



FOR IMMEDIATE RELEASE  
March 12, 2015

## President Shelly lauds N.M. Senate for passing gaming compact



President Shelly sat in the rostrum during the session and was joined by Speaker LoRenzo Bates and delegate Leonard Tsosie. (Photo by Rick Abasta)

SANTA FE—What a difference a year makes.

On the evening of March 11, Senate Joint Resolution 19 passed the N.M. Senate by a vote of 35-7.

For more than a month, Navajo leaders have lobbied state legislators for support of the gaming compact. On Feb. 28, the Committee on Compacts passed the compact by a vote of 15-1.

Passing the Senate was the second hurdle for the compact and three more remain: the House of Representatives, Gov. Susana Martinez and the U.S. Department of Interior.

Navajo Nation President Ben Shelly praised the state legislators, along with Gov. Martinez and the tribes for working together to get the gaming compact passed in the Senate.

“I am very pleased with the Senate vote this afternoon and would like to thank the New Mexico State Senate for your support,” President Shelly said. “This is a great day for the Navajo Nation.”

The president thanked all the negotiators for the time and effort crafting a compact that was agreeable to all.

“Together, we have produced a gaming compact that is fair, reasonable and will continue to benefit all of us, in the form of jobs and revenue for the tribes and state. The compact now moves to the House for vote and I respectfully ask for their support,” President Shelly said.

### Expiring Compacts

Sponsored by Sen. Clemente Sanchez (D-Grants), the gaming compact was for five tribes – the Navajo Nation, Jicarilla Apache, Mescalero Apache, Pueblo of Acoma and Pueblo of Jemez – that have gaming compacts expiring on June 30, 2015.

Another tribe, the Pueblo of Pojoaque, also has a gaming compact expiring on June 30. However, Pojoaque is currently in litigation to pass their compact through action by the Interior Department.

During the 2014 legislative session, the Navajo Nation stepped

out on its own to negotiate a gaming compact with the state, but was unsuccessful. The Navajo gaming compact passed the Committee on Compacts and the House of Representatives, but died on the Senate floor by a vote of 10-31.

Other tribes were in opposition of the Navajo gaming compact because they believed that it would be utilized as a template for future compacts. Since then, the Navajo Nation sat down at the negotiation table with the four other tribes that signed on to the 2015 compact and worked out differences before presenting their compact to the state.

### Economic Solvency

Sen. Sanchez’s opening presentation underscored the importance of passing the compact to prevent the tribes from having to close their gaming facilities in June and suffer loss of jobs and revenue for their respective nations.

“Tribal gaming currently generates about \$70 million a year in direct payments to the state. That figure does not include the spinoff economic activity generated by increased employment and tourism,” Sanchez said.

Revenue to the state will grow to \$77 million in 2019. Additionally, beginning July 1, 2015, the Navajo Nation, Acoma and Mescalero will begin paying a higher revenue sharing rate than what is currently being paid.

### New Provisions

While there are several key differences between the new compact and the 2001 and 2007 agreements, many provisions in the earlier agreements will remain the same. The same liability insurance coverage, maintenance and protections as the 2007 compact will remain in effect. The prohibition of alcohol on the gaming floor also stands.

New provisions include state operated horse track casinos that will affect the revenue sharing agreement between the tribes and the state.

Sanchez said if tribes agreed to allow state horse track casinos to expand beyond six, or increase the number of gaming machines and the hours of operation, the tribes would no longer have to make revenue sharing payments to the state.

Other provisions in the agreement mandate that the state can better enforce the arbitration provisions of the compact. Tribes also agreed to participate in the state self-exclusion program and report information on how money is spent for problem gambling programs.

A new development in the compact allows tribal casinos to remain open 24 hours a day, an effort designed to attract wealthy, out-of-state gamblers. Tribes will also have more flexibility in providing complementary rooms and food.

High roller gamblers that qualify and meet income guidelines and cash balances in their bank accounts will also be able to utilize a marker system for gambling.

The compact provides that the Navajo Nation could ultimately open a fourth casino in N.M., but only after six years from the passage of the agreement with the state.

Jicarilla and Acoma could open three casinos, but they must open their new facility before June 30, 2015. Mescalero will continue operating the three casinos it has open currently.

The so-called “Legacy Facilities” or third casino most tribes are allowed will be limited to 130 gambling machines and an opportunity to move their facility once, only if it is moved no more than 17 miles away and not located within 50 miles of another tribe’s casino.

Sanchez said there are 26 casinos in N.M. and that number could increase to 31, but not for several years.

### Rise and Stand in Support

Sen. Carlos Cisneros (D-Santa Fe) rose and stood in support of SJR 19.

He noted that negotiations and concessions from the tribes entering into the compact swayed his decision to support the resolution.

“Certainly, the art of good negotiation is the ability to make concessions,” Cisneros said. “In real life, when you negotiate a contract, there is going to be some give and take.”

Another senator that supported the compact last year proudly stood in support of SJR 19 during the current legislative session.

Sen. John Pinto (D-Gallup) rose in support and began by asking the body to recognize Navajo leaders President Shelly, Speaker LoRenzo Bates and council delegate Leonard Tsosie.

He described the compact as fair and reasonable and highlighted the economic incentives of passing the agreement.

Sen. Pinto said, “All nine casinos of the 2001 compact have created thousands of jobs for our people and revenue for the Navajo Nation, Pueblos and Apaches in the state of New Mexico.”

“We are facing loss of revenue and negative financial impact if this compact is not approved. I don’t think any of us want to see that happen,” he said.

### Legal Relief

Of the seven senators that rose in opposition to the compact, one concern was the liability issues arising from casino patrons over-served with alcohol and subsequently resulting in an accident outside the reservation.

Karis Begaye, an attorney with the Navajo Nation Department of Justice, said the Navajo Nation has insurance and a competent court system that address those issues.

As a responsible, sovereign entity, mechanisms are in place to ensure those injured have effective remedies, she said.

Eleven district courts are located on the Navajo Nation, four of which are in N.M. Serving as an appellate court is the Navajo Nation Supreme Court. Claims can be filed in courts where the action occurred.

“The Navajo Nation currently carries a \$50 million insurance policy for any personal injury and/or property damage claims filed against the Navajo Nation’s casinos,” Begaye said. “With these remedies, the injured party has relief.”

The language in Section 8, Protection of Visitors, in the gaming compact is the same as the existing compacts approved in 2001 and 2007. The 2001 and 2007 compacts currently govern all 14 gaming tribes.

The House will discuss the gaming compact when it is introduced to the floor early next week.



President Shelly and Speaker Bates listened intently to the debate and discussion on the gaming compact. (Photo by Rick Abasta)



President Shelly thanked Sen. Clemente Sanchez for his support with SJR 19 after the resolution was passed. (Photo by Rick Abasta)



Supporters of SJR 19 convened on the east entrance of the Roundhouse after the resolution passed. (Photo by Rick Abasta)