shall be subjected to background investigations and determinations
7 in accordance with the procedures and standards set forth in
8 subsection A of this Part. Licenses issued under this section shall
9 be reviewed at least every two (2) years for continuing compliance,
10 and shall be promptly revoked if the licensee is determined to be in
11 violation of the standards set forth in paragraph 6 of subsection A
12 of this Part. In connection with such a review, the TCA shall
13 require the person or entity to update all information provided in
14 the previous application.

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

20 3. A supplier of goods or services who provides financing
21 exclusively in connection with the sale or lease of covered games
22 equipment or supplies shall be licensed solely in accordance with
23 licensing procedures applicable, if at all, to such suppliers
24 herein.

1 4. Financing provided by a federally regulated or state-
2 regulated bank, savings and loan, or trust, or other federally or
3 state-regulated lending institution; any agency of the federal,
4 state, tribal or local government; or any person or entity,
5 including, but not limited to, an institutional investor who, alone
6 or in conjunction with others, lends money through publicly or
7 commercially traded bonds or other commercially traded instruments,
8 including but not limited to the holders of such bonds or
9 instruments or their assignees or transferees, or which bonds or
10 commercially traded instruments are underwritten by any entity whose
11 shares are publicly traded or which underwriter, at the time of the
12 underwriting, has assets in excess of One Hundred Million Dollars
13 (\$100,000,000.00), shall be exempt from the licensing and background
14 investigation requirements in subsection B of this Part or this
15 subsection.

16 D. In the event the SCA objects to a lender, vendor or any
17 other person or entity within subsection B or C of this Part seeking
18 to do business with the enterprise, or to the continued holding of a
19 license by such person or entity, it may notify the TCA of its
20 objection. The notice shall set forth the basis of the objection
21 with sufficient particularity to enable the TCA to investigate the
22 basis of the objection. The SCA inspector and SCA inspector field
23 notes shall be available for TCA review and inquiry. Within a
24 reasonable time after such notification, the TCA shall report to the

1 SCA on the outcome of its investigation and of any action taken or
2 decision not to take action.

3 Part 11. EXCLUSIVITY AND FEES

4 A. The parties acknowledge and recognize that this Compact
5 provides tribes with substantial exclusivity and, consistent with
6 the goals of IGRA, special opportunities for tribal economic
7 opportunity through gaming within the external boundaries of
8 Oklahoma in respect to the covered games. In consideration thereof,
9 so long as the state does not change its laws after the effective
10 date of this Compact to permit the operation of any additional form
11 of gaming by any such organization licensee, or change its laws to
12 permit any additional electronic or machine gaming within Oklahoma,
13 the tribe agrees to pay the following fees:

14 1. The tribe covenants and agrees to pay to the state a fee
15 derived from covered game revenues calculated as set forth in
16 paragraph 2 of this subsection. Such fee shall be paid no later
17 than the twentieth day of the month for revenues received by the
18 tribe in the preceding month; and

19 2. The fee shall be:

20 a. four percent (4%) of the first Ten Million Dollars
21 (\$10,000,000.00) of adjusted gross revenues received
22 by a tribe in a calendar year from the play of
23 electronic amusement games, electronic bonanza-style
24 bingo games and electronic instant bingo games,

1 b. five percent (5%) of the next Ten Million Dollars
2 (\$10,000,000.00) of adjusted gross revenues received
3 by a tribe in a calendar year from the play of
4 electronic amusement games, electronic bonanza-style
5 bingo games and electronic instant bingo games,

6 c. six percent (6%) of all subsequent adjusted gross
7 revenues received by a tribe in a calendar year from
8 the play of electronic amusement games, electronic
9 bonanza-style bingo games and electronic instant bingo
10 games, and

11 d. ten percent (10%) of the monthly net win of the common
12 pool(s) or pot(s) from which prizes are paid for
13 nonhouse-banked card games. The tribe is entitled to
14 keep an amount equal to state payments from the common
15 pool(s) or pot(s) as part of its cost of operating the
16 games.

17 Payments of such fees shall be made to the Treasurer of the
18 State of Oklahoma. ~~Nothing~~ Except as provided in Section 4 of this
19 act, nothing herein shall require the allocation of such fees to
20 particular state purposes, including, but not limited to, the actual
21 costs of performing the state's regulatory responsibilities
22 hereunder.

23 B. Annual oversight assessment. In addition to the fee
24 provided for in subsection A of this Part, the state shall be

1 entitled to payment for its costs incurred in connection with the
2 oversight of covered games to the extent provided herein, "annual
3 oversight assessment". The annual oversight assessment, which shall
4 be Thirty-five Thousand Dollars (\$35,000.00), shall be determined
5 and paid in advance on a fiscal year basis for each twelve (12)
6 months ending on June 30 of each year.

7 C. Upon the effective date of this Compact, the tribe shall
8 deposit with the SCA the sum of Fifty Thousand Dollars (\$50,000.00)
9 ("start-up assessment"). The purpose of the start-up assessment
10 shall be to assist the state in initiating its administrative and
11 oversight responsibilities hereunder and shall be a one-time payment
12 to the state for such purposes.

13 D. Nothing in this Compact shall be deemed to authorize the
14 state to impose any tax, fee, charge or assessment upon the tribe or
15 enterprise except as expressly authorized pursuant to this Compact;
16 provided that, to the extent that the tribe is required under
17 federal law to report prizes awarded, the tribe agrees to copy such
18 reports to the SCA.

19 E. In consideration for the covenants and agreements contained
20 herein, the state agrees that it will not, during the term of this
21 Compact, permit the nontribal operation of any machines or devices
22 to play covered games or electronic or mechanical gaming devices
23 otherwise presently prohibited by law within the state in excess of
24 the number and outside of the designated locations authorized by the

1 State-Tribal Gaming Act. The state recognizes the importance of
2 this provision to the tribe and agrees, in the event of a breach of
3 this provision by the state, to require any nontribal entity which
4 operates any such devices or machines in excess of such number or
5 outside of the designated location to remit to the state at least
6 quarterly no less than fifty percent (50%) of any increase in the
7 entities' adjusted gross revenues following the addition of such
8 excess machines. The state further agrees to remit at least
9 quarterly to eligible tribes, as liquidated damages, a sum equal to
10 fifty percent (50%) of any increase in the entities' adjusted gross
11 revenues following the addition of such excess machines. For
12 purposes of this Part, "eligible tribes" means those tribes which
13 have entered into this Compact and are operating gaming pursuant to
14 this Compact within forty-five (45) miles of an entity which is
15 operating covered game machines in excess of the number authorized
16 by, or outside of the location designated by, the State-Tribal
17 Gaming Act. Such liquidated damages shall be allocated pro rata to
18 eligible tribes based on the number of covered game machines
19 operated by each Eligible Tribe in the time period when such
20 adjusted gross revenues were generated.

21 F. In consideration for the covenants and agreements contained
22 herein, the tribe agrees that in the event it has currently or
23 locates in the future a facility within a radius of twenty (20)
24 miles from a recipient licensee as that term is defined in

1 subsection K of Section 263 of this title that it shall comply with
2 the requirements of subsection K of Section 263 of this title.

3 Part 12. DISPUTE RESOLUTION

4 In the event that either party to this Compact believes that the
5 other party has failed to comply with any requirement of this
6 Compact, or in the event of any dispute hereunder, including, but
7 not limited to, a dispute over the proper interpretation of the
8 terms and conditions of this Compact, the following procedures may
9 be invoked:

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

19 2. Subject to the limitation set forth in paragraph 3 of this
20 Part, either party may refer a dispute arising under this Compact to
21 arbitration under the rules of the American Arbitration Association
22 (AAA), subject to enforcement or pursuant to review as provided by
23 paragraph 3 of this Part by a federal district court. The remedies
24 available through arbitration are limited to enforcement of the

1 provisions of this Compact. The parties consent to the jurisdiction
2 of such arbitration forum and court for such limited purposes and no
3 other, and each waives immunity with respect thereto. One
4 arbitrator shall be chosen by the parties from a list of qualified
5 arbitrators to be provided by the AAA. If the parties cannot agree
6 on an arbitrator, then the arbitrator shall be named by the AAA.
7 The expenses of arbitration shall be borne equally by the parties.

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

21 3. Notwithstanding any provision of law, either party to the
22 Compact may bring an action against the other in a federal district
23 court for the de novo review of any arbitration award under
24 paragraph 2 of this Part. The decision of the court shall be

1 subject to appeal. Each of the parties hereto waives immunity and
2 consents to suit therein for such limited purposes, and agrees not
3 to raise the Eleventh Amendment to the United States Constitution or
4 comparable defense to the validity of such waiver.

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

8 Part 13. CONSTRUCTION OF COMPACT; FEDERAL APPROVAL

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

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

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

23 D. The standards for electronic bonanza-style bingo games,
24 electronic instant bingo games and electronic amusement games

1 established in the State-Tribal Gaming Act as enacted in 2004, and,
2 at the election of the tribe, any standards contained in the
3 Oklahoma Horse Racing Commission rules issued pursuant to subsection
4 B of Section 268 of this title are hereby incorporated in this
5 Compact and shall survive any repeal of the State-Tribal Gaming Act,
6 or any games authorized thereunder. In the event that any of said
7 standards are changed by amendment of the State-Tribal Gaming Act,
8 the tribe shall have the option to incorporate said changes into
9 this Compact by delivery of written notice of said changes to the
10 Governor and the SCA.

11 Part 14. NOTICES

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

15 Governor

16 Chair, State-Tribal Relations Committee

17 Attorney General

18 [Principal Chief, Governor or Chair]

19 [Name of Tribe]

20 [Address]

21 With copies to:

22 _____

23 _____

24 Part 15. DURATION AND NEGOTIATION

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

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

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

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

12 B. This Compact shall have a term which will expire on January
13 1, 2020, and at that time, if organization licensees or others are
14 authorized to conduct electronic gaming in any form other than pari-
15 mutuel wagering on live horse racing pursuant to any governmental
16 action of the state or court order following the effective date of
17 this Compact, the Compact shall automatically renew for successive
18 additional fifteen-year terms; provided that, within one hundred
19 eighty (180) days of the expiration of this Compact or any renewal
20 thereof, either the tribe or the state, acting through its Governor,
21 may request to renegotiate the terms of subsections A and E of Part
22 11 of this Compact.

1 C. This Compact shall remain in full force and effect until the
2 sooner of expiration of the term or until the Compact is terminated
3 by mutual consent of the parties.

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

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

20 Part 16. AUTHORITY TO EXECUTE

21 This Compact, as an enactment of the people of Oklahoma, is
22 deemed approved by the State of Oklahoma. No further action by the
23 state or any state official is necessary for this Compact to take
24 effect upon approval by the Secretary of the Interior and

1 publication in the Federal Register. The undersigned tribal
2 official(s) represents that he or she is duly authorized and has the
3 authority to execute this Compact on behalf of the tribe for whom he
4 or she is signing.

5 APPROVED:

6 [Name of Tribe]

7 _____ Date _____

8 [CHIEF EXECUTIVE OFFICER]

9 SECTION 4. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 280.2 of Title 3A, unless there
11 is created a duplication in numbering, reads as follows:

12 A. As used in this section:

13 1. "Adjusted gross event pool revenue" shall have the same
14 meaning as adjusted gross revenues as defined in Section 281 of
15 Title 3A of the Oklahoma Statutes, less federal excise taxes
16 applicable to any event wagering revenues;

17 2. "Event pool" means the business of accepting wagers or bets
18 on a wagering event or portions of a wagering event, the individual
19 performance statistics of participants in a wagering event, or other
20 events involved with a contest, or a combination of these events.
21 Event pool includes, but is not limited to, single-game bets, teaser
22 bets, parlays, over-unders, moneylines, exchange betting, in-game
23 bets, in-play bets, proposition bets, and straight bets;

24

1 3. "Event wagering platform" means an integrated system of
2 hardware, software, and servers through which an event pool is
3 offered on the Internet;

4 4. "Governing body" means the organization that prescribes
5 final rules, enforces codes of conduct, and determines final
6 outcomes for a wagering event, or the participants in a wagering
7 event;

8 5. "Indian land" means the same as defined by 25 U.S.C.,
9 Section 2703(4);

10 6. "Internet" means the international computer network of
11 interoperable packet-switched data networks including, but not
12 limited to, additional technological platforms such as mobile,
13 satellite, or other electronic distribution channels;

14 7. "Internet event pools" means an event pool operating or
15 offering play through an Internet-capable device;

16 8. "Internet event pool account" means an account established
17 by a facility for a person over eighteen (18) years of age where the
18 following is recorded:

- 19 a. deposits and credits,
- 20 b. withdrawals,
- 21 c. wagers,
- 22 d. value of winnings or losses, and
- 23 e. account adjustments;

24

1 9. "Nontribal lands" means any area in this state that is not
2 within Indian land;

3 10. "Professional sports team" means the owner of a
4 professional sports team in this state that is a member of the
5 National Basketball Association;

6 11. "Wagering event" means any activity that involves one or
7 more players or participants and that has a governing body to
8 determine outcomes including, but not limited to, sporting events
9 and other events involving competitive components. Wagering event
10 does not include pari-mutuel wagering on horse racing, any high
11 school event, any event where a majority of contestants are under
12 eighteen (18) years of age, or ay election for public office;

13 12. "Wagering event supplier" means a person or entity that
14 provides hardware, software, or services related to event pools and
15 event pool operations; and

16 13. "Wagering event vendor license" means a license obtained by
17 the Tribal Compliance Agency (TCA) to:

18 a. supply an enterprise with event betting equipment,
19 services, or information necessary for the operation
20 of an event pool, and

21 b. provide management services under a contract to an
22 event pool operator.

23 A wagering event vendor license shall not include any sports
24 team, event team, or governing body of a contest or sports league.

1 B. Notwithstanding subsection L of Part 5 of Section 281 of
2 Title 3A of the Oklahoma Statutes, event pools and Internet event
3 pools shall be authorized to operate within a compacting tribe's
4 Indian lands and shall be recognized as a covered game pursuant to
5 Section 281 of Title 3A of the Oklahoma Statutes. Only a tribe that
6 has entered into a Gaming Compact Supplement pursuant to Section
7 280.1 of Title 3A of the Oklahoma Statutes shall authorize event
8 pools. Nothing in this act shall be construed as authorizing a
9 tribe to conduct an event pool within another compacting tribe's
10 Indian lands.

11 C. Notwithstanding subsection L of Part 5 of Section 281 of
12 Title 3A of the Oklahoma Statutes:

13 1. Internet event pools shall be authorized to operate within a
14 compacting tribe's Indian lands and shall be recognized as a covered
15 game pursuant to Section 281 of Title 3A of the Oklahoma Statutes.
16 Internet event pools shall be made available to individuals who have
17 established an Internet event pool account and who, at the time of
18 placing a wager, are located within the Indian lands of the tribe
19 that is offering the event pool. Only a tribe that has entered into
20 a Gaming Compact Supplement pursuant to Section 280.1 of Title 3A of
21 the Oklahoma Statutes shall authorize event pools; and

22 2. Internet event pools shall be authorized within nontribal
23 lands and shall be recognized as a covered game pursuant to this
24 Compact. Internet event pools shall only be made available to

1 individuals that have established an Internet event pool account
2 who, at the time of placing a wager on a wagering event, are located
3 on nontribal lands. Only the professional sports team may authorize
4 one (1) tribal approved wagering event supplier to offer wagering
5 events through Internet event pools on nontribal lands. All
6 adjusted gross event pool revenue received on nontribal lands shall
7 be shared between all tribes.

8 D. A tribe shall adopt and enforce regulations which:

9 1. Require a TCA to ensure that the enterprise exclude betting
10 on a wagering event, or type of wager if a governing body requests
11 and demonstrates good cause. A demonstration of good cause shall
12 require that the governing body has identified and provided the TCA
13 with information regarding:

14 a. suspicious betting activity that, if confirmed, would
15 directly impact the outcome of the wagering event or
16 type of wager, and

17 b. the manner in which such wagering event or type of
18 wager affects the integrity or perceived integrity of
19 the governing body's event;

20 2. Provide information to governing bodies and the Oklahoma
21 Tribal-State Gaming Compact State Compliance Agency (SCA) related to
22 suspicious betting activity;

23 3. Require an enterprise to employ a third-party provider of
24 geolocation services to ensure that patrons do not wager on event

1 pools offered by the tribe when such patrons are not located within
2 the tribe's Indian lands;

3 4. Require an enterprise to utilize industry standard age
4 verification procedures to ensure that no person under eighteen (18)
5 years of age is able to bet on a wagering event or wager;

6 5. Require an enterprise to take commercially reasonable
7 measures to prohibit players, participants, coaches, referees, team
8 owners, employees of a governing body or its member teams, and
9 player and referee union personnel from betting on any wagering
10 event or wager overseen by their governing body. To determine which
11 persons are excluded from betting on any wagering event or wager,
12 the enterprise shall use publicly available information and any
13 lists of such persons the governing body may provide; and

14 6. Require an enterprise to remit to the professional sports
15 team a payment of twenty-five one-hundredths of one percent (0.25%)
16 of the total amount wagered on event pools, including Internet event
17 pools, within thirty (30) days of the end of each calendar quarter.

18 E. If a tribe that has engaged in a Compact pursuant to
19 Sections 280 and 281 of Title 3A of the Oklahoma Statutes elect to
20 accept the offer of an additional covered game and to operate event
21 pools and Internet event pools, the tribe shall execute a supplement
22 to the Compact to provide as follows:

23 "MODEL TRIBAL GAMING COMPACT SUPPLEMENT

24 Between the [Name of Tribe]

1 and the STATE OF OKLAHOMA

2 To be governed in accord with the [Name of Tribe]'s Model Tribal
3 Gaming Compact ("Compact"), approved by the United States Department
4 of the Interior on [Date], the [Name of Tribe] ("Tribe") accepts the
5 State's offer of additional covered game pursuant to this section,
6 which offer and this acceptance are subject to the following terms:

7 Part 1. TITLE

8 This document shall be referred to as the "[Name of Tribe] and
9 State of Oklahoma Gaming Compact Event Pools Supplement ("Gaming
10 Compact Supplement")".

11 Part 2. TERMS

12 A. The Tribe hereby memorializes its election to accept the
13 State's offer of an additional covered game, which offer is codified
14 pursuant to this section.

15 B. The Tribe agrees, subject to the enforcement and exclusivity
16 provisions of its Compact, to pay a fee to the State equal to ___
17 percent (___%) of the adjusted gross event pool revenues from the
18 operation of event pools and Internet event pools within the Tribe's
19 Indian lands and nontribal lands. For all purposes, such payments
20 shall be deemed an exclusivity and fee payment pursuant to paragraph
21 2 of subsection A of Part 11 of Section 281 of Title 3A of the
22 Oklahoma Statutes.

23 C. The Tribe's operation of event pools and Internet event
24 pools pursuant to this Gaming Compact Supplement shall, for all

1 purposes, including enforcement and exclusivity, be treated as
2 subject to and lawfully conducted under the terms and provisions of
3 the Compact.

4 Part 3. AUTHORITY TO EXECUTE

5 This Gaming Compact Supplement, to the extent it conforms with
6 this section, is deemed approved by the State of Oklahoma. No
7 further action by the State or any state official is necessary for
8 this Gaming Compact Supplement to take effect upon approval by the
9 United States Secretary of the Interior and publication in the
10 Federal Register. The undersigned tribal official(s) represents
11 that he or she is duly authorized and has the authority to execute
12 this Gaming Compact Supplement on behalf of the tribe for whom he or
13 she is signing.

14 APPROVED:

15 [Name of Tribe]

16 _____ Date: _____

17 [Title]"

18 F. A tribe electing to accept this additional game offering
19 shall be responsible for submitting a copy of the executed
20 supplement to the United States Secretary of the Interior for
21 approval and publication in the Federal Register.

22 G. Upon approval of a supplement by the Secretary, and subject
23 to the enforcement and exclusivity provisions of its existing Model
24 Tribal Gaming Compact with the state, the electing tribe shall be

1 deemed pursuant to such supplement, construed as an acceptance of
2 this offer, a supplement to the tribe's existing Compact, and to be
3 in agreement with the agreed upon payment percentage of the adjusted
4 gross event pool revenues from the operation of event pools and
5 Internet event pools within the tribe's Indian lands and nontribal
6 lands. For all purposes, such payment shall be deemed an
7 exclusivity and fee payment under paragraph 2 of subsection A of
8 Part 11 of Section 281 of Title 3A of the Oklahoma Statutes.

9 H. Notwithstanding the provisions of Sections 941 through 988
10 of Title 21 of the Oklahoma Statutes, the conduction of and
11 participation in any game authorized pursuant to this section are
12 lawful when played pursuant to a compact.

13 I. Nothing in this section shall be construed to permit the
14 operation of any additional form of gaming by organizational
15 licensees or to permit any additional electronic or machine gaming
16 within this state.

17 J. Nothing in this section shall be construed to authorize a
18 tribe to conduct an event pool or Internet event pool within the
19 Indian lands of another tribe.

20 SECTION 5. This act shall become effective November 1, 2025.

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