

NATIONAL  
INDIAN  
GAMING  
COMMISSION

JAN 21 1994

Vine Wells  
Gaming Commissioner  
Prairie Island Indian Community  
P.O. Box 75  
Red Wing, Minnesota 55066

Dear Mr. Wells:

This letter responds to your request to review and approve the tribal gaming ordinance submitted on October 15, 1993, for the Prairie Island Indian Community (Community). This letter constitutes such approval under the Indian Gaming Regulatory Act (IGRA).

Under the IGRA and the regulations of the National Indian Gaming Commission (NIGC), the Chairman is directed to review ordinances with respect to the requirements of the IGRA and the implementing regulations. Thus, the scope of the Chairman's review and approval is limited to the requirements of the IGRA and the NIGC regulations. Provisions other than those required under the IGRA or the NIGC regulations that may be included in a tribal ordinance are not subject to review and approval. Also, such approval does not constitute approval of specific games.

It is important to note that the gaming ordinance is approved for gaming only on Indian lands as defined in the IGRA.

With the Chairman's approval of the Community's gaming ordinance, the Community is now required to conduct background investigations on its key employees and primary management officials. The NIGC expects to receive a completed application for each key employee and primary management official pursuant to 25 C.F.R. § 556.5(a) and an investigative report on each background investigation before issuing a license to a key employee or primary management official pursuant to 25 C.F.R. § 556.5(b).

The submission indicated that the Community intends to process the fingerprint cards through the NIGC. The Community must first execute the enclosed Memorandum of Understanding and return it to the NIGC before any fingerprint cards may be processed.

As discussed in the telephone conversation between Laurie Beyer-Kropuenshe and Mai Dinh on January 12, 1994, the Community should pass a resolution amending Resolution 94-10 § 3.03(b)(4) by changing "Association" to "Commission."

Thank you for submitting the ordinance of the Prairie Island Indian Community for review and approval. The NIGC staff and I look forward to working with you and the Tribe in implementing the IGRA.

Sincerely yours,

Anthony J. Hope  
Anthony J. Hope  
Chairman

Enclosure

cc: Laurie Beyer-Kropuenske  
Assistant General Counsel  
Prairie Island Indian Community  
1158 Island Blvd.  
Welch, MN 55089



**Prairie Island Tribal Council  
(A Tribal Government)**

**RESOLUTION 93 - 151**

**WHEREAS**, the Prairie Island Indian Community in the State of Minnesota (also known as the Prairie Island Mdewakanton Dakota Community) is a federally recognized Tribe organized under 25 U.S.C. § 476, and is governed under the terms of the Constitution and By-laws adopted by the tribal members on May 23, 1936, and approved by the Secretary of the Interior on June 20, 1936; and

**WHEREAS**, the said Constitution and By-laws provide that the Community Council (sometimes referred to as the Tribal Council), shall be the governing body for the Prairie Island Indian Community (Article IV, Section 1); and

**WHEREAS**, the Tribal Council has the authority to establish ordinances for the maintenance of law and order upon the Reservation and for the establishment of courts to enforce such ordinances; and

**WHEREAS**, the Tribal Council has the authority under the Constitution and By-laws to promulgate ordinances, resolutions, institute regulations, and consider various legal matters that fall within the authority of a federally recognized Indian tribe; and

**WHEREAS**, the Tribal Council has the authority under the Constitution and By-laws to promote the general welfare of the Community by regulating the conduct of trade and the use and disposition of property upon the Reservation; and

**WHEREAS**, the Prairie Island Indian Community is a federally recognized Indian Tribe and owns and operates a gaming enterprise, Treasure Island Casino & Bingo ("Treasure Island"), located at 5734 Sturgeon Lake Road, Welch, MN 55089, regulated under the Indian Gaming Regulatory Act of 1988, 25 U.S.C. § 2701 *et. seq.* ("IGRA"); and

**WHEREAS**, the National Indian Gaming Commission has issues new regulations 25 CFR Parts 501 *et al.* and 25 CFR Part 502 governing definitions under IGRA; Class II and Class III Gaming Ordinances; Background Investigations and Gaming Licenses Under the IGRA; Privacy Act Procedures under the IGRA; and



WHEREAS, the Tribal Council wishes to enact an Ordinance that complies with the new regulations issued by the National Indian Gaming Commission; and

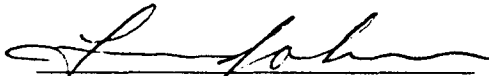
WHEREAS, the Tribal Council determined that in order to promote economic development on the Reservation and promote the general welfare of the Community and to better manage its business it must adopt a revised gaming revenue allocation ordinance.

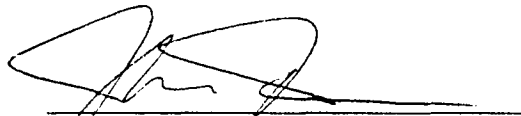
NOW THEREFORE BE IT RESOLVED, the Tribal Council hereby adopts pursuant to its constitutional powers and the Indian Gaming Regulatory Act of 1988 and the Compacts with the state of Minnesota the **PRAIRIE ISLAND INDIAN COMMUNITY GAMING ORDINANCE (REVISED)** which regulates the conduct of gaming on the reservation.

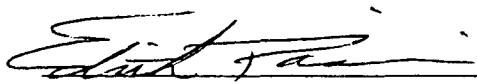
#### CERTIFICATION

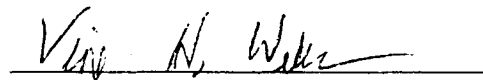
This resolution was passed at an Executive meeting of the Prairie Island Tribal Council with a quorum present with a vote of

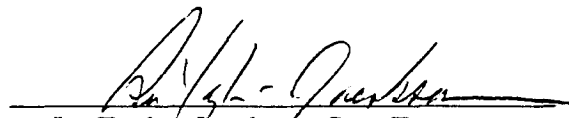
5 for, 0 against, 0 abstentions,  
on October 13, 1993.

  
Freeman Johnson, President

  
Johnny Johnson, Vice President

  
Edith Pacini, Secretary

  
Vine H. Wells, Treasurer

  
Lu Taylor-Jacobson, Sec.-Treasurer



**Prairie Island Tribal Council  
(A Tribal Government)**

**RESOLUTION 93 - 152**

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**WHEREAS**, the National Indian Gaming Commission has issues new regulations 25 CFR Parts 501 et al. and 25 CFR Part 502 governing definitions under IGRA; Class II and Class III Gaming Ordinances; Background Investigations and Gaming Licenses Under the IGRA; Privacy Act Procedures under the IGRA; and



**WHEREAS**, the Tribal Council wishes to enact an Ordinance that complies with the new regulations issued by the National Indian Gaming Commission; and

**WHEREAS**, the Tribal Council determined that in order to promote economic development on the Reservation and promote the general welfare of the Community and to better manage its business it must revise the **PRAIRIE ISLAND INDIAN COMMUNITY GAMING ORDINANCE**.

**NOW THEREFORE BE IT RESOLVED**, the Tribal Council hereby adopts the following revisions to the **PRAIRIE ISLAND INDIAN COMMUNITY GAMING ORDINANCE**:

1. **Section 505.5. Audits.** is added to read as follows:

The Tribal Council shall cause to be conducted annually an independent audit of gaming operations and shall submit the resulting audit reports to the National Indian Gaming Commission.

2. **Section 303(a)(11.5)** is added to read as follows:

For each criminal charge (excluding minor traffic charges), whether or not there is a conviction, if such criminal charge is within 10 years of the date of the application and is not otherwise listed pursuant to paragraph (10) or (11) of this section, the criminal charge, the name and address of the court involved and the date and disposition;

3. **Section 303(a)(15)** is modified to read as follows:

Any other information the Tribe deems relevant; and

4. **Section 303(a)(16)** is added to read as follows:

Fingerprints consistent with procedures adopted by the Tribe according to 25 C.F.R. § 522.2(h).

5. **Section 304(d)** is added to read as follows:

If a license is not issued to an applicant, the tribe;

- (1) Shall notify the National Indian Gaming Commission; and

- (2) May forward copies of its eligibility determination and investigative report (if any) to the National Indian Gaming Commission for inclusion in the Indian Gaming individuals Records System.

6. **Section 102 (j) "Key Employees"** is modified to read as follows:

"Key employees" shall mean persons who performs one or more of the following functions: Bingo Caller, Counting Room Supervisor, Chief of Security, Custodian of gaming supplies or cash, Floor manager, Pit boss, Dealer, Croupier; Approver of credit; or Custodian of gambling devices including persons with access to cash and accounting records within such devices. If not otherwise included, any other person whose total cash compensation is in excess of \$50,000 per year. Or, if not otherwise included, the four most highly compensated persons in the gaming operation.


7. **Section 102 (m) "Management Officials"** is modified to read as follows:

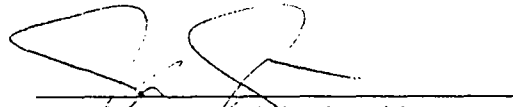
"Management Official" means the person having management responsibility for a management contract. Also, any person who has authority to hire and fire employees or to set up working policy for the gaming operation. Also, the chief financial officer or other person who has financial management responsibility.

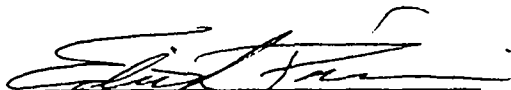
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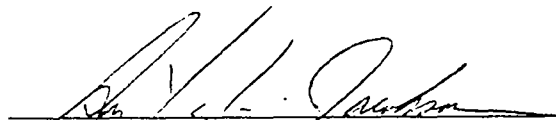
5 for, 0 against, 0 abstentions,  
on October 13, 1993.

  
Freeman Johnson, President

  
Johnny Johnson, Vice President

  
Edith Pacini, Secretary

  
Vine H. Wells, Treasurer

  
Lu Taylor-Jacobson, Sec.-Treasurer

**PRAIRIE ISLAND INDIAN COMMUNITY**

**GAMING ORDINANCE**

Revised: August 4, 1992

*(Not Submitted)*



**PRAIRIE ISLAND INDIAN COMMUNITY**

**GAMING ORDINANCE**

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## **PRAIRIE ISLAND INDIAN COMMUNITY**

### **GAMING ORDINANCE**

#### **TITLE I. GENERAL PROVISIONS**

##### **Section 100. Short Title.**

This Ordinance shall be known and may be cited as the Prairie Island Indian Community Gaming Ordinance.

##### **Section 101. Findings and Intent.**

The Prairie Island Indian Community Council finds that:

- (a) The Community was organized by the membership to "form a more perfect union, develop our natural resources, insure our domestic tranquility, promote the general welfare, to enjoy certain rights of home rule, to provide education in schools of higher learning including vocational, trade, high schools, and colleges for our people, and to secure the opportunities offered us under the Indian Reorganization Act..." [Preamble to the Constitution and Bylaws of the Community].
- (b) The Prairie Island Indian Community desires to be self-sufficient in its internal affairs, as reliance upon federal and other resources has been adverse to the quality of life within this Community in both the present and the past.
- (c) Public gaming operations have been introduced to the Prairie Island Mdewakanton Sioux Community and it is of vital interest to the public health, safety, and welfare of the Prairie Island Mdewakanton Sioux people that the Community, instead of prohibiting public gaming operations, regulate public gaming in a manner commensurate with the interests of the Prairie Island Mdewakanton Sioux people.
- (d) By virtue of the treaties between the United States of America and the Prairie Island Mdewakanton Sioux and the statutes and court decisions of the United States, which together have established and maintained the doctrine of Indian sovereignty, there remains the federal guarantee of the perpetual integrity of the Prairie Island Mdewakanton Sioux Indian Community.

- (e) The Prairie Island Indian Community requires methods for establishing a base to generate revenues for self-perpetuation and essential governmental services.
- (f) The regulation of public gaming within the Prairie Island Indian Community is in the best interest of the Prairie Island Mdewakanton Sioux people.

Further, the Prairie Island Indian Community Council determines that the intent of this Ordinance is to:

- (g) Completely regulate and control gaming on trust lands located within the Prairie Island Mdewakanton Sioux Reservation, in compliance with applicable law;
- (h) Provide, through the revenue generated by and taxes levied on Community licensed gaming operations, a source of funding for tribal government operations and programs, and programs for the general welfare of the Community;
- (i) Foster a spirit of cooperation with the National Indian Gaming Commission in the regulation of Community gaming;
- (j) Protect gaming as a means of promoting tribal economic development; and
- (k) Ensure that Community gaming is conducted fairly and honestly by both the operator and the players as a genuine means of providing both recreation and entertainment, entirely free from organized crime and other corrupting influences.

#### Section 102. Definitions.

The following words and phrases when used in this Ordinance shall have the meanings respectively ascribed to them in this Section:

- (a) "Community" shall mean the Prairie Island "Mdewakanton Sioux" Indian Community, a federally recognized Indian tribe organized under Section 16 of the Indian Reorganization Act of 1934.
- (b) "Community council" or "Council" shall mean the governing body of the Community, duly elected in accordance with the provisions of the Constitution of the Community.
- (c) "Compact on video games of chance" shall mean that agreement concerning the operation of video games of chance, entered into in 1989, pursuant to Section 11 of the Indian Gaming Regulatory Act of 1988, between the Community and the State of Minnesota.

- (d) "Gambling equipment" shall mean bingo cards or sheets, devices for selecting bingo numbers, pull-tabs, jar tickets, paddlewheels and tipboards.
- (e) "Gaming" shall mean the act of paying for the opportunity and participation in a game or games of chance for money or something of value, where motor skills play no part or are of no consequence in determining the outcome of the game; to operate, carry on, conduct, maintain, or expose for play, money, property, or any representative of value wherein the outcome of a game is decided by chance or in which chance is a material element, but does not include social games played solely for consumable goods, i.e., foodstuffs or games played in private homes or residences for prizes or games operated by charitable and educational organizations which are approved by the Council.
- (f) "Gaming enterprise" shall mean any commercial business owned by the Community and operated, in part or in whole, for the conduct of bingo, the sale of pull tabs, gaming in general and the conduct of other games of chance, including video games of chance.
- (g) "Gaming operator" shall mean a person, organization or entity that conducts the management of gaming at a Community gaming enterprise; including an entity entering into a management contract with the Community or the Community itself or any subdivision thereof.
- (h) "Gaming test laboratory" shall mean, as contemplated by Section 6.1 of the Tribal-State Compact regarding Video Games of Chance, a laboratory agreed to and designated in writing by the Minnesota State Commissioner of Public Safety and the Community Council as competent and qualified to conduct scientific tests and evaluations of video games of chance and related equipment; a laboratory operated by or under contract with the states of Minnesota, or Nevada, or New Jersey, or South Dakota constitutes a designated gaming test laboratory.
- (i) "Indian Gaming Regulatory Act of 1988" shall mean the Act of the United States Congress adopted on October 17, 1988, as Public Law 100-497, 102 Stat. 2467, codified at 25 U.S.C. §2701 et seq.
- (j) "Key employees" shall mean persons who serve as the General Manager of a gaming enterprise, persons who have, alone or with others, the authority to sign checks or create or discharge financial obligations for a gaming enterprise, persons who have any contact with a money room of a gaming enterprise, and persons whose responsibilities include operation, management, maintenance or other substantial

*modified  
per 2/16/93  
definition.*

- contact of or with video games of chance or other gambling equipment.
- (k) "License" shall mean the permission by authority of the Council to do an act, which without such permission shall be illegal. License, with respect to real property of the Community, is a privilege to go on the premises for a certain purpose, but does not operate to confer on, vest in, or license any title, interest, or estate in such property.
- (l) "Licensee" shall mean any person, entity or organization granted a license pursuant to the provisions of this Ordinance.
- (m) "Management officials" shall mean any persons who have a direct financial interest in, or management responsibility for, a gaming enterprise, and in the case of a corporation, shall include those individuals who serve on the board of directors of such corporation and each of its stockholders who hold, directly or indirectly, 10 percent or more of its issued and outstanding stock. *modified per 1988 act*
- (n) "Other compacts" shall mean such agreements as may in the future be entered into between the Community and the State of Minnesota, governing Class III gaming, as that term is defined by the Indian Gaming Regulatory Act of 1988, codified at 25 U.S.C. §2703(8).
- (o) "Other games of chance" shall mean games similar to traditional bingo in which prizes are awarded on the basis of a designated winning number or numbers, color or colors, symbol or symbols determined by chance. Such games may be played using pull tabs, raffles, paddlewheels, tipboards, punchboards, tip jars, paddlewheels, gaming tables, tokens, satellite television transmission, but shall not include video games of chance defined herein; or shall have the same meaning as the term Class II gaming as defined by the Indian Gaming Regulatory Act of 1988, codified at 25 U.S.C. §2703(7)(A). Any game of chance which is not prohibited by the criminal laws of the State of Minnesota, or is subject to permissive regulation pursuant to Minnesota law, chapter 349 or successor legislation shall be included in this definition.
- (p) "Shall" is used in this Ordinance as imposing an obligation to act.
- (q) "Traditional bingo" shall mean that game in which each player is supplied a card or board containing five adjoining horizontal and vertical rows with five spaces in each row each containing a number or figure therein and the word "free" marked in the center space thereof, or in which such

a card or board is represented on a video screen. Upon announcement by the person conducting the game or the appearance on the video screen of any number or figure appearing on the player's card or board, the space containing said figures or number is covered by the player. When the player shall have covered all five spaces in any horizontal and vertical row, or shall have covered four spaces and the "free" space in a five space diagonal row, or shall have covered the required combination of spaces in some other preannounced pattern or arrangement, such combination of spaces covered shall constitute "bingo." The player or players to first announce "bingo" are awarded money, merchandise, or some other consideration by the person or persons conducting the game.

- (r) "Video game of chance" shall mean electronic or electromechanical video devices that simulate games commonly referred to as poker, blackjack, craps, hi-lo, roulette line-up symbols and numbers, or other common gambling forms, which are activated by the insertion of a coin, token, or currency, and which award game credits, cash, tokens, or replays, and contain a meter or device to record unplayed credits or replays; or otherwise shall have the same meaning as the term Class III gaming as defined by the Indian Gaming Regulatory Act of 1988, codified at 25 U.S.C. §2703(8).

#### **Section 103. Effect of Headings.**

Article and section headings contained herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning, or intent or the provisions of any article or section of this Ordinance.

#### **Section 104. Civil Penalty Provisions.**

It shall be a civil violation of the laws of the Prairie Island Indian Community to violate the provisions of this Ordinance, any regulations promulgated by the Council or any proper order issued under the authority of this Ordinance. Any person or licensee so violating such authority shall be fined not more than One Thousand Dollars (\$1,000.00) or by suspension of license for a period not to exceed one year, or by both such fine and suspension or other penalty alternative under Community law, including revocation; a show cause hearing pursuant to Section 208 shall be afforded by the Council to any person subject to such civil penalty prior to any final determination to impose any civil penalty.

**Section 105. Liberal interpretation.**

The provisions of this Ordinance, being necessary for the welfare of the Community and its members, shall be construed liberally to effect the purpose and objective hereof.

**Section 106. Severability.**

The provisions of this Ordinance are severable; and if any part or provision hereof shall be held void by tribal or federal court or federal agency, the decision of the court or agency so holding shall not affect or impair any of the remaining provisions of the Ordinance.

**Section 107. Implementation.**

It being immediately necessary for the preservation of the public peace, health, and safety of the Tribe and its members, this Ordinance shall take effect and be in full force from and after its approval and passage.

**Section 108. Amendment.**

This Ordinance may be amended only by majority vote of the Community Council.

**TITLE II. DEVELOPMENT, ADMINISTRATION, AND ENFORCEMENT****Section 200. Community Council Authority Over Community Gaming.**

In order to provide for the orderly development, administration, and regulation of tribal gaming, the Community Council shall exercise its authority as the duly elected governing body of the Community over the regulation of any gaming activity on the Prairie Island Indian Community Reservation in compliance with the provisions of this Ordinance.

**Section 201. Conflict of interest.**

Any Council member, or employee of the Council or any member of his/her family living with him/her may not have a financial interest in any gaming business or enterprise, or in any gaming contractor, or accept any gift or thing of value from a gaming contractor. Nothing in this Section shall prohibit a Council member or other person subject to this Section from having a financial interest in any gaming business or enterprise operating pursuant to the provisions of this Ordinance as would any member of the Community if entitled to such interest as a Community



member, including any per capita payments derived from profits made by any gaming business or enterprise operating pursuant to the provisions of this Ordinance.

#### **Section 202. Council Duties.**

- (a) The Council shall be charged with the responsibility of administering and enforcing the provisions of this Ordinance.
- (b) It shall be the responsibility of the Council to promulgate regulations, if necessary, to administer the provisions of this Ordinance. These duties involved in the administration of this Ordinance shall include but not be limited to the following:
  - (1) Printing and making available application forms for initial and renewal licenses, as well as any other necessary licenses and to make available the licenses themselves;
  - (2) Supervising the collection of all fees and all applicable taxes;
  - (3) Processing all gaming license applications;
  - (4) Issuing licenses and notifying the National Indian Gaming Commission of such issuances as required by the Indian Gaming Regulatory Act;
  - (5) Determining applicable license fees;
  - (6) Providing for outside independent audits of all gaming activity licensed pursuant to the provisions of this Ordinance and providing those audits to the National Indian Gaming Commission or other regulatory agency until the Commission commences its duties;
  - (7) Reviewing all gaming operation contracts, records, documents, and anything else necessary and pertinent to the financial accountabilities of licensees or enforcement of any provision of gaming operating contracts, agreements, this, and related ordinances;
  - (8) The Council shall have the power and authority to deny any application, to limit, condition, suspend, or restrict any license, making a finding of suitability or approval of the license or a finding of suitability or approval of or the imposition of a fine upon any person licensed for any cause deemed reasonable by the Council;

- (9) The performance of any other duties required in the Ordinance or any amendments thereto or other duties which may hereafter be specified by the Council;
- (10) Employing legal counsel;
- (11) Defending this Ordinance in any court of law or before any federal agency;
- (12) Conduct or have conducted background investigations on all primary management officials and key employees of the involved gaming enterprise, and maintain ongoing oversight of such management and key employees;
- (13) The Council shall propose an annual budget for operations pursuant to the provisions of this Ordinance.

### Section 203. Power of Council.

The Council may exercise any proper power and authority necessary to perform the duties assigned by this Ordinance and is not limited by any enumeration of powers in this chapter.

### Section 204. Plan of organization.

The Council may organize any functional committees or divisions as may be necessary and may from time to time alter such plan of organization as may be expedient.

### Section 205. Notice of Amendment.

In adopting, amending, or repealing any provision under this Ordinance, the Council shall give prior notice of the proposed action to all licensees and other persons whom the Council have reason to believe have a legitimate and bona fide interest in such proposed action.

### Section 206. Hearing.

The Council shall afford an applicant for a license an opportunity for a hearing prior to a final action denying such application and shall afford a licensee or any other person(s), subject to this Ordinance, the opportunity for a hearing prior to taking final action resulting in terminating, revoking, suspending, or limiting a license or any other adverse action the Council deems appropriate, provided, that the Council may summarily suspend temporarily or extend suspension of a license for Thirty (30) days in those cases where such action is deemed appropriate by the Council. ~~In making a determination regarding suspension or the extending of a suspension, the Council will act~~

to protect public health, welfare or safety or to protect the integrity of the games. In cases where a license is suspended prior to a hearing, an opportunity for a hearing shall be provided.

#### **Section 207. Council findings.**

Whenever upon specific factual finding the Council determines that any person has failed to comply with the provisions of this Ordinance or any regulation promulgated hereunder, the Council shall make a certification of findings with a copy thereof to the subject or subjects of that determination. After five (5) days notice and within Ninety (90) days thereof the Council shall hold a hearing, at which time the subject shall have an opportunity to be heard and present evidence.

#### **Section 208. Show Cause Hearing.**

At such hearing it shall be the obligation of the subject to show cause why the determination is incorrect; why the application in question should not be denied; why the license, or licenses, in question should not be revoked or suspended; why the period or suspension should not be extended; to show cause why special conditions or limitations upon a license should not be imposed; or to show cause why any other action regarding any other person or persons subject to any action should not be taken. At such hearing, the subject shall be allowed to have access to evidence upon which any determination is made and to confront witnesses.

#### **Section 209. Council determination.**

Following such hearing the Council shall, within seven (7) days, reach a determination concerning the accuracy of the preliminary certification of facts and whether the license in question should be granted, continued, suspended, revoked, conditioned, or limited and whether or not any other action recommended to or by the Council (including, but limited to, forfeitures or fines) should be taken.

#### **Section 210. Written determination provided.**

Within three (3) days following this determination the Council shall inform the subject in writing of that determination.

#### **Section 211. Sanctions.**

Any person who engages in activities on property subject to the provisions of this Ordinance without a license in violation of the terms imposed thereon, in violation of terms of suspension, or in violation of any other provision of this Ordinance, regulations promulgated hereunder, or amendments thereto shall be

in violation of the Ordinance, including any person who unlawfully trespasses upon any premises licensed by this Ordinance without the consent of the licensee and/or the Council. Separate violations shall be prosecuted as separate offenses before the Council or other Community judicial body, or other judicial body as the case may be. Each day of violation shall constitute a separate count or violation of this Ordinance. A violator shall also be required to pay court costs, storage fees, and auction or sales fees. All property used in each and every separate violation of this Ordinance may become the property of the Community. All property used in each and every separate violation of this Ordinance may be subject to forfeiture following a hearing pursuant to Sections 206 and 208. Persons may be prohibited from trespassing on premises licensed under this Ordinance; and licenses may be suspended, revoked, or limited and/or establishments may be foreceably closed. All such action shall be taken at the discretion of the Council. Winnings found to have been received in violation of this Ordinance are forfeited and become the property of the Community, following a hearing pursuant to Sections 206 and 208.

**Section 212. No limitation on the number of gaming enterprises.**

Nothing in this Ordinance shall limit the number of gaming operators the Council can license pursuant to the provisions of this Ordinance to conduct gaming on the Prairie Island Indian Community Reservation.

**TITLE III. LICENSING**

**Section 300. License required.**

Any person, organization or entity (including management officials and key employees), on behalf of the Community, conducting a public gaming enterprise pursuant to the provisions of this Ordinance, on property within the exterior boundaries of the Prairie Island Indian Community Reservation and/or which is subject to the jurisdiction of the Community, or any person, organization or entity selling, leasing or otherwise distributing gambling equipment or video games of chance to the Community, shall be required to have and display prominently, or display upon request, an appropriate, valid, and current Community public gaming license issued pursuant to the provisions of this Ordinance. Any other forms of public gaming operations being conducted within the jurisdiction of the Community without the lawful written approval Council are prohibited.

**Section 301. Application necessary.**

Except as provided for in Section 307, all persons or organizations who may seek to engage in public gaming activities within the jurisdiction of the Community must apply for the appropriate license at least Thirty (30) days prior to the scheduled activities or as otherwise allowed in the discretion of the Council.

**Section 302. Application for gaming enterprise.**

The application for any gaming enterprise made by the proposed gaming operator for that gaming enterprise shall contain the following information:

- (a) the name and address of the gaming operator;
- (b) the name(s) and address(es) of all interested parties (including those with direct or indirect financial interests) and their interest and connection with the applicant;
- (c) the name and location of the gaming enterprise for which the gaming operator license is being sought, the number and types of games to be played, a detailed plan of any proposed construction with an environmental impact study, the number of planned employees, and a business plan which includes a pro-forma projection;
- (d) explicit and detailed information of any criminal record of any party of interest whose name appears on the application to determine whether any party of interest:
  - (1) has committed a felony or gaming offense in any jurisdiction;
  - (2) has engaged in prior activities or maintains habits or associations affecting his present conduct which would:
    - (i) pose a threat to the public and Community interests;
    - (ii) threaten the effective regulation and control of Community gaming;
    - (iii) enhance the dangers of unsuitable, unfair, or illegal methods, or activities in the conduct of gaming.

- (3) the name and address of all proposed or actual ancillary contractors who provide supplies, services, concessions or property to the proposed gaming operator;
- (4) the social security number(s) of all parties of interest whose name appears on the application;
- (5) a description of any previous experience which the proposed operator has had with the gaming industry generally, and Indian gaming in particular, including specifically the name and address of any licensing or regulatory agency with which such applicant has had contact relating to gaming;
- (6) a financial statement of the applicant;
- (7) any additional information as may be deemed necessary by the Council.

**Section 303. Application and Investigation Report for primary management officials and key employees.**

- (a) The license application for primary management officials and key employees of any gaming operator of the Community shall contain:
  - (1) The following statement:

In compliance with the Privacy Act of 1974, the following information is provided. Solicitation of the information on this form is authorized by 25 U.S.C. §2701 et seq. The purpose of the requested information is to determine the eligibility of individuals to be employed in a gaming operation. The information will be used by National Indian Gaming Commission members and staff who have need for the information in the performance of their official duties. The information may be disclosed to appropriate Federal, Tribal, State, local, or foreign law enforcement and regulatory agencies when relevant to civil, criminal or regulatory investigations or prosecution or when pursuant to a requirement by the Prairie Island Community Council or the National Indian Gaming Commission in connection with the hiring or firing of an employee, the issuance or revocation of a gaming license,

or investigations of activities while associated with the Prairie Island Community Council or a gaming operation. Failure to consent to the disclosures indicated in this notice will result in the Prairie Island Mdewakanton Sioux Community being unable to hire you in a primary management official or key employee position. The disclosure of your Social Security Number (SSN) is voluntary. However, failure to supply a SSN may result in errors in processing your application.

(2) The following notice:

A false statement on any part of your application may be grounds for not hiring you, or for firing you after you begin work. Also, you may be punished by fine or imprisonment (18 U.S.C. §1001).

- (3) The full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender, all languages (spoken or written);
- (4) For the previous 5 years: Business and employment positions held, ownership interest in those businesses, business and residence addresses, and drivers license numbers;
- (5) The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under paragraph (4) of this Section;
- (6) Current business and residence telephone numbers;
- (7) A description of any previous business relationships with Indian tribes, including ownership interests in those businesses;
- (8) A description of any previous business relationships with the gaming industry generally, including ownership interests in those businesses;
- (9) The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;

- (10) For each felony for which there is an ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date of disposition;
  - (11) For each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic violations) within 10 years of the date of the application, the name and address of the court involved and the date and disposition;
  - (12) The name and address of any license or regulatory agency with which the person has filed an application for an occupational license or permit, whether or not such license or permit was granted;
  - (13) A photograph;
  - (14) A financial statement; and
  - (15) Any additional information, including the fingerprints of the applicant, as may be determined by the Prairie Island Community Council.
- (b) The Prairie Island Community Council shall conduct an investigation sufficient to make a determination that employment of a person under investigation poses/does not pose a threat to the public interest or to the effective regulation of gaming, or creates or enhances the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming. In conducting a background investigation, the Prairie Island Community Council or its agents shall promise to keep confidential the identity of each person interviewed in the course of the investigation.
- (c) If the National Indian Gaming Commission and the Prairie Island Community Council possess an investigative report for an employee, the Prairie Island Community Council may update that report instead of performing an entirely new investigation.

**Section 304. Report to National Indian Gaming Commission (Commission) for Class II and Class III gaming applications and investigation reports for key employees and primary management officials.**

- (a) When the Prairie Island Community Council employs a primary management official or a key employee, the Prairie Island Community Council shall forward to the Commission a completed application and investigation report containing the information listed under Section 303 of this Ordinance.



- (b) Before issuing a license to a primary management official or to a key employee, the Prairie Island Community Council shall forward to the Commission an investigative report on each background investigation. An investigative report shall include all of the following:
- (1) Steps taken in conducting a background investigation;
  - (2) Results obtained;
  - (3) Conclusions reached; and
  - (4) The bases for those conclusions.
- (c) When the Prairie Island Community Council forwards a report to the Commission, it shall include a copy of the determination that the potential employee did not pose any threat defined in Section 303(b).

**Section 305. Licensing requirements and procedures for primary management officials and key employees.**

In addition to the requirements of Section 300, the following procedures must be performed before a primary management official or a key employee may be licensed.

- (a) An authorized tribal official shall make a finding concerning the eligibility of a key employee or a primary management official for employment in a gaming operation. If an authorized tribal official, in applying the standards adopted in this Ordinance, determines that employment of a person under investigation poses a threat to the public interest or to the effective regulation of gaming, or creates or enhances the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming, a management contractor or a tribal gaming operation shall not employ that person in a key employee or primary management official position.
- (b) When a key employee or management official begins work at a gaming operation, the Prairie Island Community Council shall:
- (1) Forward to the Commission a completed application for employment that contains the information listed in Section 303 of this Ordinance; and
  - (2) Conduct a background investigation under Section 303 of this Ordinance to determine the eligibility of the employee for continued employment in a gaming operation.

- (c) Upon completion of a background investigation and a determination of eligibility for employment in a gaming operation under paragraph (b)(2) of this Section, the Prairie Island Community Council shall forward a report under Section 304 (b) to the Commission within 60 days after an employee begins work. A gaming operation shall not employ a person as a key employee or primary management official who does not have a license after 90 days .
- (d) During a 30-day period beginning when the Commission receives a report submitted under paragraph (c) of this Section, the Chairman of the Commission may request additional information from the Prairie Island Community Council concerning an employee who is the subject of such a report. Such a request shall suspend the 30-day period until the Chairman receives the additional information.
- (e) If, at the conclusion of the 30-day period described under paragraph (d) of this Section, the Commission has not notified the Prairie Island Community Council that it has any objections, the Prairie Island Community Council may issue the license, pursuant to Section 306 of this Ordinance.

**Section 306. Granting licenses to key employees and primary management officials.**

At the end of the 30-day period described under paragraph (d) of Section 305 of the Ordinance, or upon receipt of the Commission's report described under paragraph (e) of Section 305, the Prairie Island Community Council shall:

- (a) Grant a gaming license to a primary management official or a key employee who is eligible for continued employment in a gaming operation; or
- (b) Terminate the employment of an employee as a key employee or a primary management official.

**Section 307. License suspension for primary management officials and key employees.**

- (a) If, after the issuance of a gaming license, the National Indian Gaming Commission receives reliable information indicating that an employee is not eligible for employment under Section 303 (b) of this Ordinance, the Commission shall notify the Prairie Island Community Council.

- (b) Upon receipt of such notification under paragraph 307(a), the Prairie Island Community Council shall suspend such license and shall notify the licensee in writing of the suspension and the proposed revocation.
- (c) The Prairie Island Community Council shall notify the licensee of a time and a place for a hearing on the proposed revocation of her/his license.
- (d) After a revocation hearing, the Prairie Island Community Council shall decide to revoke or to reinstate a gaming license. The Prairie Island Community Council shall notify Commission of its decision.

**Section 308. Notice to existing key employees and management officials.**

- (a) The Prairie Island Community Council shall notify existing key employees and primary management officials in writing that they shall either:
  - (1) Complete a new application form that contains the Privacy Act notice at Section 303 (a)(1) of this Ordinance; or
  - (2) Sign a statement that contains the Privacy Act notice (at Section 303 (a)(1) of this Ordinance) and consent to the routine uses described in that notice.
- (b) The Prairie Island Community Council shall also notify existing key employees that they shall either:
  - (1) Complete a new application form that contains the notice regarding false statements contained in Section 303 (a)(2) of this Ordinance; or
  - (2) Sign a statement that contains the notice regarding false statements (at Section 303 (a)(2) of this Ordinance).

**Section 309. Retention of applications for employees of a gaming operation other than key employees and primary management officials.**

The Prairie Island Community Council shall retain applications for employment and reports (if any) of background investigations for inspection by the Chairman of the National Indian Gaming Commission or her or his designee for at least the term of employment but in no event less than three (3) years from the date of hire.

**Section 310. Application for distributors of video games of chance and gambling equipment.**

The application for any person, organization or entity wishing to sell, lease or otherwise distribute gambling equipment and/or video games of chance to the Community shall contain the following information:

- (a) the name(s) and mailing address of the person or entity making the application;
- (b) the names and addresses of all interested parties (including those with direct or indirect financial interests) and their interest and connection to the applicant;
- (c) the nature of the license applied for; the type of activity to be engaged in under the license;
- (d) explicit and detailed disclosure of any criminal record, including any delinquent taxes owed to the State of Minnesota, of the applicant, any person involved in the organization, and any party of interest whose name appears on the application;
- (e) any additional information necessary to allow the Community or the State of Minnesota to investigate the applicant or any person included on the application;
- (f) whether the applicant has been properly licensed by the State of Minnesota pursuant to Minnesota Statute Section 349.151; and proof of being the holder of a current and valid distributor or manufacturer license from the State of Minnesota; or properly licensed and holding a current and valid license from either the State of New Jersey, or Nevada, or South Dakota;
- (g) whether the applicant has ever had a distributor or manufacturer license revoked or suspended by the state that issued the license and, if so, the circumstances surrounding the state's action;
- (h) a statement of waiver allowing the Community and the State of Minnesota to conduct a background investigation of the applicant and any person whose name is required to appear on the application;
- (i) whether the applicant or any person whose name is required to appear on the application maintains any involvement in the business of wholesale distribution of alcoholic beverages.

**Section 311. Machine licenses.**

In addition to a distributor license provided for in Section 303, the person or entity with whom the Community enters into a lease or sales agreement regarding video games of chance must obtain from the Council an annual non-transferable license for each video game of chance to be placed in a gaming enterprise operating under the provisions of this Ordinance.

- (a) An application for a license for a video game of chance shall contain the following information:
  - (1) the name and address of the applicant with proof of a current and valid distributor or manufacturer license issued by a state and the Community;
  - (2) identification numbers or codes for each video game of chance placed in a Community gaming enterprise, including the manufacturer, the serial number and the model number;
  - (3) proof of approval and certification of the machine by an approved gaming test laboratory or proof that the video game of chance conforms precisely to the exact specifications of the video game of chance prototype tested and approved by the gaming test laboratory;
  - (4) all other information as required by the Tribal-State Compact on Video Games of Chance;
  - (5) proof of a current and valid video game of chance license issued by the State of Minnesota pursuant to Minnesota Statute Section 349.52.
- (b) Upon issuance, the Council shall have attached to each video game of chance licensed under the provisions of this Ordinance, an unremovable identification plate on the exterior cabinet which contains the information as required by the Tribal-State Compact on Video Games of Chance.

**Section 312. Classes of Licenses.**

Upon proper application and approval, the following classes of licenses may be issued by the Council:

- (a) Class A license for a gaming enterprise in which a gaming operator wishes to conduct traditional bingo and other games of chance at a Community gaming enterprise; the license shall be site specific, valid for a period of one year and shall have an application fee of \$500.00;

- (b) Class B license for a gaming enterprise in which a gaming operator wishes to conduct video games of chance or other gaming subject to other compacts at a Community gaming enterprise; the license shall be site specific, valid for a period of one year and shall have an application fee of \$500.00;
- (c) Class C license to any management official or key employee of either a gaming operator or the Community; the license shall be valid for a period of one year and shall have an application fee of \$30.00; and a Class C-1 license to any other employee, not licensed as a management official or key employee, of a gaming operator or the Community employed in a gaming enterprise licensed under the provisions of this Ordinance; the license shall be valid for a period of one year and shall have an application fee of \$10.00;
- (d) Class D license to any distributor or manufacturer of gambling equipment and/or video games of chance to be used in a Community gaming enterprise; the license shall be valid for a period of one year and shall have an application fee of \$500.00;
- (e) Class E license for each video game of chance to be used in a Community gaming enterprise; the license shall be valid for a period of one year and shall have the fee of \$10.00.

### Section 313. Fraud on application.

It shall be unlawful for any applicant to lie or willfully deceive in the submission of a license application. The penalty for fraud on application is revocation of the license following a hearing pursuant to Sections 206 and 208. The penalty also includes relevant sanctions pursuant to Section 211.

### Section 314. Exemptions.

- (a) The following activities are not public gaming operations under the terms of this Ordinance and, therefore, do not require a license under this title:
  - (1) Gaming not for gain. Gaming in which no cash or valuable prizes are won, other than "points" for cumulative competitive ratings or "places" for immediate competitive rankings, is not subject to the provisions of this Ordinance. However, gaming for gain which is conducted by a non-profit organization is subject to the requirements of this Ordinance if cash or valuable prizes are awarded. "Valuable prize" means an object or service worth One Hundred Dollars (\$100.00) or more in fair market value.

- (2) Traditional Indian Gaming. Traditional Indian gaming activity, in the nature of hand games, are not subject to the provisions of this Ordinance. The Council is hereby authorized to determine on a case-by-case basis, upon request, whether a particular traditional gaming activity qualifies for the exemption.
- (b) The existing gaming enterprise known as Treasure Island Bingo & Casino shall be automatically licensed with the adoption of this Ordinance; such gaming enterprise is issued a Class A license and Class B license with a waiver of any application fee; such licenses shall be renewed each year with a waiver of any fee until otherwise provided by Council resolution and amendment to this Ordinance.

#### **Section 315. License Renewal.**

Every licensee intending to continue engaging in public gaming activities within the Prairies Island Indian Community Reservation during the next calendar year shall apply for renewal of the license at least thirty (30) days prior to the end of the previous license period.

#### **Section 316. License display.**

Every licensed gaming operator shall display in a prominent place a current and valid Prairie Island Indian Community license for that location.

#### **Section 317. Requirements to maintain license.**

- (a) Change in location. When a licensee changes a location of public gaming activities within the Prairie Island Indian Community Reservation, the Council shall, after notification by the licensee or such changes, issue a corrected license for the balance of the current period reflecting the new address upon reasonable proof of change of address and without imposition of an additional license fee.
- (b) It shall be unlawful for any licensee to fail to notify the Council of any new prospective key employee, new ancillary contractor, or new operator. The Council shall investigate and provide approval or disapproval of the new key employee, contractor, or operator within thirty (30) days. Any information received by the Council shall be confidential.
- (c) It shall be unlawful for any licensee to begin the employment of a new ~~key employee or primary management official~~, begin the performance of any new contract or begin the control of any new operator without the approval of the Council.

- (d) It shall be unlawful for any person to possess a firearm or dangerous weapon on a premises where licensed gaming is allowed, with the exception of licensed firearms for the maintenance of order, firearms possessed by duly authorized peace officers, and firearms maintained by the licensee for protection of himself, his agents, and invitees.
- (e) It shall be unlawful for a licensee to engage in pawnbroking or to take goods or materials in hock or to lend money or engage in similar activity with indigent persons solely for the purpose of enabling the indigent person to gamble.
- (f) A licensee is required to, during normal business hours, maintain his premises open for inspection by the Council or its agents or any other authorized government agency and keep its books and financial records open for similar inspection.
- (g) Licensed gaming operators and tribal gaming operators must produce at a player's request, losing tickets, copies of cancelled checks or other evidence of loss acceptable to the Internal Revenue Service if requested by the player or contestant at the time the player or contestant buys a ticket or chance or otherwise enters the game.
- (h) The Council shall by regulation impose the following additional requirements:
  - (1) A determination of whether and in what manner rules of play must be posted for each type of licensed gaming;
  - (2) The maximum prize, pot or bet limit, if any, that shall be offered any type of gaming;
  - (3) Rules for the particular conduct of any type of licensed gaming should the Council deem that such rules are necessary for the proper conduct of gaming;
  - (4) Any other regulation controlling licensed gaming which is deemed necessary by the Council.

### Section 318. Fees.

Each application for an initial or renewal license shall be accompanied by payment of the license fee. The Council's determination of the license fee properly owed under this Ordinance shall be final. This fee is imposed for the revocable privilege of being licensed to engage in public gaming activities within the jurisdiction of the Community.



**Section 319. Non-transferability.**

The license issued pursuant to the provisions of this Ordinance is valid only for the person(s) or organization(s) at the place of business shown on the face thereof. It is not assignable or otherwise transferable to any other person or organization or for any other location without the written approval of the Council.

**Section 320. Payment of license fees.**

All license fees issued under authority of the Community Council shall be paid to the Treasury of the Community.

**Section 321. License as a revocable privilege.**

The public gaming operations license is a revocable privilege, and no holder thereof shall be deemed to have a part in any vested rights therein or thereunder. The burden of proving qualifications to hold any license rests at all times in the licensee. The Council is charged by law with the duty of continually observing the conduct of all licensees to the end that licenses shall not be held by unqualified or disqualified persons or unsuitable person or persons whose operations are conducted in an unsuitable manner.

**Section 322. Violations.**

Violation of any provision of this Ordinance or any of the Council's Regulations by a licensee, his agent, or employee shall:

- (a) be deemed contrary to the public health, safety, morals, good order, and general welfare of the Community and its members;
- (b) be grounds for refusing to grant or renew a license, or for suspension or revocation of a license;
- (c) be grounds for the filing of criminal charges and/or a civil action in a court of competent jurisdiction on behalf of the Council; and
- (d) be grounds for immediate revocation of license in the case of a licensee being convicted of a felony.

Acceptance of a license or renewal thereof or condition imposed thereon by a licensee constitutes agreement on the part of the licensee to be bound by all the regulations and/or conditions of the Council and by the provisions of this Ordinance as the same are now or may hereafter be amended or promulgated. It is the responsibility of the licensee to keep him/herself informed of

the contents of all such regulations, provisions, and conditions, and ignorance thereof will not excuse the violations.

## **TITLE VI. RULES OF GENERAL APPLICABILITY**

### **Section 400. Rules of gaming operation.**

Each licensee operating a gaming enterprise under a license issued pursuant to the provisions of this Ordinance shall prominently display in writing all rules and regulations pertaining to all gaming activity, including but not limited to traditional bingo, other games of chance and video games of chance, near the specific location where such gaming activity is conducted; or shall make available a written list of all such rules and regulations to any person making a request for such.

Each gaming operator licensed under the provisions of this Ordinance shall utilize gaming rules and regulations that are in compliance with the laws of the Community, the State of Minnesota, and the United States of America, any compact on video games of chance or other compacts and specifically the Indian Gaming Regulatory Act of 1988.

### **Section 401. Video Games of Chance.**

The following requirements shall apply to management and conduct of all video games of chance within any gaming enterprise licensed pursuant to the provisions of this Ordinance.

- (a) Licensing of manufacturers; no gaming enterprise may own, lease, or operate video games of chance that have been manufactured by a manufacturer that has not received a license from the Council pursuant to the provisions of Title III of this Ordinance. The Council shall issue licenses only to manufacturers of video games of chance holding a valid license from the State of Minnesota, or the State of New Jersey, or the State of Nevada, or the State of South Dakota.
- (b) Licensing of distributors; no gaming enterprise may own, lease, or operate video games of chance that have been distributed by a distributor that has not received a license from the Council pursuant to the provisions in Title III of this Ordinance. The Council shall issue licenses only to distributors of video games of chance holding a valid license from the State of Minnesota, or the State of New Jersey, or the State of Nevada, or the State of South Dakota.

- (c) Suspension, revocation, or non-renewal of manufacturer or distributor license; in the event that the State of Minnesota, or the State of New Jersey, or the State of Nevada, or the State of South Dakota, suspends, revokes, or refuses to renew a license of a manufacturer or distributor of video games of chance similarly licensed by the Council, such action shall be grounds for similar action by the Council, which shall suspend, revoke, or refuse to renew the license issued by the Council to such manufacturer or distributor.
- (d) Technical standards: testing and approval of video games of chance; no video game of chance may purchased, leased or otherwise acquired by a gaming enterprise unless:
- (1) the video game of chance is purchased, leased, or acquired from a manufacturer or distributor licensed to sell, lease, or distribute video games of chance by the Council pursuant to the provisions of this Ordinance; and
  - (2) the video game of chance, or a prototype thereof, has been tested, approved or certified by a gaming test laboratory as meeting all requirements and standards of the compact on video games of chance or other compacts.
- (e) Compliance with the compact on video games of chance and other compacts: any gaming activity involving video games of chance shall be conducted in strict compliance with the compact on video games of chance and any other compacts.

#### **Section 402. Restrictions for gaming enterprises.**

Each licensee operating a gaming enterprise under a license issued pursuant to the provisions of this Ordinance must at all times observe the following restrictions on gaming activities:

- (a) No credit extended: all gaming shall be conducted on a cash basis. Except as herein provided, no person shall be extended credit for gaming by any gaming enterprise. This restriction shall not apply to credits won by players who activate play on video games of chance after inserting coins or currency into the game, and shall not restrict the right of a gaming enterprise to offer check cashing or to install or accept bank card or credit card transactions in the same manner as would be normally permitted at any retail business within the State of Minnesota.
- (b) Minimum age for players: no person below the age of eighteen (18) years on the date of gaming shall be permitted to participate in the gaming in any gaming enterprise

licensed under the provisions of this Ordinance. If any person below the age of eighteen (18) years plays and otherwise qualifies the win any prize, the prize shall not be paid, and the estimated amount wagered during the course of the game shall be returned to the player.

- (c) Prohibition on alcohol: no gaming enterprise shall allow to be sold or otherwise make available any beverage containing alcohol including, but not limited to, beer or liquor at the gaming enterprise location.
- (d) Prohibition on firearms: no firearms or airguns which are capable of discharging dangerous projectiles or gases including, but not limited to, "bb's" or CO<sup>2</sup> guns, rifles, shotguns, pistols, or revolvers, shall be allowed on the premises except as permitted for security by an employed security force or other city, state, or federal law enforcement officers in the course of their official duties.

## TITLE V. INDIAN GAMING REGULATORY ACT

### **Section 500. Policy.**

It shall be the policy of the Community to fully comply with all applicable U.S. federal law, to include the provisions of the Indian Gaming Regulatory Act (25 U.S.C. §2701 et seq.), and the Tribal-State Compact on Video Games of Chance and other Compacts, if any, in the conduct of all gaming activity within the jurisdiction of the Community.

### **Section 501. Proprietary Interest.**

The Prairie Island Indian Community shall have the sole proprietary interest and responsibility for the conduct of any gaming activity, Class II or Class III, as those terms are defined by the Indian Gaming Regulatory Act of 1988, 25 U.S.C. §2703(7), (8) within the jurisdiction of the Community.

### **Section 502. Net Revenues.**

Net revenues derived from gaming activity shall be utilized for the following purposes:

- (a) To fund Community government operations or programs;
- (b) To provide for the general welfare of the Community and its members;
- (c) To promote Community economic development;

- (d) To donate to charitable organizations; or
- (e) To help fund operations of local government agencies.

#### **Section 503. Per capita payments.**

Net revenues from any Class II gaming activity (as defined by the Indian Gaming Regulatory Act, 25 U.S.C. §2703) may be used to make per capita payments to Community members only if the following conditions are first met:

- (a) The Community has prepared an adequate plan for allocation of net revenues as described above in Section 502, which plan has been approved by the Secretary of Interior or his authorized delegee;
- (b) In the event of a per capita distribution, the interests of affected minors and other legally incompetent persons entitled to such per capita payments are adequately protected and preserved, under a plan approved by the Council and by the Secretary of the Interior or his authorized delegee; and
- (c) The recipients of the said per capita payments are properly notified by the Community that the payments are subject to federal taxation.

#### **Section 504. Licensee standards.**

It is the further duty of the Council to develop standards whereby any person whose prior activities, criminal record, if any, or reputation, habits or associations pose a threat to the public interest or to the effective regulation of the gaming activity contemplated herein, or create or enhance the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming shall not be eligible for employment by any gaming activity licensed by the Council. The Council shall conduct background investigations on primary management officials and key employees of all gaming activity. The results of such background checks shall be supplied to the National Indian Gaming Commission prior to the issuance of any gaming license.

#### **Section 505. Contracts.**

All contracts for supplies, services, or concessions for a contract amount in excess of Twenty-five Thousand Dollars (\$25,000.00) annually (except for contracts for professional legal or accounting services) relating to Class II gaming (as

defined by the Indian Gaming Regulatory Act, 25 U.S.C. §2703) shall be subject to the outside independent audits provided for in Title II, ~~Section 202(6)~~ of this Ordinance.

#### Section 506. Protections.

It is the further duty of the Council to ensure that any construction and maintenance of any gaming facility licensed by the Council, and the operation of the gaming activity therein shall be conducted in a manner which adequately protects the environment and the public health and safety.

#### Section 507. Licenses for continuing operations.

No licenses will be issued to allow the continuing operation of individually owned gaming establishments since none were in operation on September 1, 1986.

#### Section 508. Tribal Self-Regulation.

It is the intent of the Community to request a hearing before the National Indian Gaming Commission for the issuance of a certificate of self-regulation. In anticipation of being self-regulating, the Community ensures that it will:

- (a) conduct its gaming activity in a manner which:
  - (1) has resulted in an effective and honest accounting of all revenues;
  - (2) has resulted in a reputation for safe, fair, and honest operation of the activity; and
  - (3) has been generally free of evidence of criminal or dishonest activity;
- (b) adopt and implement adequate systems for:
  - (1) accounting for all revenues from license gaming activity;
  - (2) investigation, licensing, and monitoring of all employees of the gaming activity; and
  - (3) investigation, enforcement and prosecution of violations of this Ordinance and regulations; and
- (c) conduct all gaming operations on a fiscally and economically sound basis.

Handwritten notes: "No license" with an arrow pointing to the text above, and "Section 508" written vertically.

**Section 509. Management agreements.**

All management agreements entered into by the Community, if any, shall comply with all the applicable provisions of the Indian Gaming Regulatory Act, 25 U.S.C. §2711.

**Section 510. Internal Revenue Code.**

All applicable Internal Revenue Code provisions concerning reporting and withholding of taxes with respect to the winnings from gaming shall be adhered to.

Prairie Island

Revised

**Section 303. Application and Investigation Report for primary management officials and key employees.**

(a) The license application for primary management officials and key employees of any gaming operator of the Community shall contain:

(1) The following statement:

In compliance with the Privacy Act of 1974, the following information is provided. Solicitation of the information on this form is authorized by 25 U.S.C. 2701 et seq. The purpose of the requested information is to determine the eligibility of individuals to be employed in a gaming operation. The information will be used by National Indian Gaming Commission members and staff who have need for the information in the performance of their official duties. The information may be disclosed to appropriate Federal, Tribal, State, local, or foreign law enforcement and regulatory agencies when relevant to civil, criminal or regulatory investigations or prosecution or when pursuant to a requirement by the Prairie Island Community Council or the National Indian Gaming Commission in connection with the hiring or firing of an employee, the issuance or revocation of a gaming license, or investigations of activities while associated with the Prairie Island Community Council or a gaming operation. Failure to consent to the disclosures indicated in this notice will result in the Prairie Island Mdewakanton Sioux Community being unable to hire you in a primary management official or key employee position. The disclosure of your Social Security Number (SSN) is voluntary. However, failure to supply a SSN may result in errors in processing your application.

(2) The following notice:

A false statement on any part of your



application may be grounds for not hiring you, or for firing you after you begin work. Also, you may be punished by fine or imprisonment (U.S. Code, title 18 section 1001).

- (3) The full name, other names used (oral or written), social security number(s), birth date, place of birth, citizenship, gender, all languages (spoken or written);
- (4) For the previous 5 years: Business and employment positions held, ownership interest in those businesses, business and residence addresses, and drivers license numbers;
- (5) The names and current addresses of at least three personal references, including one personal reference who was acquainted with the applicant during each period of residence listed under paragraph (4) of this section;
- (6) Current business and residence telephone numbers;
- (7) A description of any previous business relationships with Indian tribes, including ownership interests in those businesses;
- (8) A description of any previous business relationships with the gaming industry generally, including ownership interests in those businesses;
- (9) The name and address of any licensing or regulatory agency with which the person has filed an application for a license or permit related to gaming, whether or not such license or permit was granted;
- (10) For each felony for which there is an ongoing prosecution or a conviction, the charge, the name and address of the court involved, and the date of disposition;
- (11) For each misdemeanor conviction or ongoing misdemeanor prosecution (excluding minor traffic violations) within 10 years of the date of the application, the name and address of the court involved and the date and disposition;
- (12) The name and address of any license or regulatory agency with which the person has filed an application for an occupational license or permit, whether or not such license or permit was granted;

- (13) A photograph;
  - (14) A financial statement; and
  - (15) Any additional information, including the fingerprints of the applicant, as may be determined by the Prairie Island Community Council.
- (b) The Prairie Island Community Council shall conduct an investigation sufficient to make a determination that employment of a person under investigation poses/does not pose a threat to the public interest or to the effective regulation of gaming, or creates or enhances the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming. In conducting a background investigation, the Prairie Island Community Council or its agents shall promise to keep confidential the identity of each person interviewed in the course of the investigation.
- (c) If the National Indian Gaming Commission and the Prairie Island Community Council possess an investigative report for an employee, the Prairie Island Community Council may update that report instead of performing an entirely new investigation.

**Section 304. Report to National Indian Gaming Commission (Commission) for Class II and Class III gaming applications and investigation reports for key employees and primary management officials.**

- (a) When the Prairie Island Community Council employs a primary management official or a key employee, the Prairie Island Community Council shall forward to the Commission a completed application and investigation report containing the information listed under Section 303 of this Ordinance.
- (b) Before issuing a license to a primary management official or to a key employee, the Prairie Island Community Council shall forward to the Commission an investigative report on each background investigation. An investigative report shall include all of the following:
- (1) Steps taken in conducting a background investigation;
  - (2) Results obtained;
  - (3) Conclusions reached; and
  - (4) The bases for those conclusions.
- (c) When the Prairie Island Community Council forwards a report to the Commission, it shall include a copy of the determination that the potential employee did not pose any threat defined in Section 303(b).

**Section 305. Licensing requirements and procedures for primary management officials and key employees.**

In addition to the requirements of Section 300, the following procedures must be performed before a primary management official or a key employee may be licensed.

- (a) An authorized tribal official shall make a finding concerning the eligibility of a key employee or a primary management official for employment in a gaming operation. If an authorized tribal official, in applying the standards adopted in this Ordinance, determines that employment of a person under investigation poses a threat to the public interest or to the effective regulation of gaming, or creates or enhances the dangers of unsuitable, unfair, or illegal practices and methods and activities in the conduct of gaming, a management contractor or a tribal gaming operation shall not employ that person in a key employee or primary management official position.
- (b) When a key employee or management official begins work at a gaming operation, the Prairie Island Community Council shall:
  - (1) Forward to the Commission a completed application for employment that contains the information listed in Section 303 of this Ordinance; and
  - (2) Conduct a background investigation under Section 303 of this Ordinance to determine the eligibility of the employee for continued employment in a gaming operation.
- (c) Upon completion of a background investigation and a determination of eligibility for employment in a gaming operation under paragraph (b)(2) of this Section, the Prairie Island Community Council shall forward a report under Section 304 (b) to the Commission within 60 days after an employee begins work. A gaming operation shall not employ a person as a key employee or primary management official who does not have a license after 90 days .
- (d) During a 30-day period beginning when the Commission receives a report submitted under paragraph (c) of this Section, the Chairman of the Commission may request additional information from the Prairie Island Community Council concerning an employee who is the subject of such a report. Such a request shall suspend the 30-day period until the Chairman receives the additional information.

- (e) If, at the conclusion of the 30-day period described under paragraph (d) of this Section, the Commission has not notified the Prairie Island Community Council that it has any objections, the Prairie Island Community Council may issue the license, pursuant to Section 306 of this Ordinance.

**Section 306. Granting licenses to key employees and primary management officials.**

At the end of the 30-day period described under paragraph (d) of Section 305 of the Ordinance, or upon receipt of the Commission's report described under paragraph (e) of Section 305, the Prairie Island Community Council shall:

- (a) Grant a gaming license to a primary management official or a key employee who is eligible for continued employment in a gaming operation; or
- (b) Terminate the employment of an employee as a key employee or a primary management official.

**Section 307. License suspension for primary management officials and key employees.**

- (a) If, after the issuance of a gaming license, the National Indian Gaming Commission receives reliable information indicating that an employee is not eligible for employment under Section 303 (b) of this Ordinance, the Commission shall notify the Prairie Island Community Council.
- (b) Upon receipt of such notification under paragraph 307(a), the Prairie Island Community Council shall suspend such license and shall notify the licensee in writing of the suspension and the proposed revocation.
- (c) The Prairie Island Community Council shall notify the licensee of a time and a place for a hearing on the proposed revocation of her/his license.
- (d) After a revocation hearing, the Prairie Island Community Council shall decide to revoke or to reinstate a gaming license. The Prairie Island Community Council shall notify Commission of its decision.

**Section 308. Notice to existing key employees and management officials.**

- (a) The Prairie Island Community Council shall notify existing key employees and primary management officials in writing that they shall either:
  - (1) Complete a new application form that contains the

Privacy Act notice at Section 303 (a)(1) of this Ordinance; or

- (2) Sign a statement that contains the Privacy Act notice (at Section 303 (a)(1) of this Ordinance) and consent to the routine uses described in that notice.
- (b) The Prairie Island Community Council shall also notify existing key employees that they shall either:
- (1) Complete a new application form that contains the notice regarding false statements contained in Section 303 (a)(2) of this Ordinance; or
  - (2) Sign a statement that contains the notice regarding false statements (at Section 303 (a)(2) of this Ordinance).

**Section 309. Retention of applications for employees of a gaming operation other than key employees and primary management officials.**

The Prairie Island Community Council shall retain applications for employment and reports (if any) of background investigations for inspection by the Chairman of the National Indian Gaming Commission or her or his designee for at least the term of employment but in no event less than three (3) years from the date of hire.

## PRAIRIE ISLAND INDIAN COMMUNITY

## GAMING ORDINANCE REGULATION

1-202.10

## A. PREAMBLE.

Under Section 202(b) of the Prairie Island Indian Community Gaming Ordinance it states:

"It shall be the responsibility of the Council to promulgate regulations, if necessary, to administer the provisions of this ordinance."

The Council has determined that a licensing standard must be promulgated to administer the provisions of its Gaming Ordinance. The Council has determined that it shall adopt the standard as set out in its compact on video games of chance ("Compact") with the State of Minnesota.

## B. GAMING LICENCE - INITIAL APPLICATION.

Section 5.1 Background Investigations Prior to Employment  
of the Compact states in part:

"The Community may employ any person who represents in writing that he or she meets the standards set forth in this section, but must not retain any person who the Department of Public Safety reports has been: (a) convicted of a felony within five years of starting employment with the Community; or (b) convicted of a felony or gross misdemeanor involving fraud, misrepresentation, or gambling."

A Gaming License shall be denied to any applicant who does not meet standards as set out above.

## C. Gaming LICENCE - RENEWAL

Section 5.2 Background Investigations of Employees During Employment of the compact states in part:

"Each person in the Community whose responsibilities include the operation or management of video games of chance shall be subject to periodic review comparable to that required for initial employment as provided in section 5.1 by the State Department of Public Safety, which review shall take place at least annually commencing with the date of employment."

A Gaming License may be suspended pending any investigation upon application or renewal of a gaming license should any fact come to light which may be grounds for revoking an applicant's Gaming License. A Gaming License shall be revoked if an applicant does not meet the standard set out in 1-202.10(6) above.

The Prairie Island Gaming Board shall comply with each of the above standards in its deliberations. The Gaming Board may from time to time suggest more comprehensive guidelines in the future. The Council at that time may consider the suggestions of the Gaming Board when amending this standard.

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A Gaming License may be suspended pending any investigation upon application of renewal of a gaming licence should any fact come to light which may be grounds for revoking an applicants Gaming License. A Gaming license shall be revoked if an applicant does not meet the standard set out in 1-202.10(B) above.

The Frairie Island Gaming Board shall comply with each of the above standards in its deliberations. The Gaming Board may from time to time suggest more comprehensive guidelines in the future. The Council at that time may consider the suggestions of the Gaming Board when amending this standard.