



## FAQs: Indian Casinos and Gaming Compacts

(Revised)

### **Under what authority are tribes permitted to conduct gaming in states?**

In 1988, Congress passed the Indian Gaming Regulatory Act (IGRA), which provides a regulatory framework for resolving jurisdictional, regulatory, and other legal issues involving gaming on federally recognized Indian reservations ([25 U.S.C. §§ 2710, et seq.](#)). IGRA requires tribes to negotiate agreements with states in order to engage in Class III (casino-style) gaming.

### **What are IGRA's key provisions?**

IGRA gives Indian tribes the exclusive right to regulate gambling on Indian lands if the gambling is not specifically prohibited by federal law and is conducted within a state that does not, as a matter of criminal law and public policy, prohibit such gambling. Under IGRA, gambling operations are divided into three classes (Class I, Class II, and Class III) with varying degrees of tribal, state, or federal regulation. Class III gaming is casino-type gaming, including slot machine gaming. IGRA allows Class III gaming on federally recognized Indian lands, under specified circumstances, under a negotiated tribal-state compact approved by the U.S. Department of the Interior. It requires a mediation process to be used if negotiations are not successfully concluded.

### **What is a tribal-state compact?**

A tribal-state compact is an agreement that establishes rules to govern the conduct of Class III gaming on Indian reservations. A compact is negotiated between tribes and a state, but the secretary of the Interior must approve it and any amendments to it ([25 C.F.R. § 293.4](#)). Mohegan Sun Casino, which is owned and operated by the Mohegan Tribe, operates under a negotiated tribal-state compact. Foxwoods Casino, which is owned and operated by the Mashantucket Pequot Tribe, operates under federal gaming procedures negotiated by the Interior secretary following IGRA's mediation process, after Connecticut refused to negotiate a compact with the tribe. The compact and the procedures have the full force and legal effect of federal law.

## What is the slot agreement/memorandum of understanding (MOU) that Connecticut has with the Mohegans and the Mashantucket Pequots?

To resolve a dispute between the state and tribes as to whether the tribes had the right under IGRA to operate slot machines, the state and the tribes negotiated separate agreements. The agreement called a memorandum of understanding (sometimes referred to as the slot agreement) suspended the moratorium (temporary ban) on slot machines contained in the compact and federal procedures. The agreements permit the tribes to operate slot machines at the tribal casinos. In return, it requires the tribes to contribute 25% of their gross slot machine revenue to the state each month, as long as the state does not authorize any other slot machines or any commercial casino games in the state. If a tribe's contribution falls below \$80 million, the contribution rate increases to 30% in order to ensure a combined minimum \$160 million annual contribution.

## Under what circumstances do the tribal revenue payments under the MOUs end?

Under the MOUs, the slot machine payments to the state would cease if state law permits any person other than the tribes to operate slot machines or other commercial casino games, including table games (see A.G. Op. No. 94-003 (Feb. 4, 1994)). The MOUs provide that the slot machine contributions would continue "so long as no change in State law is enacted to permit the operation of video facsimiles or other commercial casino games by any other person and no other person within the State lawfully operates video facsimile games or other commercial games. . . ." (see Mohegan MOU dated May 17, 1994, at p. 2; the Mashantucket gaming procedures contain an identical provision).

## What did the 2015 state casino legislation do?

In 2015, the legislature created a process that allows the Mohegans and the Mashantucket Pequots, through a business entity owned exclusively by them, and registered with the secretary of the state, to issue a request for proposals and enter into a development agreement with a municipality to possibly establish an off-reservation casino ([SA 15-7](#), which took effect upon passage on June 19, 2015). The agreement, as well as the establishment of the casino, is contingent upon state law being changed to allow the tribes to operate an off-reservation casino. If a final court judgment holds any provision of the legislation invalid, unlawful, or unconstitutional, the remaining provisions are inoperative and have no legal effect. Pursuant to the special act, the tribes jointly created MMCT Venture to find a site for the casino.

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"Connecticut Tribal Gaming Timeline," [2015-R-0284](#)

"OLR Background: Slot Machine Payments to Connecticut" [2011-R-0087](#)

"Repeal of Las Vegas Nights," [2007-R-0316](#)

"Questions for Casino Hearing," 2017-R-0062

"Questions for Casino Hearing," 2017-R-0063

