

Amend CSHB 2843 (house committee report) as follows:

(1) On page 2, line 23, strike "Chapters 2202 and 2203" and substitute "Chapter 2202. The term does not include facilities located on Indian lands".

(2) On page 2, line 26, between "activity" and "that", insert "occurring in a casino".

(3) On page 5, line 8, immediately following the underlined period, insert "The term does not include a development located on Indian lands.".

(4) On page 6, line 8, strike "allows the tribe to" and substitute "agrees that the tribe will".

(5) On page 13, between lines 5 and 6, insert the following:

(44) "Tribal casino" means facilities located on Indian lands at which casino gaming or sports wagering is conducted for profit, as authorized by Chapters 2202 and 2203.

(6) On page 46, line 9, strike "(a)".

(7) On page 46, strike lines 11-14.

(8) Strike page 55, line 25, through page 56, line 17, and substitute the following:

Sec. 2202.053. TRIBAL CASINOS IN ABSENCE OF AUTHORIZATION UNDER INDIAN GAMING REGULATORY ACT. (a) Pursuant to express provisions of the Ysleta del Sur Pueblo and Alabama and Coushatta Indian Tribes of Texas Restoration Act (Pub. L. No. 100-89), the Ysleta del Sur Pueblo and Alabama and Coushatta Indian Tribes of Texas may engage on Indian lands in any gaming activity that is not prohibited in this state, without any application of this state's gaming regulations except as otherwise provided by this section. In addition to the casino licenses issued under this subchapter, a federally recognized Indian tribe for which Indian lands in this state were held in trust by the United States on January 1, 1998, but that is not authorized to conduct gaming under the Indian Gaming Regulatory Act (Pub. L. No. 100-497), may:

(1) conduct the same gaming activities as any license holder under this chapter; and

(2) operate not more than one tribal casino on Indian lands held in trust by the United States on January 1, 1998.

(b) An Indian tribe operating a tribal casino under

Subsection (a) must, before opening the tribal casino for business, enact a comprehensive gaming regulatory ordinance governing all aspects of the tribal casino that is substantially similar to the provisions and restrictions of this chapter.

(c) An Indian tribe to which Subsection (a) applies may operate a tribal casino located on Indian lands as described:

(1) by Subsection (a); or

(2) under Chapter 2203.

(9) On page 105, strike lines 5-13, and substitute the following:

LIABILITY OF STATE FOR ENFORCEMENT. (a) If a dispute arises between a federally recognized Indian tribe and the governor or this state regarding the creation and operation of a tribal casino as provided by this chapter, the Indian tribe may seek relief as provided by state or federal law in a state or federal court with jurisdiction. The sovereign immunity of this state is waived for the purpose of any legal proceeding relating to the governor's or the state's alleged failure to abide by the provisions of this chapter. The waiver of sovereign immunity related to gaming operations is limited to the waiver provided by this chapter and Chapter 2203.

(10) On page 105, lines 19-20, strike "a gaming agreement authorized under".

(11) On page 105, strike lines 22-27 and substitute "the failure of the state to comply with this chapter.".

(12) On page 116, line 16, strike "The" and substitute the following:

In the event the United States Congress explicitly applies the Indian Gaming Regulatory Act (Pub. L. No. 100-497) to the tribes subject to the Ysleta del Sur Pueblo and Alabama and Coushatta Indian Tribes of Texas Restoration Act (Pub. L. No. 100-89), the

(13) Strike page 117, line 1, through page 120, line 11, and substitute the following:

MODEL COMPACT BETWEEN
THE ALABAMA-COUSHATTA TRIBE OF TEXAS,
THE YSLETA DEL SUR PUEBLO, AND
THE STATE OF TEXAS

PROVIDING FOR THE CONDUCT OF TRIBAL CLASS III GAMING

This Compact is made and entered into between the Alabama-Coushatta Tribe of Texas (hereinafter referred to as the "Alabama-Coushatta" or the "Tribe"), the Ysleta del Sur Pueblo (hereinafter referred to as the "Pueblo") (collectively hereinafter referred to as the "Tribes"), and the State of Texas (hereinafter referred to as "State").

RECITALS

WHEREAS, the State of Texas is a sovereign State of the United States of America, having been admitted to the Union pursuant to a joint resolution of the Congress of the United States on December 29, 1845, and is authorized by the Texas Constitution to enter into contracts and agreements, including this agreement with the Tribes; and

WHEREAS, the Tribes are federally recognized Indian Tribes and their governing bodies, the Tribal Councils, are authorized to enter into contracts and agreements of every description, including this agreement with the State; and

WHEREAS, the Ysleta del Sur Pueblo and Alabama and Coushatta Indian Tribes of Texas Restoration Act ("Restoration Act") was passed on August 18, 1987 (Pub. L. 100-89); and

WHEREAS, the Congress of the United States has enacted the Indian Gaming Regulatory Act of 1988 (Pub. L. No. 100-497) (hereinafter "IGRA"), which permits Indian tribes to operate Class III gaming activities on Indian reservations pursuant to a tribal-state compact entered into for that purpose; and

WHEREAS, the Tribes propose to operate Class III gaming establishments on Eligible Indian Lands in the State of Texas, and by respective Tribal Council Resolutions and Tribal Ordinances will adopt rules and regulations governing the games played and related activities at the Tribal Class III gaming establishments; and

WHEREAS, the State presently permits and regulates various types of gaming within the State, but outside Indian lands, that satisfy the definition of Class III gaming as established by IGRA; and

WHEREAS, the United States Supreme Court in *Ysleta Del Sur Pueblo v. Tex.*, 213 L. Ed. 2d 221 (2022) held that the Tribe may

conduct gaming activities not prohibited by the State of Texas, and that the State may not regulate such gaming activities; and

WHEREAS, at the general election held on [DATE OF GENERAL ELECTION], the voters of the State approved the amendment of the Texas Constitution through the proposition [BALLOT PROPOSITION LANGUAGE] ("the Amendment"); and

WHEREAS, casino-style table games as defined in the Amendment and electronic-gaming devices are, therefore, permitted "for any purpose by any person, organization, or entity," within the meaning of IGRA, 25 U.S.C. 2710(d)(1)(B); and

WHEREAS, a compact between the Tribes and the State for the conduct of Class III gaming is sufficient to satisfy requirements imposed by the United States Congress by enactment of IGRA, for the operation of lawful Class III gaming by the Tribes on Eligible Indian Lands in Texas; and

WHEREAS, the State and the Tribes, in recognition of the sovereign rights of each party and in a spirit of cooperation in the interests of the citizens of the State and the Tribes, have engaged in good faith negotiations recognizing and respecting the interests of each party and have agreed to this Compact.

NOW, THEREFORE, the Tribes and the State agree as follows:

SECTION 1. PURPOSES AND OBJECTIVES. The purposes and objectives of the Tribes and the State in making this Compact are as follows:

(1) to demonstrate the good will and cooperative spirit between the State and the Tribes;

(2) to continue the development of effective working relationships between the State and tribal governments;

(3) to compact for Class III gaming on Eligible Indian Lands of the Tribes in Texas as authorized by the IGRA;

(4) to fulfill the purpose and intent of the IGRA by providing for tribal gaming as a means of generating tribal revenues, thereby promoting tribal economic development, tribal self-sufficiency, and strong tribal government;

(5) to provide tribal revenues to fund tribal government operations or programs, to provide for the general welfare of the Tribes and their members, and for other purposes

allowed under the IGRA;

(6) to provide for the operation of Class III gaming in which, except as provided by 25 U.S.C. 2710(b)(4) and (d)(2)(A) of the IGRA, the Tribes shall have the sole proprietary interest and be the primary beneficiary of the Tribes' gaming enterprises;

(7) to recognize the State's interest in the establishment by the Tribes of rules and procedures for ensuring that Class III gaming is conducted fairly and honestly by the owners, operators, and employees and by the patrons of any Class III gaming enterprise of the Tribes; and

(8) to establish procedures to notify the patrons of the Tribes' Class III gaming establishments that the establishments are not regulated by the State of Texas and that patrons must look to the tribal government or to the federal government to resolve any issues or disputes with respect to the operations of the establishments.

SECTION 2. DEFINITIONS. In this Compact:

(1) "Class III gaming" means all forms of gaming authorized by this Compact, which are neither Class I nor Class II gaming, as those terms are defined in 25 U.S.C. Sections 2703(6) and (7) of the IGRA. Only those Class III games authorized by this Compact may be operated by the Tribe.

(2) "Commercial Gaming Facility" shall mean any facility not operated by the Tribes on Eligible Indian Lands that offers Electronic Games of Chance or Table Games for gambling purposes, whether or not operated by the Texas Lottery Commission.

(3) "Competitive Market - Alabama-Coushatta" means the following Texas counties: Polk, Tyler, Trinity, Angelina, Jasper, Hardin, Liberty, San Jacinto, Walker, Montgomery, any county in which the Alabama-Coushatta owns any Eligible Indian Lands, and any county contiguous to those counties.

(4) "Competitive Market - Pueblo" means the following Texas counties: El Paso, Hudspeth, any county in which the Pueblo owns any Eligible Indian Lands, and any county contiguous to those counties.

(5) "Electronic Game of Chance" means a player activated or operated electronic, mechanical, or electromechanical

device that:

(A) allows a person to play a game of chance or a facsimile of a game of chance, which may or may not be affected by an element of skill, and is activated by, or which is operated through the insertion of a coin, currency or currency equivalent, or token or by the use of a credit or the pledge or promise to pay anything of value;

(B) is controlled by software or electronic, mechanical, or electromechanical process that determines the element of chance and winning payout; and

(C) awards either:

(i) cash;

(ii) credits, tokens, replays, or a written statement of the player's accumulated credits, if the credits, tokens, replays, or written statement can be redeemed for cash; or

(iii) any other thing of value.

The term does not include:

(A) charitable gaming operated under the regulation of the Texas Lottery Commission whether or not such gaming uses player activated electronic or electromechanical devices; or

(B) any of the games in use by the Texas Lottery Commission whether or not such gaming uses player activated electronic or electrotechnical devices.

(6) "Eligible Indian Lands" means lands acquired by the United States in trust for the Tribes as defined under the IGRA or the Restoration Act, as applicable.

(7) "Net Win" means the total amount wagered on each electronic game of chance, minus the total amount paid to players for winning wagers at such machine calculated in accordance with Generally Accepted Accounting Principles pursuant to American Institute of Certified Public Accountant standards. For purposes of computing Net Win, the total amount wagered does not include the initial value of any electronic promotional slot credits provided to a patron by the Tribal Gaming Facility, provided there is no monetary value to the electronic promotional slot credit other than in a slot machine, the exclusion of the promotional slot credit from

the total amount wagered does not otherwise have a negative impact on the total aggregate of Net Win, and the total amount wagered does include subsequent wagers made using any credits or winnings derived from the initial play of such electronic promotional credits. If a machine is part of an inter-casino linked system or similar enterprise, the "total amount paid to players for winning wagers at such machine" includes the pro-rata share of winnings paid out under that linked system but does not include the payment of fees, costs, royalties, or other expenses associated with or attributable to administering the inter-casino linked system.

(8) "Person" means a business, individual, proprietorship, firm, partnership, joint venture, syndicate, trust, labor organization, company, corporation, association, committee, state, local government, government instrumentality or entity, or any other organization or group of persons acting jointly.

(9) "Resident Tribal Member" means an enrolled member of either the Tribe or the Pueblo who resides within the Tribes' Indian Country, as defined under 18 U.S.C. Section 1151.

(10) "Sports Wagering" means a wager on sports events, portions of sports in a sports event, or combination of sports events through any system or method of wagering.

(11) "Table Games" means games that utilize real non-electronic cards, dice, chips, and equipment in the play and operation of the game.

(12) "Tribal Gaming Commission" has the meaning provided by Section 4 of this Compact.

SECTION 3. AUTHORIZED CLASS III GAMES. (a) The Tribes may lawfully conduct the following Class III games on Eligible Indian Lands:

- (1) poker;
- (2) craps and related dice games;
- (3) wheel games, including "Big Wheel" and related games;
- (4) roulette;
- (5) banking card games that are not otherwise treated as Class II gaming in Texas pursuant to 25 U.S.C. Section

2703(7)(C);

(6) electronic games of chance;
(7) keno;
(8) twenty-one or blackjack;
(9) chuck-a-luck (dai shu);
(10) chemin de fer;
(11) baccarat;
(12) pai gow;
(13) slot machine;
(14) sports wagering; and
(15) any other Class III game that lawfully may be
operated by a person licensed to operate a casino pursuant to the
IGRA.

(a-1) Any limitations on the number of games operated or
played, their location within Eligible Indian Lands as defined
under this Compact, hours or period of operation, limits on wagers
or pot size, or other such limitations shall be determined by duly
enacted tribal law or regulation. Any state law restrictions,
limitations, or regulation of such gaming do not apply to Class III
games conducted by the Tribes pursuant to this Compact.

(b) Additional Class III games may be lawfully conducted by
mutual agreement of the Tribes and the State as follows:

(1) the Tribes shall request additional games by
letter from the Tribal Chairperson on behalf of the Tribes to the
Governor of Texas on behalf of the State in a request that
identifies the additional proposed gaming activities with
specificity and any proposed amendments to the Tribes' regulatory
ordinances; and

(2) the State, acting through the Governor, shall take
action on the Tribes' requests not later than the 90th day after the
day of receipt, based on whether the provisions of this Compact are
adequate to fulfill the policies and purposes set forth in the IGRA
with respect to such additional games.

(c) The State is required to negotiate with the Tribes over
the inclusion in this Compact of any form of Class III gaming if the
State offers any other game classified as Class III for any purpose.

SECTION 4. REGULATION OF CLASS III GAMING. (a) Integrity

of Gaming. Protecting the Class III gaming activities requires that the public maintain confidence and trust in the integrity of gaming activities, which activities must be free of criminal and corruptive elements.

(1) Enactment of Tribal Gaming Ordinance. Before permitting the initiation of any Class III gaming on Eligible Indian Lands, the Tribes will enact comprehensive gaming regulatory ordinances governing all aspects of the Tribes' gaming enterprises. The requirements of this Section of this Compact are intended to supplement, rather than conflict with, the provisions of the Tribes' ordinances. To the extent any regulatory requirement of this Compact is more stringent or restrictive than a parallel provision of the Tribes' ordinances, as amended, this Compact shall control.

(2) Applicability. The regulatory requirements of this Section of the Compact shall apply to the conduct of all Class III gaming authorized by the Compact. At all times in which the Tribes conduct any Class III gaming under this Compact, the Tribes shall maintain, as part of their lawfully enacted ordinance, requirements at least as restrictive as those set forth in this Compact.

(3) Strict Regulation. The Tribes shall license, operate, and regulate all Class III gaming activities in accordance with this Compact, tribal law, IGRA, and all other applicable federal law. This shall include but not be limited to the adoption of the Minimum Internal Control Standards, the licensing of consultants (except accountants and legal counsel), primary management officials, and key employees to each Class III gaming activity or operation. Any violation of this Compact, tribal law, IGRA, or other applicable federal law shall be corrected immediately by the Tribe.

(A) Minimum Age Requirements.

(i) No person under the age of 21 may participate in any Class III game.

(ii) Except for non-gaming employees, no person under the age of 21 may be physically present on or in those portions of the premises of a licensed gaming facility where Class

III gaming is being played. Persons under the age of 21 may be physically present on or in those portions of the premises where Class III gaming are not being played or in the restaurant areas.

(B) Posting of Rules. The rules of each Class III card game shall be posted in a prominent place in each card room and must designate:

(i) the maximum rake-off percentage, time buy-in or other fee charged;

(ii) the number of raises allowed;

(iii) the monetary limit of each raise;

(iv) the amount of ante; and

(v) other rules as may be necessary.

(C) Bank Secrecy Act. The Tribes shall comply with all applicable provisions of the Bank Secrecy Act (31 U.S.C. Sections 5311-5314).

(D) Prohibited Acts. In addition to other civil and criminal offenses that otherwise may not be listed, the Tribes shall prohibit the following acts:

(i) participating within Indian Lands in any Class III gaming not authorized by the Tribes;

(ii) knowingly making a false statement in an application for a license;

(iii) knowingly making a false statement in connection with any contract in relation to any gaming;

(iv) attempting to bribe any person participating in any gaming;

(v) offering or accepting a loan, financing, or other thing of value between a Commissioner or employee of the Tribal Gaming Commission as established by the Tribes or the gaming facilities and any person participating in any gaming;

(vi) promoting or participating in any illegal gaming;

(vii) failing to keep sufficient books and records to substantiate receipts, disbursements, and expenses incurred or paid from any gaming;

(viii) falsifying any books or records that

relate to any transaction connected with any gaming;

(ix) conducting, participating in, or tolerating any gaming that in any manner results in cheating or misrepresentation and that allows any other disreputable tactics which detract from the fair nature and equal chance of participation between gaming players or otherwise creates an advantage over and above the chance of such gaming activity which affects its outcome;

(x) conducting gaming with, or allowing participation in, gaming by or with a visibly intoxicated or disorderly player;

(xi) allowing or participating in the sale of liquor at gaming facilities in a manner prohibited by Tribal law;

(xii) allowing any person, by providing something other than money, personal checks, or other approved consideration, a chance to play or participate in any gaming;

(xiii) using bogus or counterfeit chips or charitable gaming tickets, or to substitute or use any cards, charitable gaming tickets, or gaming equipment that has been marked or tampered with;

(xiv) employing or possessing any cheating device;

(xv) facilitating cheating in any gaming;

(xvi) knowingly using any fraudulent scheme or technique to change the odds of any gaming activity;

(xvii) soliciting or using, directly or indirectly, inside information on the nature or status of any gaming activity for the benefit of any person;

(xviii) tampering with a gaming device or attempting or conspiring to manipulate the outcome or the payoff of a gaming device, or otherwise tampering with or interfering with the proper functioning of a gaming device;

(xix) altering or counterfeiting a gaming license;

(xx) knowingly aiding, abetting, or conspiring with another person or knowingly causing any person to violate any rules and regulations adopted by the Tribal Gaming

Commission;

(xxi) operating, using, or making available to the public any illegal gaming device, apparatus, material, or equipment;

(xxii) selling, holding out for sale, or transporting into or out of the jurisdiction of Indian Lands any illegal gaming device, apparatus, material, or equipment;

(xxiii) assisting or allowing a person who is under the minimum age for gaming patrons to participate in a gaming activity;

(xxiv) possessing any illegal narcotics or controlled substances in any gaming facility, gaming administrative offices, or any exterior areas of a gaming facility;

(xxv) knowingly stealing or attempting to steal funds or other items of value from any gaming operation or from the Tribal Gaming Commission;

(xxvi) knowingly employing any person at a gaming operation who does not have the required gaming license;

(xxvii) conspiring with or inducing any person to violate any of the provisions of Tribal or applicable federal or State law;

(xxviii) engaging in any act, practice, or course of operation that could result in a fraud or deceit on any person;

(xxix) making false statements in any matter before the Tribal Gaming Commission;

(xxx) possessing firearms by any person within a gaming facility, provided this prohibition shall not apply to law enforcement officers authorized to be on the premises, private security service retained to provide security at a gaming facility, or armored car services; and

(xxxi) participating in any gaming by barred or self-excluded persons.

(4) Administration of Regulation. The regulatory requirements set forth in this Section of this Compact shall be administered and enforced as follows:

(A) Tribal Gaming Commission. The Tribes shall

charter with perpetual existence a Tribal Gaming Commission as a governmental subdivision of the Tribes.

(i) The Tribal Gaming Commissioners shall administer and enforce the regulatory requirements set forth in this Section.

(ii) Tribal Gaming Commissioners and any appointed agents thereof shall be separate and independent from casino management and shall be prohibited from maintaining employment as a casino employee.

(B) State Representative. A representative authorized in writing by the Governor of the State shall have the right to inspect all tribal Class III gaming facilities and all tribal casino records relevant to this Compact. Such inspections by the State are subject to the following conditions:

(i) with respect to public areas, at any time with 12 hours' prior notice to the Tribe or Pueblo's Tribal Gaming Commission, and the respective Tribe shall have the right to monitor any such inspection;

(ii) with respect to private areas not accessible to the public, at any time during normal business hours, with 24 hours' prior written notice to the Tribe or Pueblo's Tribal Gaming Commission, and the respective Tribe shall have the right to monitor any such inspection; and

(iii) with respect to inspection and copying of tribal casino records, with five days' prior written notice to the Tribe or Pueblo's Tribal Gaming Commission, not including weekends.

(C) Confidentiality. Except as otherwise provided by law or as also allowed by the exceptions defined below, the State agrees to maintain in confidence and never to disclose to any third party any financial information, proprietary ideas, plans, methods, data, development, inventions, or other proprietary information regarding the gambling enterprise of the Tribes, games conducted by the Tribes, or the operation of the gambling enterprise and games that is provided to the State by the Tribes without the prior written approval of a duly authorized representative of the Tribes, provided the information is marked as

confidential information when received by the State. Nothing contained in this Compact shall be construed to prohibit:

(i) the furnishing of any information to a law enforcement or regulatory agency of the United States or State government pursuant to a lawful request of such agency;

(ii) the State from making known the names of persons, firms, or corporations conducting Class III gaming activities pursuant to the terms of this Compact, locations at which such activities are conducted, or the dates on which such activities are conducted;

(iii) publishing the terms of this Compact;

(iv) disclosing information as necessary to audit, investigate, prosecute, or arbitrate violations of this Compact; and

(v) complying with any law, subpoena, or court order. The State shall immediately notify the Tribes of any request or demand for the release of confidential information under this Subsection (a)(4)(C) to allow the Tribes to initiate proceedings under Section 6 of this Compact or other applicable law to resolve any dispute regarding the State's intention to disclose such information.

(D) Tribal Inspection. The Tribes shall have the right to inspect State records concerning all Class III gaming conducted by the Tribes consistent with Texas's Freedom of Information Act.

(E) Dispute Resolution. In the event the State believes that the Tribe or Pueblo are not administering and enforcing the regulatory requirements set forth in this Compact, the State may invoke the procedures set forth in Section 6 of this Compact.

(b) Licensing.

(1) Licensing of Persons. The Tribes may not license, hire, or employ as a key employee or primary management official as those terms are defined at 25 C.F.R. 502.14 and 502.19, in connection with Class III gaming, any person who:

(A) is under the age of 21, unless the person is employed in a non-gaming position;

(B) has been convicted of or entered a plea of guilty or no contest to a gambling-related offense, fraud, or misrepresentation. The terms "fraud or misrepresentation" as used herein shall mean a criminal offense committed in Texas or any other jurisdiction, involving theft, fraud, or misrepresentation, which is a felony or would be a felony if committed in Texas, and which was committed as an adult or prosecuted as an adult offense, and which has not been effectively removed from the employee's criminal record by executive pardon, State court order, or operation of law;

(C) has been convicted of or entered a plea of guilty or no contest to any offense within the immediately preceding five years, whether committed in this state or any other jurisdiction, that is, or would be, a crime under the provisions of the Texas Penal Code, as amended, or the controlled substance provisions of the Texas Health and Safety Code, as amended, or any other criminal offense involving theft, dishonesty, fraud, or misrepresentation arising under the law of Texas or another state or jurisdiction, that was committed as an adult or prosecuted as an adult offense and which has not been effectively removed from the employee's criminal record by executive pardon, State court order, or operation of law; this provision shall not apply if that person has been pardoned by the Governor of the State where the conviction occurred, or, if a tribal member, has been determined by the Tribes to be a person who is not likely again to engage in any offensive or criminal course of conduct and the public good does not require that the applicant be denied a license as a key employee or primary management official;

(D) is determined by the Tribe or Pueblo to have participated in organized crime or unlawful gambling or whose prior activities, criminal records, reputation, habits, or associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or to the carrying on of the business and financial arrangements incidental to the conduct of gaming; or

(E) is a person whose license has previously been revoked pursuant to the Tribe or Pueblo's Gaming Ordinances, or to

whom the issuance or renewal of a license has been denied, except with the unanimous approval of the Tribe or Pueblo's Tribal Gaming Commissioners.

(2) Licensing of Gaming Service Suppliers. The Tribe and Pueblo's Tribal Gaming Commission shall require a License for any person who supplies gaming services in the amount of \$10,000 or more in any one-month period to the Class III gaming facility. The gaming services supplier, and all persons holding a 10 percent or greater direct or indirect financial interest in the gaming services supplier, shall submit to a background investigation and be required to meet the standards set forth in Subdivision (1).

(3) Consultation with NIGC. At the time a primary management official or key employee is hired, the Tribe and Pueblo's Tribal Gaming Commission shall forward to the NIGC a completed application containing all applicable information. No license shall be issued until either:

(A) receipt of notification that the NIGC has no objection to the issuance of a license; or

(B) the expiration of the 90-day period provided for NIGC review under 25 C.F.R. Section 558.3(c).

(4) Law Enforcement. As a part of the background investigation, the Tribe or Pueblo's Tribal Gaming Commission shall consult with appropriate law enforcement officials concerning any application for a license before the license is issued.

(5) State Verification. On request of the State, the Tribes will provide to the State the background information compiled by the Tribes on all consultants other than legal counsel and accountants, management personnel, suppliers, and employees required to be licensed under 25 C.F.R. Part 556 or the Tribes' gaming ordinances to allow the State to verify the Tribes' background information.

(6) Non-Transferability of License. Any license issued is valid only for the person at the place of business shown on the face of the license. The license is not assignable or otherwise transferable.

(c) Management Agreements.

(1) All management contracts entered into by the

Tribes regarding gaming enterprises operated pursuant to this Compact shall conform to all the requirements of the IGRA, including 25 U.S.C. 2711, and tribal law.

(2) If the Tribes enter into or amend a management contract for the operation of any Class III gaming or component thereof, the State shall be given 14 days' prior written notice of such contract or amendment.

(d) Accounting and Audit.

(1) Double Entry System. All accounting records shall be kept on a double entry system of accounting, maintaining detailed, supporting, and subsidiary records. The Tribes shall maintain the following records for not less than three years:

(A) revenues, expenses, assets, liabilities, and equity for the location at which Class III gaming is conducted;

(B) daily cash transactions for each Class III game at the location at which gaming is conducted, including but not limited to transactions relating to each gaming table bank, game drop box, and gaming room bank;

(C) all markers, IOUs, returned checks, hold checks, or other similar credit instruments;

(D) individual and statistical game records, other than card game records, to reflect statistical drop and statistical win and for electronic, computer, or other technologically assisted games, analytic reports that show the total amount of cash wagered and the total amount of prizes won;

(E) contracts, correspondence, and other transaction documents relating to all vendors and contractors;

(F) records of all tribal gaming enforcement activities;

(G) audits prepared by or on behalf of the Tribe or Pueblo; and

(H) personnel information on all Class III gaming employees or agents, including rotation sheets, hours worked, employee profiles, and background checks.

(2) Audit. The Tribe and Pueblo shall respectively cause to be conducted annually an independent audit of all their respective gaming operations.

(A) Applicability. All gaming related contracts that result in the purchase of supplies, services, or concessions in amounts that exceed \$25,000 annually, except contracts for professional legal and accounting services, shall be specifically included within the scope of the audit.

(B) Submission to NIGC. The Tribes shall submit the resulting audit reports to the National Indian Gaming Commission.

(C) Submission to State. The Tribes shall submit the respective resulting audit reports to the State, together with a copy of the engagement letter setting forth the scope of the audit.

SECTION 5. PROVIDERS OF CLASS III GAMING EQUIPMENT OR SUPPLIES. (a) No Class III games of chance, gaming equipment, or supplies may be purchased, leased, or otherwise acquired by the Tribes unless the Class III equipment or supplies meet the technical equipment standards established by the National Indian Gaming Commission.

(b) Before entering into any lease or purchase agreement, the Tribes shall obtain sufficient information and identification from the proposed seller or lessor and all persons holding any direct or indirect financial interest in the lessor or the lease/purchase agreement to permit the Tribes to conduct a background check on those persons. The Tribes shall not enter into any lease or purchase agreement for Class III gaming equipment or supplies with any person or entity if the lessor, seller, or any manager or person holding direct or indirect financial interest in the lessor or seller or the proposed lease or purchase agreement is determined to have participated in or have involvement with organized crime or has been convicted of or entered a plea of guilty or no contest to any other felony offense within the immediately preceding five years, unless that person has been pardoned.

(c) The seller, lessor, manufacturer, or distributor shall provide, assemble, and install all Class III games of chance, gaming equipment, and supplies in a manner approved and licensed by the Tribe or Pueblo.

SECTION 6. DISPUTE RESOLUTION. In recognition of the

government-to-government relationship of the Tribes and the State, the parties shall make their best efforts to resolve disputes that arise under this Compact by good faith negotiation whenever possible. Therefore, the Tribes and State (for the purposes of this Section also referred to as the "party" or "parties") shall seek to resolve disputes by first meeting and conferring in good faith to foster a spirit of cooperation and efficiency in the administration and monitoring of the performance and compliance of the terms, provisions, and conditions of the Compact, as follows:

(1) Either party shall give the other, as soon as possible after the event giving rise to the concern, a written notice setting forth the facts giving rise to the dispute and with specificity, the issues to be resolved.

(2) The other party shall respond in writing to the facts and issues set forth in the notice not later than the 15th day after the date the notice is received, unless both parties agree in writing to an extension of time.

(3) The parties shall meet and confer in good faith by telephone, by a video communication platform, or in person in an attempt to resolve the dispute through negotiation not later than the 30th day after the date of receipt of the notice in Subdivision (1), unless both parties agree in writing to an extension of time.

(4) Disputes that are not otherwise resolved by mutually agreed means may be resolved in the United States District Court in the judicial district where the Tribe's or Pueblo's respective Gaming Facilities are located, or if the federal court lacks jurisdiction, in the state court of competent jurisdiction in the County where the Tribe's or Pueblo's respective Gaming Facilities are located.

(5) Each Party shall be responsible for any attorney's fees or other litigation costs it incurs in connection with any dispute or litigation arising under this Compact.

(6) This Section may not be construed to waive, limit, or restrict the ability of the parties to address the issues arising out of this Compact, by mutual agreement in writing, to pursue dispute resolution by mediation.

(7) For the purpose of actions based on disputes

between the Tribe or the Pueblo and the State that arise under this Compact and the judicial enforcement of any judgment or award resulting therefrom, the Tribes and the State expressly waive their right to assert any and all sovereign immunity from suit and enforcement of any ensuing judgment and further consent to be sued in federal or state court, as the case may be, provided that:

(A) the dispute is limited solely to issues arising under this Compact;

(B) neither the Tribes nor the State makes any claim for restitution or monetary damages, except that payment of any money expressly required by the terms of this Compact may be sought, and solely injunctive relief, specific performance, including enforcement of a provision of this Compact expressly requiring the payment of money to one or another of the parties, and declaratory relief, limited to a determination of the respective obligation of the parties under this Compact, may be sought; and

(C) nothing herein shall be construed to constitute a waiver of the sovereign immunity of either the Tribes or the State with respect to any third party that is made a party or intervenes as a party to the action.

SECTION 7. NOTICE TO PATRONS. In the facility of the Tribes where Class III gaming is conducted, the Tribes shall post in a prominent position a Notice to patrons at least two feet by three feet in dimension with the following language:

NOTICE

THIS FACILITY IS REGULATED BY ONE OR MORE OF THE FOLLOWING: THE NATIONAL INDIAN GAMING COMMISSION, THE BUREAU OF INDIAN AFFAIRS OF THE UNITED STATES DEPARTMENT OF THE INTERIOR, AND THE GOVERNMENT OF THE TRIBE. THIS FACILITY IS NOT REGULATED BY THE STATE OF TEXAS.

SECTION 8. REGULATION OF THE SALE OF ALCOHOLIC BEVERAGES AND TOBACCO. (a) The Tribes hereby adopt and apply to their respective Class III gaming establishments as tribal law those State laws, as amended, relating to the sale and regulation of alcoholic beverages encompassing the following areas: sale to a minor; sale to a visibly intoxicated individual; sale of adulterated or misbranded liquor; hours of operation; and similar substantive provisions. Said tribal laws, which are defined by

reference to the substantive areas of State laws referred to above, shall apply to the respective tribal Class III gaming establishment in the same manner and to the same extent as such laws apply elsewhere in the State to off-reservation transactions.

(b) The Tribes will respectively adopt ordinances as described in Subsection (a) and seek approval of their ordinance, if required, from the United States Department of the Interior. On approval by the Department of the Interior, if applicable, the Tribes will pass and enforce the respective local ordinances on Eligible Indian Lands as tribal law.

(c) The Tribes agree to prohibit sales of tobacco to minors at their Class III gaming facilities.

SECTION 9. EFFECTIVE DATE. This Compact shall be effective immediately on:

(1) endorsement by the respective Tribal Chairperson or Tribal Governor and concurrence in that endorsement by resolution of the respective Tribal Council;

(2) endorsement by the Governor of the State; and

(3) approval by the Secretary of the Interior of the United States or by operation of law pursuant to 25 U.S.C. Section 2710(d)(8)(C) of the IGRA.

SECTION 10. BINDING EFFECT, DURATION, AND SEVERABILITY.

(a) This Compact shall be binding on the State and the Tribes from the date it becomes effective unless modified or terminated by written agreement of both parties.

(b) The parties agree that 25 U.S.C. Section 2710(d)(3) through (8) of the IGRA, or any successor provisions of law, apply to successor compacts.

(c) The Tribes may, pursuant to the procedures of the IGRA, request the State to enter into negotiations for a successor compact governing the conduct of Class III gaming activities. If the parties are unable to conclude a successor compact, this Compact shall remain in full force and effect pending exhaustion of the administrative and judicial remedies set forth in the IGRA and any other applicable federal law.

(d) In the event that any section or provision of this Compact is disapproved by the Secretary of the Interior of the

United States or is held invalid by any court of competent jurisdiction, it is the intent of the parties that the remaining sections or provisions of this Compact, and any amendments thereto, shall continue in full force and effect. This severability provision does not apply to Sections 14 and 15 of this Compact.

SECTION 11. NOTICE TO PARTIES. (a) Unless otherwise indicated, all notices, payments, requests, reports, information, or demand which any party hereto may desire or may be required to give the other party under this Compact, shall be in writing and shall be personally delivered or sent by first-class, certified or registered United States Mail, postage prepaid, return receipt requested, and sent to the other party at its address appearing below or such other address as any party shall hereinafter inform the other party by written notice.

(b) Notice to the Tribes shall be sent to:

(1) Alabama-Coushatta Tribe of Texas:

Chairperson-Tribal Council

Alabama-Coushatta Tribe of Texas

571 State Park Road 56

Livingston, Texas 77351

(2) Ysleta del Sur Pueblo:

Governor-Tribal Council

Ysleta del Sur Pueblo

119 South Old Pueblo Road

El Paso, Texas 79907

(c) Notice to the State shall be sent to:

Office of the Governor

P.O. Box 12428

Austin, TX 78711

(d) Every notice, payment, request, report, information, or demand so given shall be deemed effective on receipt, or if mailed, on receipt or the expiration of the third day following the day of mailing, whichever occurs first, except that any notice of change of address shall be effective only on receipt by the party to whom said notice is addressed.

SECTION 12. ENTIRE AGREEMENT. This Compact is the entire agreement between the parties and supersedes all prior agreements,

whether written or oral, with respect to the subject matter of this Compact. Neither this Compact nor any provision in the Compact may be changed, waived, discharged, or terminated orally, but only by an instrument in writing signed by the Tribes and the State.

SECTION 13. FILING OF COMPACT WITH SECRETARY OF STATE. On the effective date of this Compact, a certified copy shall be filed by the Governor with the Texas Secretary of State and a copy shall be transmitted to each house of the Texas State Legislature and the Texas Attorney General. Any subsequent amendment or modification of this Compact shall be filed with the Texas Secretary of State.

SECTION 14. TRIBAL PAYMENTS TO STATE FOR ECONOMIC BENEFITS OF EXCLUSIVITY. (a) The State and the Tribes acknowledge and recognize that this Compact provides the Tribes with substantial exclusivity and, consistent with the goals of the IGRA, special opportunities for tribal economic opportunity through covered gaming activity in the state. In consideration of the substantial exclusivity, so long as the State does not, after January 1, 2024, authorize or allow the operation of any additional form of gaming within the individual Tribe's Competitive Market, the Tribes agree to pay the State a percentage of the revenue derived from covered game revenues in an amount equal to five percent of the net win received by the Tribes in a calendar year from the play of Class III covered games. The amount is due and payable not later than the 20th day after the last date of the preceding quarter for the revenue received by the Tribes in the preceding quarter.

(b) Payment of revenue due under this Compact shall be made to the comptroller of public accounts of the State. Nothing in this Compact allocates the revenue to a particular state purpose.

(c) This Compact does not authorize the State to impose any tax, fee, charge, or assessment of the Tribes or an enterprise of the Tribes.

(d) The payments provided for in this Section of the Compact are subject to the following restrictions:

(1) In the event the State authorizes the State Lottery to operate Electronic Games of Chance, as defined by this Compact, the payments under this Section shall be reduced by 50 percent as of the date on which those games become available to the

public and this reduction shall remain in effect so long as those games remain available to the public. The remaining 50 percent of the payments shall remain in effect as a continuing incentive to the State to refrain from approving the operation of a Commercial Gaming Facility within the individual Tribe's Competitive Market.

(2) In the event the State authorizes or approves the operation of Electronic Games of Chance by a Commercial Gaming Facility within the individual Tribe's Competitive Market Area, the payment obligation under this Section shall be suspended in its entirety so long as the Commercial Gaming Facility continues to operate.

(3) In the event the State authorizes and approves the simultaneous operation of more than one Commercial Gaming Facility, including a licensed pari-mutuel horse or dog track, to operate Electronic Games of Chance, as defined by this Compact, within 100 miles of the boundary of the Tribes, payments made by the Tribes shall be reduced by 75 percent as of the date on which those games become available to the public and this reduction shall remain in effect so long as those games remain available to the public.

SECTION 15. TRIBAL PAYMENTS TO LOCAL UNITS OF GOVERNMENT.

(a) In addition to the payments to the State in Section 14 of this Compact, the Tribes shall also make payments in the manner described in this Section in an amount equal to two percent of the annual Net Win to the local units of government that are located in the immediate vicinity of the casino or that are otherwise directly affected by the operation of the casino. It is the intent of the State and the Tribes that the payments to local units of government provided for in this Section will be used primarily to provide financial resources to those political subdivisions of the State that actually experience increased operating costs associated with the operation of the Tribes' Class III gaming facilities.

(b) Local Revenue Sharing Board.

(1) The local units of government within which the gaming facility is located may, at their option, elect to form a Local Revenue Sharing Board in conjunction with the Tribes in the manner described in this Subsection. In that event, the Board shall receive and direct the disbursement of the payments required by

this Section.

(2) The Local Revenue Sharing Board shall be created pursuant to an Inter-Governmental Memorandum of Understanding, entered into between the Tribe or Pueblo and the following respective local units of government: (1) the county in which the casino is located; (2) the municipality, village, or township in which the casino is located; and (3) any remaining units of local government in the immediate vicinity of the casino that choose to be parties to the Inter-Governmental Memorandum of Understanding. The Inter-Governmental Memorandum of Understanding shall provide that the Local Revenue Sharing Board shall consist of the following individuals:

(A) one representative selected by the governing body of the county in which the Tribes' Class III gaming facilities are located;

(B) one representative selected by the governing body of the municipality, village, or township in which the Tribes' Class III gaming facilities are located;

(C) one representative selected by the remaining units of local government that are parties to the Inter-Governmental Memorandum of Understanding; and

(D) three representatives selected by the Tribes.

(3) Any disbursement of funds by the Local Revenue Sharing Board concerning the distribution of revenues shall require an affirmative vote of at least four of the six representatives composing the Board.

(4) The Tribes agree that they shall not unreasonably obstruct or impede the formation of their respective Local Revenue Sharing Boards which are amicably formed by the non-Tribal local units of government.

(5) The procedures for the functioning of the Local Revenue Sharing Boards, guidelines for establishment of criteria or a formula for the distribution of revenues, and all other matters not specified in this Compact shall be determined by the non-Tribal members of the Local Revenue Sharing Boards.

(6) Funds paid by the Tribes to the Local Revenue

Sharing Boards shall be held in an interest bearing account and the available funds shall be disbursed by the Boards consistent with the following priorities:

(A) Each unit of government shall first receive an amount equal to any specific actual costs incurred by that unit of government as the result of the development or operation of the Tribes' Class III gaming facilities, including payment to local units of government for police, fire, and public safety services.

(B) Each unit of local government shall next receive an amount equivalent to the amount of ad valorem property taxes that the unit of government would have received if the Tribes' Class III gaming facilities were subject to ad valorem property taxes.

(C) The balance of such funds remaining after the disbursements described in Paragraphs (A) and (B) of this Subdivision shall be allocated and disbursed by the Boards to eligible local units of government, including the school district in which the Tribes' Class III gaming facilities are located, to be used by those units of government for any lawful local government purpose.

(7) All payments due the local units of government pursuant to the terms of this Section shall be paid not later than the 20th day after the last day of the preceding quarter for the revenue received by the Tribes in the preceding quarter. Any payments due and owing from the Tribes in the year this Compact is approved, or the final year the Compact is in force, shall reflect the actual Net Win but only for the portion of the year the Compact is in effect.

(c) In the event that the eligible local units of government fail or decline to form a Local Revenue Sharing Board pursuant to Subsection (b), the Tribes shall allocate and disburse the funds required by this Section.

SECTION 16. TAXES. By entering into this agreement, neither the Tribes nor the State of Texas intend to create any new authority, nor to expand or diminish any existing authority, on the part of the State of Texas to impose taxes on the Tribes, their members, or any person or entity doing business with the Tribes

pursuant to this Compact.

SECTION 17. LIABILITY FOR DAMAGE TO PERSONS AND PROPERTY.

(a) During the term of this Compact, the Tribes shall each maintain public liability insurance with limits of not less than \$250,000 for any one person and \$4 million for any one occurrence for personal injury, and \$2 million for any one occurrence for property damage.

(b) The Tribes' respective insurance policies shall include an endorsement providing that the insurer may not invoke tribal sovereign immunity up to the limits of the policy required under Subsection (a).

(c) Neither the Tribes nor the State are creating, or intend to create, any rights in third parties which would result in any claims for any nature whatsoever against the Tribes or the State as a result of this Compact. Neither the Tribes nor the State have waived immunity from third-party suits or claims of any kind or nature whatsoever against them, and nothing contained in this Compact shall be construed to effect a waiver, in whole or in part, of said immunity.

SECTION 18. PROGRAM TO PROMOTE RESPONSIBLE GAMBLING. (a) Each Tribal Gaming Commission shall establish a program to promote responsible gaming and to mitigate pathological and reckless gambling by requiring:

(1) that all Gaming Facility supervisors and gaming floor employees are trained on responsible gaming and to identify and manage reckless gambling;

(2) that the Gaming Facility make available to patrons at conspicuous locations and ATMs in the Gaming Facility educational and informational materials which aim at the prevention of reckless gambling and that specify where to find assistance;

(3) the Gaming Facility to establish self-exclusion programs whereby a self-identified reckless gambler may request the halt of promotional mailings, the revocation of privileges for casino services, the denial or restraint on the issuance of credit and check cashing services, and exclusion from the Gaming Facility;

(4) the Gaming Facility to establish an involuntary exclusion program that allows the Gaming Operation to halt

promotional mailings, deny or restrain the issuance of credit and check cashing services, and deny access to the Gaming Facility to patrons who have exhibited signs of reckless gambling;

(5) the Gaming Facility to display at conspicuous locations and at ATMs within the Gaming Facility signage bearing a toll-free help-line number where patrons may obtain assistance for reckless gambling issues;

(6) the Gaming Facility to make diligent efforts to prevent underage individuals from loitering in the area of the Gaming Facility where the Gaming Activities take place; and

(7) the Gaming Facility to assure that advertising and marketing of the Gaming Activities at the Gaming Facility contain a responsible gambling message and a toll-free help-line number for reckless gamblers, where practical, and that they make no false or misleading claims.

(b) Nothing in this Compact is intended to grant any third party the right to sue based on a perceived violation of these standards.

IN WITNESS WHEREOF, the Tribal Chairperson or Tribal Governor, acting for the Tribes and the Governor acting for the State of Texas have set their hands and seals.

Date: [DATE]

APPROVAL BY THE SECRETARY OF THE INTERIOR

The foregoing Compact between the Indians and the State of Texas is hereby approved this [DATE], pursuant to authority conferred on me by Section 11 of the Indian Gaming Regulatory Act. I direct that it be promptly submitted to the Federal Register for publication.

United States Department of the Interior
for the Secretary of the Interior